

Successfully implementing sustainability

SUSTAINABILITY NATURALLY OCCURS EVERYWHERE, THUS IT CAN BE IMPLEMENTED IN A VARIETY OF WAYS. IN THIS ARTICLE THE ZNU SHOWS HOW THE TOPIC CAN BE INTRODUCED SPECIFICALLY INTO THE BAKING INDUSTRY



++ figure 1
The ZNU learning path of sustainable business management (2012)

+ Numerous demands, including those from politicians, NGOs, the retail and also from consumers, are being directed at baked goods manufacturers. Recurring scandals in the industry, rising prices for raw materials and energy, and not least demographic change are imposing requirements on businesses and their employees that were not being raised to such an extent a few years ago but the relevance of which will increase even more in the future.

To show companies along the food value creation chain a negotiable pathway through this jungle, the two founders and directors of the ZNU, Dr. Axel Kölle and Dr. Christian Gessner, together with their team of twelve, have developed a “learning path of sustainable business management” for companies. This learning path shows in four stages how the topic of sustainability can be implemented successfully in a business. Basically the learning path follows the ZNU’s fundamental understanding: “FIRST THINK – THEN ACT – THEN COMMUNICATE”.

Raising awareness of sustainability topics

Businesses in the baked goods area are being increasingly confronted with sustainability topics. For example, these may

be a result of indirect effects such as rising raw materials and energy prices, or even – due to demographic change – a noticeable decrease in skilled workers and management staff. However, direct approaches and demands “in terms of sustainability” on the part of retailers or even final consumers are increasingly pressing companies to address the topic of sustainability in greater depth. To obtain fundamental guidance on the topic, companies have the opportunity to acquire information via the classical media (print and radio/TV) or the new media (Internet, social networks), or even to take part in events on the subject of sustainability, of which there are now a large number.

In an online survey by the ZNU carried out in cooperation with the newspaper “Lebensmittelzeitung” (Food News) (manufacturers and retailers, n = 262, 2010) on the question of “Where are the biggest obstacles to the implementation of sustainability?”, the respondents answered that these lie firstly in the concrete “definition and measurement of sustainability”, and secondly in the fact that “the long-term course of action is often incompatible with the short-term requirements of day-to-day business.” Another obstacle is inadequate training on the subject of sustainability.

ZNU SustainabilityCheck

To deal with the obstacles of defining and measuring sustainability in a scientifically sound way, the ZNU has developed the so-called ZNU SustainabilityCheck in the context of a 1.5-year research project. The Check provides initial indications of a company's status quo with regard to sustainability. The aim of the ZNU SustainabilityCheck is to clarify exactly what constitutes sustainable business management, and where a company currently stands. This initial assessment is a self-evaluation which is carried out by a company's employees (the CEO and the skilled employees and management staff) and is intended to serve as a basis for the regular re-examination of the sustainability orientation of the business management.

The Self-Check consists of two parts. The combination of the two parts together constitutes the dynamics of sustainable business development:

- + Part 1 (Sustainable Business Management) comprises the "How?" of business management in a total of ten categories, each from an internal (enterprise) and external (value creation chain) perspective. The emphasis here is on strategic alignment and internal attitude.
- + Part 2 (Sustainability Themes) focuses on the topic-based "What?", i.e. what does your company undertake in relation to the topics of Climate/Energy, Resources, Biodiversity/Animal Welfare, Sustainable Value Creation/Fair Payment, Quality/Consumer Protection, Social Influence/Anti-Corruption, Human Rights, Health and Demography/Diversity – each for internal and external perspectives. The nine themes are assignable to the three pillars of the Economy, the Environment and Social Welfare.

The ZNU SustainabilityCheck has now been carried out successfully in more than 70 small and large businesses, and according to the businesses it has on the one hand led to a comprehensible measurement and systematization of existing sustainability activities, and on the other it has also provided pointers to concrete sustainability actions.

Sustainability Manager

For a successful, soundly-based implementation and realization of a sustainability management system, it is necessary to make the employees who are to carry it out "fit in terms of sustainability". For this it is advisable to train as sustainability managers those employees who on the one hand have a high level of acceptance among the rest of the workforce, and on the other who also recognize the topic as a real opportunity for themselves personally and for the entire company, and are thus motivated to drive forward and implement the sustainability topics successfully. The ZNU has now qualified more than 200 skilled workers and management staff (industry and retail) from the food sector in relation to the topics of sustainability and risk management. For this it is necessary to consider both the corporate and the product level. In addition to a "classical" participation certificate, those who complete the course successfully have an opportunity – based



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**Dr. Axel Kölle (left) and
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Directors and founders
of the ZNU +++

ZNU – Center for Sustainable Corporate Leadership

Dr. Axel Kölle and Dr. Christian Gessner founded the Center for Sustainable Corporate Leadership in late 2008. It is situated within the Faculty of Economics and Management of Witten/Herdecke University and has set itself the goal of making the topic of sustainability accessible and practicable for industry – especially for the food industry. The ZNU sees itself as a neutral scientific platform, and a high-ranking advisory council of science and industry has been formed from the dynamically growing network of partners, which now comprises 50 business enterprises, to give the ZNU's research strategies the necessary practical orientation. More detailed information about the ZNU can be found at www.uni-wh.de/znu +++

on preparing a comprehensive, practice-oriented case study – to obtain a certificate as a sustainability manager from the University of Witten/Herdecke.

The ZNU Sustainable Business Management Standard

To comply with the increasing requirements set by the various stakeholder groups – including the retail in particular – the ZNU in cooperation with the Rhineland TÜV has developed, based on the checks described above, the ZNU Sustainable Business Management Standard for the food industry. This project has been and is being accompanied by high-ranking advisory councils from industry and science.

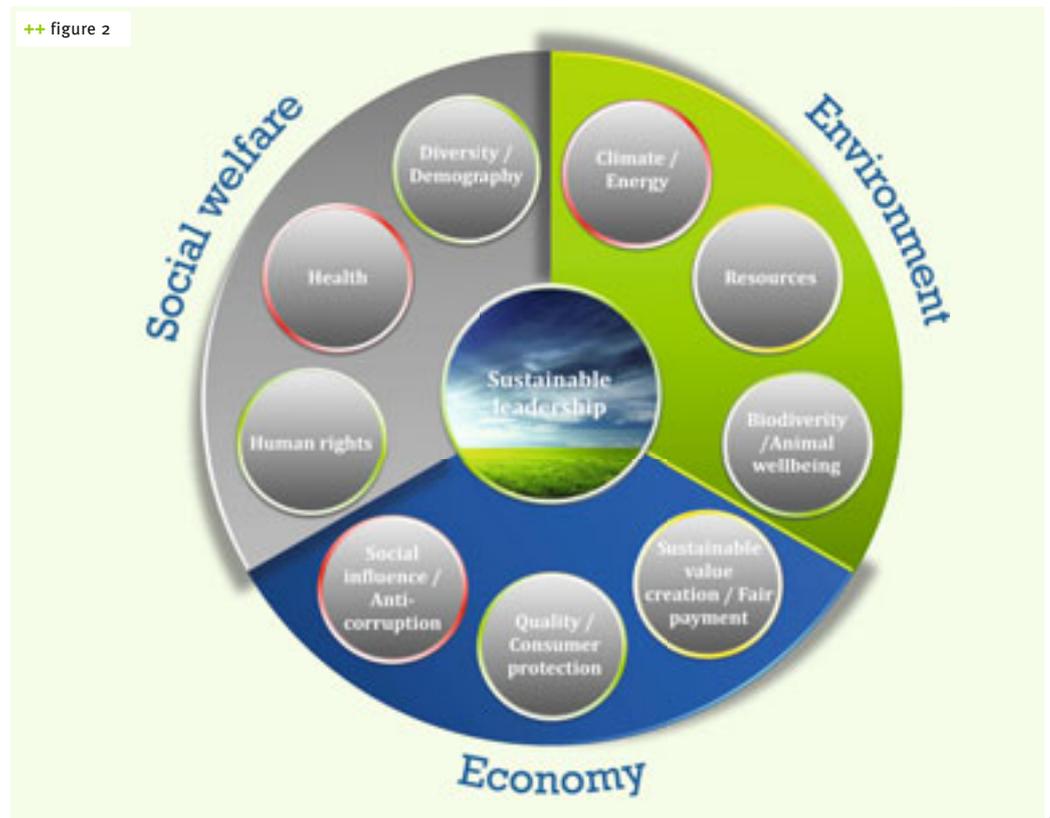
The aim of the project is to have a B2B standard that makes it easier for manufacturers to structure their sustainability activities while at the same time providing retailers with a quick, soundly-based overview of the respective manufacturer's sustainability. The first pilot businesses (Brandt, Kuchenmeister, Söbbeke and Teutoburger Ölmühle) were awarded their certificates by the Rhineland TÜV in late March this year after successfully passing a comprehensive audit. Other pilot businesses (Dr. Oetker, Ritter Sport, Vion and Wiesenhof) have already started implementing the Standard or will start doing so shortly.

The knowledge gained from the scientific accompaniment of the application of the ZNU SustainabilityCheck was used as a basis in developing the Standard, and also in current initiatives (ISO 26000, German Sustainability Codex and Global Reporting Initiative, among others). ▶

++ figure 2

The ZNU SustainabilityCheck
(2009/2012)

++ figure 2



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Sustainability in the baked goods industry – examples of good implementation

A few companies in the baking industry have now set out along the path towards sustainability and are benefiting economically through the implementation of ecological and social measures – this is true especially when taking into account the basic sustainable idea of “aiming much more at medium- and long-term ‘healthy’ growth rather than short-term profit maximization”.

Kuchenmeister GmbH has specifically reduced and is further reducing its use of energy and thus its CO₂ emission, for example, by implementing energy efficiency measures, e.g. extensive heat recovery plants, optimized air compressors and the use of LED lights as well as through logistics optimization, and has thereby also tapped into medium- and long-term potential financial savings. Consequently there has

been a payback here in several sustainability “accounts”, entirely in line with the spirit of sustainability.

Brandt Zwieback-Schokoladen GmbH, like Kuchenmeister, has addressed the topic of climate protection on a sound basis. In a first step, soundly-based site and product climate balances were used to determine the status quo in relation to CO₂ emissions. By applying value added chain analysis, targeted measures have now been initiated and/or implemented. Nowadays the purchase of sustainable palm oil is just as much taken for granted as is – where possible – selecting regional suppliers wherever possible, from raw materials to packagings.

Kanne in Lünen also follows the principle of purchasing regional raw materials. Wherever possible, this bakery obtains its raw materials from the region, and at the same time also often relies on the concept of contract cultivation to secure the raw materials, as well as having particular regard to fair added value creation. Kanne also emphasizes environmental conservation through the use of its own wind turbine and solar energy plants.

However, in addition to the ecological perspective, the social pillar of sustainability is gaining increasing importance, not least due to demographic change.

For example, early this year erlenbacher backwaren gmbh trained all of its apprentices and trainees to become what are known as “Sustainability Ambassadors”. Based on a commitment by the Executive Board to carry the theme of sustainability into all areas of the business, the youngest employees work in project groups on concrete sustainability projects developed in the context of internal training. Implementation of the ideas is always supported by a mentor from the management team. +++

Sustainability – what is it?

Sustainable business management means progressively accepting more responsibility for mankind and nature at a corporate and product level – from the company location through the value creation chain to society at large. It is important to keep in mind here the global North-South divide as well as future generations. The implementation of sustainability is a medium to long-term learning process for which an open dialogue with the company’s stakeholders is a precondition.

► ZNU definition of sustainability by analogy with accepted national and international definitions of sustainability +++