

Whether undertaken by an individual, or any group of individuals or organisations, a sustainability enterprise:

- 1. has as objective(s) outcomes that either directly contributes to the stock of natural, human and social capital, or increases the capacity of others to do so recognising that benefit only flows sustainably if the stocks of all three capitals are in good shape (*holistic and interconnected*)**
- 2. is mindful of others and its broader impact so growth of capital or benefit in one area does not result in a diminishment of capital or benefit elsewhere (including future generations)**
*can demonstrate a full sustainability appraisal lies behind the enterprise, and any impact on natural, human or social capital – positive or negative – is made explicit. (*systematic and transparent*)*
- 3. can explain gains (and any losses) in each capital area and provide evidence of how the enterprise will maximise gains, and minimise and/or restore any losses**
*is looking for positive collateral gains in all capital areas throughout the set-up and operation of the enterprise (*maximising benefit, minimising damage*)*
- 4. can explain the strategy, structure, process and skills behind the design and implementation of the enterprise**
*More than the outcome of the enterprise, which tends to be unique to a place and/or people (sharing experience, mentoring others,) the process is what is transferable, it is what people can learn from. (*transferring learning*)*
- 5. knows and respects the scientific principles affecting the physical world and that of human behaviour change**
*works within the physical laws that govern the use of energy and raw materials, and with the strategies that best influence behaviour change in people (*scientific and people literacy*)*
- 6. is replacing, or will replace, some *unsustainable* activity, rather than adding a new product or activity to business or life as before**
*sustainability will involve consuming differently but also means consuming a lot less. So organisations like FSC and MSC are sustainability enterprises only in so far as they shift consumption of wood and fish respectively to their labels in the context of diminishing overall consumption of wood and fish. Similarly, recycling is adding to overall resource use and pollution unless it is taking place when waste generation is falling overall. (*substitution – of sustainable behaviour for unsustainable behaviour*)*
- 7. whether undertaken voluntarily, or by a for- or not-for-profit exercise re-invests any surplus financial or physical assets in either the original undertaking, or in other undertakings that meet sustainability beneficial outcomes**
*even primarily for-profit enterprises limit their profit-taking to maximise sustainability outcomes, and NFP organisations use good governance and practice to obtain maximum benefits (*sustainability value added – making the most of financial and human resources*)*

Ideas, reflections, evidence, examples to improve this definition are welcome. Please be as brief as you can, and discuss and collaborate with others wherever possible. Send by e-mail to SPOffice@forumforthefuture.org with the words LSE Sustainability Enterprises in the heading.