13

THE FINANCIAL DRIVERS FOR EMBEDDING SUSTAINABILITY INTO A SPORTS ORGANIZATION

Colleen Theron and Larissa Prevett

This chapter will explore the key development questions about the financial aspects of incorporating the natural environment into sport organization operations. It will also answer the following questions specifically by using supporting case studies relevant to the sports sector:

- What elements comprise a sustainability strategy?
- What is the return on investment in the sustainability context?
- What role can standards play in adding value for organizations?
- What are the financial drivers, barriers and costs of embedding sustainability?
- How and to what extent has the sports sector demonstrated financial returns on sustainability initiatives?

Setting the scene

Increasingly, sport organization personnel, as with their counterparts in the corporate world, are beginning to focus on a sustainable approach to operating their business (Kirwan 2013). The expectation for organization personnel to demonstrate their corporate responsibility has never been greater. The spotlights on climate change, use of natural resources, employee well-being, value chains and the global economic crises have all led to increased pressure to manage the impacts of business activity on all stakeholders and contribute to sustainable industries (Chartered Institute for Personnel Development 2013). This demand for greater transparency and the continued desire by companies to increase profits at all costs provides a challenge for companies considering implementing sustainability principles. The challenge is, first, understanding why. And, second, understanding how. Many organizations are realizing the impact of sustainability issues on their core business, including resource constraints, climate change, labour issues and poverty.

In the context of this external scrutiny, more companies are reviewing their sustainability approach to determine what changes may be required. In a report carried out by Ernst & Young (2010), the participants described a three-stage journey that companies go through when they decide to embed sustainability in their corporate cultures. The three stages are as follows:

- ensuring they are in compliance with regulations;
- focusing on and reporting on economic benefits;
- integrating sustainability into the core strategy and culture.

In the case of a company adopting a framework under an ISO standard, the first step is planning what is required for the sustainable management system (International Organization for Standardization 2014). These issues are no different for sporting organizations.

Common concepts

Interviews from the pilot study described in Case Study 13.8 of this chapter demonstrated that those implementing sustainability in sports organizations mainly view it as *being green* and also costly (Whistler 2020 2011). Willard refers to the executive mindset having to evolve from seeing early sustainability initiatives – that is, those labelled 'green', 'environmental' and 'sustainable' – as an expensive and bureaucratic impediment to success (Willard 2012: 20). However, from an organizational perspective, sustainability covers more than environmental measures. It is about an organization being able to withstand the test of time profitably and understanding the strengths and weaknesses of your business, according to the views of those who can influence it and are influenced by it. It's almost like an organizational 360 appraisal.

The long-term financial viability of organizations, and more broadly the economy, is central to sustainability. The *United Nations 2005 World Summit Outcome Document* refers to the 'interdependent and mutually reinforcing pillars' of sustainable development, which are:

- economic development;
- social development; and
- environmental protection.

(World Health Organization 2014: 12)

Environmental, social and governance practices

Environmental, social and governance (ESG) practices of an organization occur in a number of different ways (e.g., Environmental Social Governance, Corporate Social Responsibility and Sustainability). Although strictly speaking they do not all mean the same thing, some argue that there is sufficient overlap and that they adequately capture the essence of sustainability (Willard 2012). However, others argue that the use of the term *sustainability* provides a more comprehensive approach to addressing all three elements (Savitz 2013). In this chapter, sustainability is the preferred umbrella term for the three key dimensions of responsible organizations.

The triple bottom line

Frequently mentioned under the auspices of sustainability is the concept of the *triple bottom line*. It was originally proposed by John Elkington (1998), who suggested that businesses should measure their success notionally by the traditional bottom line of financial performance (most often expressed in terms of profits, return on investment (ROI) or shareholder value) as well as by their impact on the broader economy, the environment and the society in which they operate.

Sustainability strategy and SROI

Embedding sustainability strategically can add value to and realize benefits for organizations, including sports organizations. Sustainability strategies may include either isolated or multiple coordinated measures. Thus, it refers to an organizational process or group of initiatives that aim to enhance social welfare or reduce environmental impacts. Implementing a standard or an environmental or sustainable management system is an integrated and systematic approach, which allows sustainability to form part of core business decisions.

ROI in this case refers to the financial benefits derived from a sustainability initiative for a particular period compared with the cost of implementing the measure. In contrast, Sustainable Return on Investment (SROI) integrates the ability to measure the social, economic and environmental returns on sustainability initiatives (Earthshift 2011). Whilst the environmental benefits of sustainability are widely accepted, the business case for implementing a sustainability management system or strategy is still in its infancy. Do sustainability strategies tend to cover solely those measures where it is easier to predict the financial benefits and costs? If so, would organizations be more likely to focus on a broader set of sustainability measures if ROI figures were more readily available for those measures? Understanding the return on investment of improving environmental and social practices in organizations is largely under-researched, including in the sports sector. This is largely due to the difficulty of quantifying the financial gains accurately or accounting for sustainability activities within traditional accounting systems (Larrinaga-Gonzalez and Bebbington 2001; Mathews 1997). These aspects of sustainability demonstrate the importance of embedding sustainability issues within organizational strategy.

Embedding sustainability

The Star Model, developed by Jay Galbraith (1995, 2014), is one way of focusing on a number of elements in an organization and how they factor into sustainability planning (Figure 13.1). The framework has five elements (strategy, structure,

CASE STUDY 13.1: FACTS AND FIGURES

Wembley Stadium, London, and Millennium Stadium, Cardiff, have both reported significant savings as a result of their environmental sustainability strategies. As expected, this area is where most organizations are more readily able to provide percentage ROI figures or at least a total amount of savings over a given period. The success rates for energy management efforts for sporting venues is notable. The Millennium Stadium stated that simply by removing water heaters they were able to save £217,000 pa, amounting to an ROI of 130.9 per cent. Moreover, replacing the venue's lighting system has reduced lighting costs by 70 per cent pa.

Wembley Stadium claims that through their sustainability measures over the past five years, including putting in place 100 per cent renewable energy, they have saved an average of nearly £¾ million pa. Their waste-management initiative is another major achievement, which provides them with a return of £5 per tonne of recycled waste.

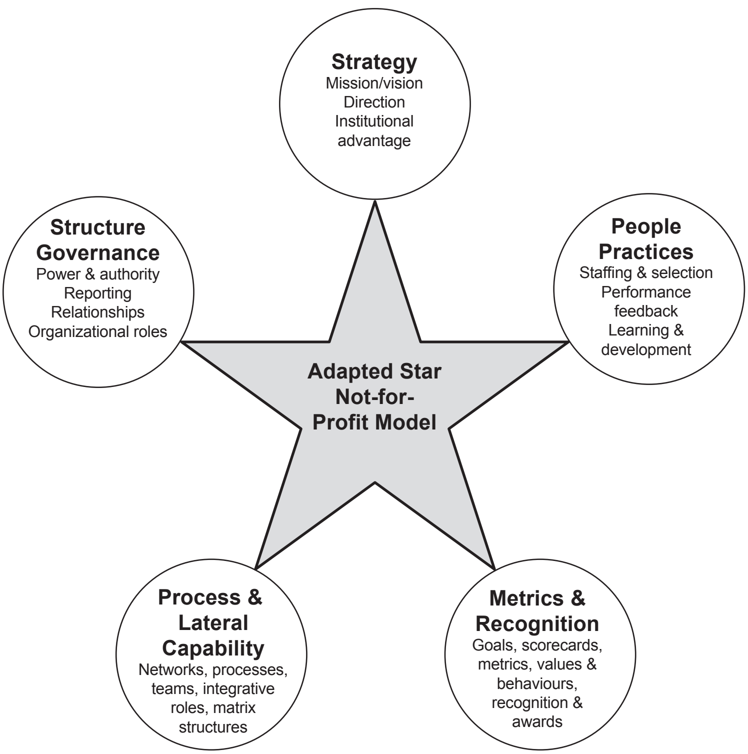


FIGURE 13.1 Star Model adapted to social change organizations

Source: adapted from Galbraith (1995).

processes, people and rewards) essential to changing the culture of an organization (Galbraith 2014; Network for Business Sustainability n.d.). For organization personnel committed to embedding sustainability into their strategy, it is key to know what is on the boardroom agenda.

What's on the boardroom agenda?

In many instances, sustainability initiatives might be pushed for by the operations managers rather than top management. A key question for any person wanting to look at embedding sustainability in an organization, where it is not being led from the top, is to ask: What is on the boardroom agenda? Is compliance linked to sustainability? What about revenue generation? Are directors aware of their personal liability?

The business case for sustainability is growing. Measuring return on investment is essential for any company. When considering what is on the boardroom agenda, using language that the CFO or CEO is familiar with is necessary to obtain *buy in* and support, especially when undertaking standardization practices and processes.

Standards

Codes and standards play an important role in encouraging companies to adopt sustainable practices, as they can provide a common understanding of CSR issues and a more uniform approach to managing environmental, social and economic risks. ISO 26000 and ISO 20121, with their emphasis on sustainable development principles, have changed the way organizations think about social and environmental impacts. Certification also informs customers that a supplier (for example, food caterers to a venue, such as Sodexho) implemented a management system conforming to certain standards. The use of standards to reduce adverse environmental impacts is established (Theron and McKenzie 2012: 24).

What is ISO 20121?

ISO 20121 is one example of a framework for the implementation of a sustainable management system and is a standard designed to help organization personnel in the events industry to improve the sustainability of their event-related activities, products and services. It is intended to integrate sustainability into the management practices of events, sports and hospitality industries – operationally and strategically. It can be applied by any organization in the events sector, including organizers, venues and suppliers.

It is based on a British predecessor from 2007, the *BS901 Specification for a Sustainability Management System for Events*, and was formally launched for the London Olympics in 2012 (Lambert 2013). The involvement of the London Organising Committee of the Olympic and Paralympic Games (LOCOG) in developing the standard means it is an important part of the London 2012 legacy (Queen Elizabeth Olympic Park 2014). A year on from the event, its proliferation

CASE STUDY 13.2: SUSTAINABILITY AS A PART OF THE GAME PLAN

The London 2012 Olympics

Sustainability was given a prominent role in the build up towards and throughout the duration of the event. In many ways, the event created a platform for promoting sustainability leadership in the sports sector by making it a priority of the Games and elevating its exposure in the public eye. The event has undoubtedly shaped the entire sporting community's attitude towards the importance of its own sustainability, but to what end and extent is not clear.

Obtaining sponsorship

Above all, the event confirmed the marketing value of sustainability strategies. In particular, the London Organising Committee of the Olympic and Paralympic Games (LOCOG) was able to use its sustainability strategy to engage with sponsors, many of whom wanted to improve their own sustainability credentials by collaborating with the Olympics and becoming associated with London 2012.

Legacy

LOCOG personnel sought to demonstrate strong sustainability leadership and did so to great effect. For many sporting organizations, the event is likely to have put sustainability on the map for the first time. However, there is also a question of whether the Olympics can be criticized for overshadowing the achievements of venues who have been pursuing a sustainability strategy for a longer term and whose practices have been developed to a higher standard than those adopted by LOCOG during London 2012.

Some context is also required. Undeniably the Olympics raised the profile of sustainability in the sport and event sector significantly, and this merits special recognition as there may be less motivation to implement a sustainability strategy when there is no long-term gain involved. Contrastingly, ensuring good sustainability credentials is easier when limited to a particular event, albeit very complex and large-scale, and for a set duration. Although desirable, it is perhaps less realistic for venues to fervently prioritize sustainability habitually and it is more interesting to see how venues used during the Olympics, such as ExCel, continue to demonstrate leadership and make sustainability core to its business on an on-going basis.

in the sporting sector began to take off. ISO 20121 requires organizational personnel to focus on the following aspects:

- economic – operating in a way that is financially viable for the organization and its customers and suppliers;
- environmental – minimizing the use of resources and reducing waste;
- social – considering the needs and expectations of those affected by the organization or event.

(International Organization for Standardization 2014)

Although it follows the same formula as other ISO standards, namely a PLAN, DO, CHECK and ACT process, it is not a tick box system or checklist. This distinguishes it from the ASTM General Meetings Standards, too (ASTM 2014). ASTM, previously known as the American Society for Testing and Materials, is an international technical standards body. Through the implementation of ISO 20121, an organization involved in the events sector can innovate, drive continuous improvement and add value. These are broader business benefits, which should translate into financial gain, as well as cultural and performance gains.

This means that ISO 20121 is not only about environmental or *green* issues, and it is not the same as ISO 14001, which is an international standard for environmental management. ISO 14001 only deals with environmental impacts, whereas ISO 20121 is a holistic standard, which requires leadership, understanding the internal and external risks to the organization, and an emphasis on communication and supply chain awareness. These are all critical elements of a comprehensive and systematic sustainability strategy (CLT envirolaw 2014a).

CASE STUDY 13.3: THE VALUE OF STANDARDS

The Aviva Stadium in Dublin, Ireland, is BS901 certified. The venue's business case (Kirwan 2013) demonstrates the broad benefits of implementing a sustainability management system, as a result of improved processes and operations. Effective waste and resources management strategies have led to the following:

- 400,000 litres of water saved annually;
- use of low-impact materials such as GGBS concrete saved approximately 4,000 t CO_2 in embodied energy;
- CO_2 savings equate to removing 1,280 vehicles from the road for one year;
- 62 per cent of all waste generated recycled in 2012;
- diesel oil generator reduced carbon emissions by 50 per cent;
- electrical usage was reduced by 26 per cent between 2010 and 2011.

The significant savings have released €100,000 to be spent on an annual community fund.

CASE STUDY 13.4: LEGAL COMPLIANCE AND BEST PRACTICE

Part of ISO 20121 is moving towards best practice and ensuring continuous improvement in the operation of the sustainability management system. A crucial stepping stone in understanding how to move beyond compliance is being able to understand what compliance requirements an organization is subject to in the first place and being able to demonstrate compliance clearly.

CLT envirolaw assisted UBM Live, an events organizer, in developing a bespoke and comprehensive register outlining all mandatory and voluntary developments in sustainability. The company was able to get a clear understanding of its legal obligations in different regions of operation and thereby minimize the risk of liability under packaging and waste regulations, for example. Arguably the ROI in some instances of non-compliance far outweighed the investment in developing the process, as the fines for non-compliance could have extended upwards of £¼ million in this particular case.

Moreover, from the register the organization was able to identify areas where moving towards best practice was feasible and realize continuous improvement.

Drivers and benefits vs barriers and costs

Drivers: return on investment

Organizational change generally occurs for two key reasons – to capture opportunities or to mitigate risks (Willard 2012: 128). Companies will approach how they want to achieve either of these objectives in different ways. The Ernst & Young report (2010) suggests that companies usually achieve embedding sustainability into their organizations in a three-step process, working from first trying to achieve compliance through to embedding cultural changes. Willard (2012) also describes a three-stage journey from pre-compliance to compliance to beyond compliance. To fully embed sustainability into its organizational strategies and operations, the organization personnel need to develop a business case. This case should include the risks of what might happen if the company does not take action as well as the benefits it can reap if it does. The gains to be made are thus all about making savings and increasing efficiency, as well as demonstrating leadership, enhancing reputation and, hopefully, acquiring a competitive advantage in the market (Kirwan 2013). Willard (2012) articulated the business case and sustainability benefits, as demonstrated in Figure 13.2.

In his book *Leading Change Toward Sustainability*, Doppelt (2009) documents that, although initial investment costs might be required, the returns on implementing sustainability measures are endless. He stated that this conclusion corresponds to

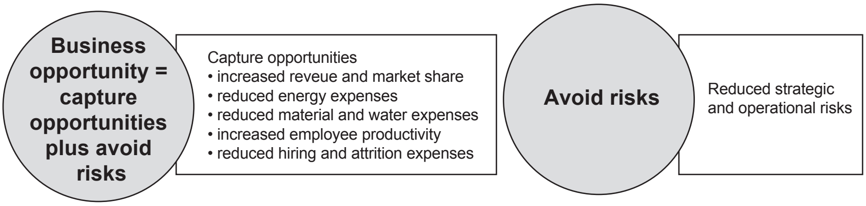


FIGURE 13.2 A business case for sustainability

Source: adapted from Willard (2012: 29).

CASE STUDY 13.5: SUSTAINABILITY SELLS

Both Wembley Stadium and Aviva Stadium have won tenders for hosting events on the back of their sustainability credentials. In Aviva Stadium's business case for sustainability, it states:

> Sustainable venue certification has enabled the stadium to successfully compete for a number of major sporting events including the Europa League Final 2011 and the Heineken Cup Final 2013, while also attracting major corporations for non-match day events such as the Nokia global conference and, more recently, the global launch of BMW's new hybrid car at an event to discuss the future of green motoring.

economic benefits documented by leading companies across the globe that have adopted sustainability policies. However, he pointed out that comparatively few organizations in Western society have successfully adopted these measures, leading to an important question – why don't more organization personnel adopt them where the need is perceived as urgent and the benefits potentially great? (Doppelt 2009).

Engagement and stakeholders

Whilst there is a body of research on other drivers pushing companies to work towards fully integrating sustainability into corporate strategy and culture, external stakeholders are increasingly asking companies to account for their sustainability performance. These include the following:

- client requirements;
- equity analysts are including climate change-related factors in the valuation of companies (it can impact on security of supply, for instance);
- investors are increasingly looking at ESG performance data as shareholding periods are getting longer;

- NGOs are drawing public attention to corporate environmental and human rights mishaps through effective campaigns;
- regulators and standard setters – hard and soft law are on the rise;
- banks and insurers are placing more information on building sustainability principles into their underwriting practices and preceding decisions.

(Ernst & Young 2010)

Getting comprehensive information before setting a strategy is therefore crucial. A key part of this is stakeholder engagement, yet a survey by the Chartered Institute of Personnel and Development (CIPD) (Chartered Institute of Personnel and Development 2013) found that only a third of organizations collect information from stakeholders about what responsibilities they see the organization having to the economy, society and the environment.

Decisions by current and potential customers and investors increasingly take into account non-financial information. If the customers and investors in your sector include sustainability performance in their purchasing/investment decisions, then the process of embedding sustainability, including engagement, can help organization personnel assess how to rank high in the purchasing/investment selection (Global Reporting 2011).

CASE STUDY 13.6: BETTER STAKEHOLDER RELATIONS FOSTER INNOVATION

CLT envirolaw assisted in the implementation of ISO 20121 for a global event organizer listed on the FTSE 250. During the second year of the management system's lifecycle, CLT envirolaw ran a stakeholder forum for the company to get all key suppliers involved in the strategy.

By collaborating with the suppliers, the company became more innovative. It was found that companies further down the supply chain had very creative suggestions for measures that could be implemented in the sustainability strategy. An example was the recycling of PVC banners to manufacture school bags which were then shipped by a supplier to a charity in Africa. Usually the recycling of PVC banners is a problem as they do not biodegrade and finding uses for them post an exhibition is challenging. This suggestion led to a win–win situation:

- the organization met its waste minimization objectives, and
- tied this into a community project that supported its social goals and thereby provided a tangible benefit to a community.

Organizations that are more likely to be assessed in these areas by their stakeholders are those that:

- have high brand presence;
- work in an industry currently that has high environmental or social impacts; or
- are listed on any sustainability indices (Carbon Disclosure Project 2014; Dow Jones Sustainability Indices 2014; FTSE4Good 2014).

(Globescan 2004)

Attaching the sustainability message to sport is an important opportunity (Balch 2013). By accessing and engaging with the fan base attending live games, for example, initiatives such as Pump It Up by Global Action Plan are able to spread their educational message wide (Global Action Plan 2014). The role of sport fans in assessing non-financial information is also slowly starting to emerge. Recent years have seen a small but growing interest in sporting infrastructure, such as low-carbon stadiums (Balch 2013; Casper *et al.* 2014). However, mega sporting events, such as the 2014 Winter Olympics in Sochi and the upcoming Qatar FIFA World Cup in 2022, saw a rise in civil society campaigners and trade unionists seeking to highlight a range of social and environmental concerns across the event lifecycle (Institute for Business and Human Rights 2013).

Benefits

The benefits of embracing sustainability organizationally, operationally and strategically overlap with the drivers. However, it is important to note that many organization personnel recognize, or are likely to experience, unanticipated benefits from embedding sustainability. That is to say, in addition to their original drivers, the benefits have proved far wider than original strategic goals and objectives might have predicted or hoped for. This belief is supported by the quantitative data from the sports sector study described in Case Study 13.8. Whilst the main drivers for participants were cost reduction, reputational enhancement and management of environmental impacts, the resulting benefits, which were highlighted, are as follows:

- cost reduction;
- improved brand image;
- better understanding of legal compliance issues;
- better supply chain management;
- improved stakeholder engagement.

Thus, the process of embedding sustainability properly, which incorporates stakeholder engagement, is in itself seen as valuable to organizations (i.e. the Wembley Stadium example in Case Study 13.7).

CASE STUDY 13.7: SUSTAINABILITY BONUS

According to the UK Government-sponsored engagement scheme, Engage for Success, lack of employee engagement is associated with an existing productivity gap in the UK. Improving engagement could add an estimated £25.8bn to national GDP. Research produced by Hay states that 94 per cent of the world's most admired companies believe that their efforts to engage their employees have created a competitive advantage.

Wembley Stadium, London, in particular highlights the benefits which have resulted from encouraging the active involvement of staff in their environmental initiatives and giving employees greater ownership of sustainability.

Barriers

In the pilot study discussed later on in this chapter (Case Study 13.8), the participants stated that despite socially responsible activities being a seemingly major driver towards sustainability, this has its limitations. Most interviewees complained that their venues can only implement sustainability to the extent that it is possible given a lack of:

- budget;
- stakeholder pressure; and/or
- understanding of how sustainability fits within the broader organization.

When implementing a sustainability management system in adherence to a particular framework or standard, such as ISO 20121, barriers often include:

- lack of *buy in* often due to the use of the language of the standard;
- lack of understanding about the standard;
- complexity of the law;
- a desire to treat it as a box ticking exercise as with some ISO protocols;
- seen as something that was dealt with by the operational managers.

Other general organizational barriers to adopting sustainability measures are (Chartered Institute of Personnel and Development 2013: 16):

- other business objectives take immediate priority;
- the business benefits are not obvious;
- too much focus on short-term goals;
- unwilling to make the required financial investment in corporate social responsibility;
- cynicism from the workforce;

- lack of knowledge across the organization about corporate social responsibility (Casper *et al.* 2012);
- lack of awareness of environmental or sustainability issues more broadly (Casper *et al.* 2012);
- lack of leadership support for corporate social responsibility;
- sustainability or corporate social responsibility is not in anyone's remit/job role;
- lack of capability to put corporate social responsibility into practice.

As noted earlier, top management buy-in is a fundamental starting point in embedding sustainability effectively. If the decision-makers in an organization do not understand the reason for embedding sustainability *properly*, then an organization is unable to unlock its full potential. Embedding sustainability as a strategic issue goes beyond a marketing exercise as its value lies in changing and transforming the culture and operations of an organization. Proper leadership provides direction and cohesion to the range of environmental and social activities undertaken by an organization.

Key costs

In introducing any new concept or process to an organization, or in order to innovate, time and money, to different extents, are prerequisite. This includes making sustainability habitual. Organization personnel contemplating embarking upon a sustainability journey must consider and plan for the following items:

- employee time of those responsible for managing the process (e.g. a sustainability manager);
- employee time of those employees involved in the process (e.g. capturing data and reporting back to management);
- acquiring knowledge and skills (e.g. consultancy and training);
- communications;
- quality assurance to audit performance and obtain third-party certification;
- any technological tool used in the process (e.g. bespoke software for the capturing of data).

Conclusions

The use of the ISO 20121 standard sets a framework for an organization to start its sustainability journey. Strategically, it contributes to the organization's better understanding of its business issues, as well as its environmental, social and economic context issues, as demonstrated by the case study of UBM Live within the events sector (Case Study 13.4).

As part of the process, the organization also has to understand its external environment to achieve its objectives. In the case of UBM Live, a leading

CASE STUDY 13.8: A PILOT STUDY OF THE SPORT SECTOR'S VIEWS ON SUSTAINABILITY STRATEGIES AND THEIR RETURN ON INVESTMENT BY CLT ENVIROLAW

December 2013 Executive Summary

Overview

This report is the product of a pilot study including eight sporting event venues with varying sustainability strategies. The study assessed the drivers and barriers to commencing the implementation of diverse sustainability strategies, such as ISO 20121, and the benefits and costs associated with the implementation of each. In addition to getting participants to fill out a survey questionnaire, CLT envirolaw also interviewed the organizations to assess whether the benefits and costs of the sustainability measures could be translated into financial data to provide a return on investment ('ROI') figure for each sustainability measure, as well as the overall strategy.

Key findings

In summary, the principal driver for participating organizations was achieving cost reductions through measures that could produce a more demonstrable ROI or translate easily to financial gains (e.g. energy management). Some participants noted that for other measures (e.g. stakeholder engagement) not being able to predict ROI was a barrier to implementation. However, once implemented, all participants agreed, when prompted, that the process of implementing these measures provided a wider range of benefits (e.g. improved stakeholder relationships). CLT envirolaw therefore believes that translating intangible benefits into more tangible data will assist in the selection of, and allocation of resources for, a wider range of beneficial sustainability measures, such as a reduced risk of litigation due to enhanced understanding of legal compliance issues and improved productivity between an organization and its employees, suppliers and other stakeholders. This process will require organizations to gather more detailed data. Some of the pilot study participants noted that this data could be time-consuming to gather. For this reason, CLT envirolaw hopes to research further and determine whether this data could be gathered in a more cost-efficient manner.

Overview of findings

The principal findings can be summarized as follows:

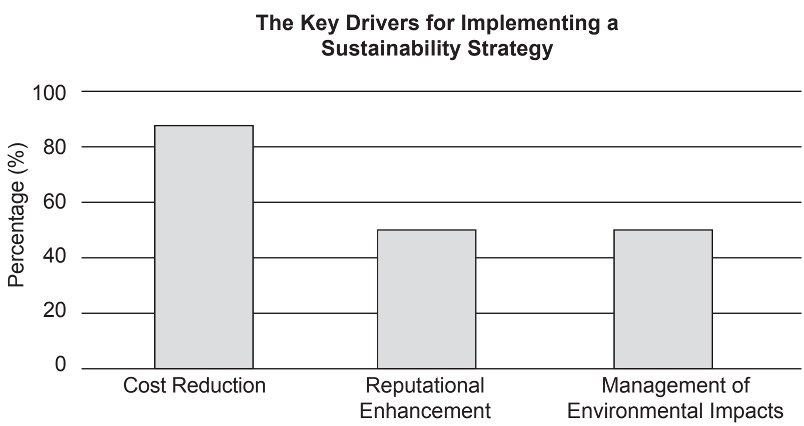
- Cost reduction was the only driver, and lack of budget the only barrier, cited by more than half the organizations in the survey.
- Sustainability measures focused on those areas with the highest potential for cost reductions, particularly in energy management. These were the same measures that some participants were able to provide ROI figures for.
- Venues that are competing for both sporting and commercial events (e.g. ExCel and Millennium Stadium) used their sustainability credentials to attract these customers. Other venues, particularly those associated with well-known brands linked to a single sport (e.g. Lord's and Emirates), did not feel this was a driver.
- Stakeholder engagement was undertaken by all venues as part of their sustainability strategies. All organizations stated that the engagement process had been beneficial.
- Finding it difficult to project direct financial returns for a measure can be a barrier to getting a budget for its implementation. This is particularly the case for social measures such as community engagement.
- The drivers and benefits for ISO 20121 for the participating venues were varied. Some saw it as a seal of approval whilst others used it as a framework for delivering other benefits. All certified or soon-to-be-certified venues believe the standard has overcome the barrier of showing how sustainability fits within the broader strategy of the organization.
- The majority of organizations stated that improved supply chain management and/or understanding of legal compliance issues were a benefit resulting from implementing a sustainability strategy. However, no participant provided ROI figures for these benefits.

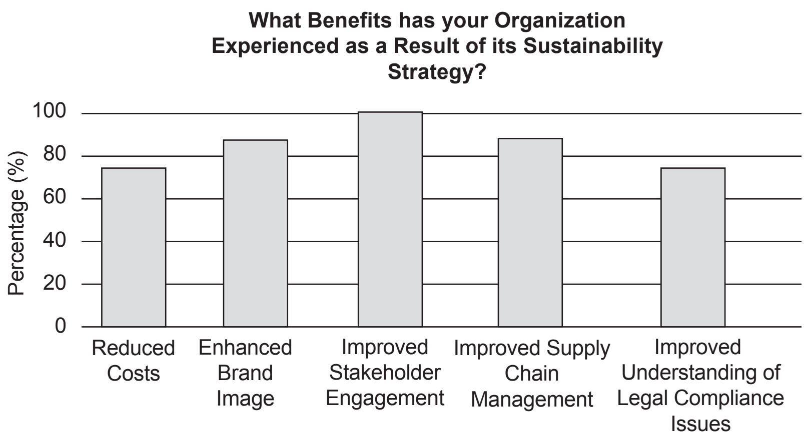
Accounting for limitations of data collected

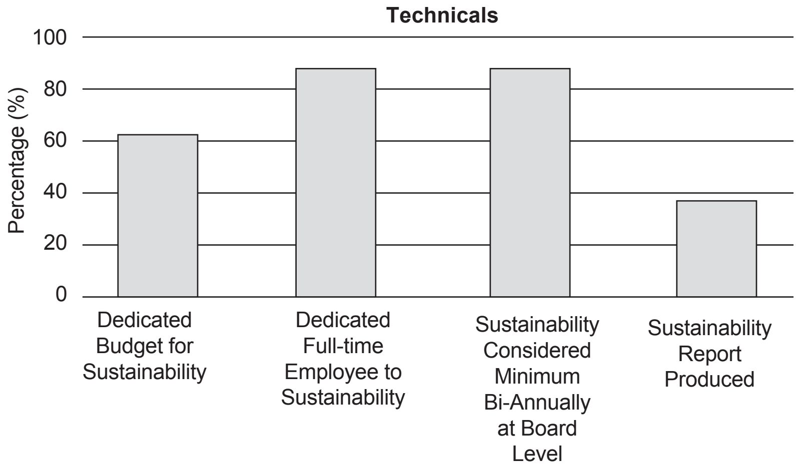
- Interviewees' views do not necessarily reflect the view of the organizations and its entire top management.
- Most participants were situated in London.
- Limited types of sports venues were involved, most of which were used for football and/or rugby.
- Majority of interviewees had a facilities and operations background, which may influence the focus of an organization's sustainability strategy.

Nonetheless, the data clearly shows that internal and external pressures will vary according to whether venues are multi-use or used predominantly for a single sport. It also provided insights on how these different pressures can influence a sustainability strategy, particularly its span and level of implementation. Moreover, there was a high degree of commonality between participants' answers during both the survey and interview stages. Whether information on ROI can be readily produced or not will be similar across all types of venues as it is more related to the nature of the sustainability measure than the type of sporting venue and its location. For instance, no participant was able to provide a figure representing the financial gains from the more intangible, but nonetheless expressly acknowledged, benefits associated with sustainability strategies.

Quantitative data taken from the survey







Next steps

The pilot study brought to light patterns which are worth investigating further. Additional respondents will help shed more light on these patterns as well as improve the quality of our sample and the credibility of our findings. Further respondents will help to determine whether ROI is generally included in choosing a sustainability strategy and assessing its impact, and whether there is potential to gather more specific information around the wider range of benefits, such as improved internal and external stakeholder relations, reputation enhancement and reduced staff turnover, leading to higher productivity.

If sufficient information is gathered, it may be possible to develop guidelines to help organizations project and/or determine the ROI for their sustainability strategies. Further recommendations for the following phase of this study are outlined at the end of the report. To view the full report visit www.clt-envirolaw.com/introductory-guides-research-and-reports.

business-to-business company (i.e. exhibition events), and other organizations adopting ISO 20121 (e.g. the Millennium Stadium in London), third-party certification and maintaining this certification to preserve reputation and ensure continuous improvement has meant that year on year the company's performance has grown, both in terms of maturing and measuring the impacts of the system. Critically, it has begun to show savings across operations, including those falling outside the scope of the system, making ROI a key feature of its worth. For example, UBM Live saved €15,000 in printing costs by reducing printed catalogues, and a potential energy saving cost of €10,939 at one of their exhibitions.

The role of standards, therefore, should not be underestimated in finding a practical means to embed sustainability. However, the use of standards is conceptually very new to the sporting industry where *sustainability* and *corporate social responsibility* are more familiar. There is also the drawback of standards being treated as tick box exercises which inhibit progress; they are treated as a ceiling rather than a starting point in moving towards best practice.

The principal driver for participating organizations in the pilot study shown in Case Study 13.8 was achieving cost reductions, with measures that could produce a more demonstrable ROI or translate easily to financial gains (e.g. energy management). Some participants noted for other measures (e.g. stakeholder engagement) that not being able to predict ROI was a barrier to implementation. However, once implemented, all participants noted, when prompted, that the process of implementing these measures provided a wider range of benefits (e.g. improved stakeholder relationships). Thus, translating intangible benefits into more tangible data will assist in the selection of, and allocation of resources for, a wider range of beneficial sustainability measures.

This process will require organization personnel to gather data to reduce the risk of litigation due to enhanced understanding of legal compliance issues and improve productivity between an organization and its employees, suppliers and other stakeholders. Some of the participants in the pilot study (CLT envirolaw 2014b) noted that this data could be time-consuming to gather. Being able to produce a projected ROI figure for measures is widely seen as conducive to acquiring management buy-in and securing a sufficient budget for measures.

Areas for future research

The pilot study provided up-to-date information on the view of sustainability strategies in the sporting sector and identified patterns worthy of further exploration (CLT envirolaw 2014b). Additional respondents should help develop further insights on these patterns. However, in order to produce more financial data on the benefits attested by participants, a few alterations need to be made to the existing method. Potential improvements might be:

- requesting more detailed information on the cost of implementing various sustainability measures, in terms of time, money and other resources invested;
- ranking of the different drivers, barriers and benefits by each participant to assign a weight to the different points raised;
- more questions around growing legal compliance risks which organizations are facing;
- focusing more in the interviews on the potential for gathering ROI for each measure – for example, by:
  - gathering information through employee, sponsor/investor and/or supplier surveys; or

– considering the potential litigation costs or fines as a result of non-compliance with legal obligations.

References

ASTM. (2014) 'Home'. Available online at www.astm.org/ABOUT/overview.html (accessed 23 May 2014).

Balch, O. (2013) 'Sustainability and aports: A winning behaviour change combination?' *The Guardian*, 2 December.

Carbon Disclosure Project. (2014) 'Home'. Available online at https://www.cdp.net/en-US/Pages/HomePage.aspx (accessed 23 May 2014).

Casper, J. M., Pfahl, M. E., and McSherry, M. (2012) 'Athletics department awareness and action regarding the environment: A study of NCAA athletics department sustainability practices'. *Journal of Sport Management*, 26: 11–29.

Casper, J. M., Pfahl, M. E., and McCullough, B. (2014) 'Intercollegiate sport and the environment: Examining fan engagement based on athletics department sustainability efforts'. *Journal of Issues in Intercollegiate Athletics*, 7: 65–91.

Chartered Institute of Personnel and Development. (2013) 'The role of HR in corporate responsibility'. Available online at www.cipd.co.uk/hr-resources/research/role-hr-corporate-responsibility.aspx (accessed 23 May 2014).

CLT envirolaw. (2014a) 'Introductory guide on ISO 20121'. Available online at http://clt-envirolaw.com/introductory-guides-research-and-reports (accessed 23 May 2014).

CLT envirolaw. (2014b) 'A pilot study on the sports sector's views on sustainable strategies and their return on investment'. Available online at http://clt-envirolaw.com/introductory-guides-research-and-reports (accessed 23 May 2014).

Doppelt, B. (2009) *Leading Change Toward Sustainability*. Sheffield, United Kingdom: Greenleaf Publishing.

Dow Jones Sustainability Indices. (2014) 'Dow Jones Sustainability Indices'. Available online at www.sustainability-indices.com (accessed 23 May 2014).

Earthshift. (2011) 'Sustainability return on investment (S-ROI)'. Available online at www.earthshift.com/start/sustainability-return-on-investment-sroi (accessed 23 May 2014).

Elkington, J. (1998) 'Partnerships from cannibals with forks: The triple bottom line of 21st-century business'. *Environmental Quality Management*, 8: 37–51.

Ernst & Young. (2010) 'The sustainability journey: From compliance, to opportunity, to integration'. Available online at www.tapestrynetworks.com/documents/Tapestry_EY_ACLN_InSights_Aug10.pdf (accessed 23 May 2014).

FTSE4Good. (2014) 'FTSE4Good ESG ratings'. Available online at www.ftse.com/products/indices/FTSE4Good (accessed 23 May 2014).

Galbraith, J. (1995) *Designing Organizations: An Executive Briefing on Strategy, Structure, and Process*. San Francisco, CA: Jossey-Bass.

Galbraith, J. (2014) 'Star Model'. Available online at www.jaygalbraith.com/images/pdfs/StarModel.pdf (accessed 23 May 2014).

Global Action Plan. (2014) 'Pump it up: The sustainable travel plan with a difference'. Available online at http://managingpartnergap.co.uk/Attachments/journey_march_11_a3 (accessed 23 May 2014).

Global Reporting. (2011) 'Starting points: GRI sustainability reporting: How valuable is the journey?' Available online at https://www.globalreporting.org/resourcelibrary/Starting-Points-2-G3.1.pdf (accessed 23 May 2014).

Globescan. (2004) 'Guess what? People do read CSR reports'. Available online at www.globescan.com/news_archives/csr04_gri_PR.html (accessed 23 May 2014).

Institute for Business and Human Rights. (2013) 'Striving for excellence: Mega sporting events and human rights'. Available online at www.ihrb.org/pdf/2013-10-21_IHRB_Mega-Sporting-Events-Paper_Web.pdf (accessed 11 October 2014).

International Organization for Standardization. (2014) 'Home'. Available online at www.iso.org/iso/home.html (accessed 23 May 2014).

Lambert, G. (2013) 'International Standards Organization, 9 January'. Available online at www.iso.org/iso/home/news_index/news_archive/news.htm?Refid=Ref1690 (accessed 1 May 2014).

Larrinaga-Gonzalez, C. and Bebbington, J. (2001) 'Accounting change or institutional appropriation? A case study of the implementation of environmental accounting'. *Critical Perspectives on Accounting*, 12: 269–92.

Kirwan, P. (2013) 'The business case for sustainability: The Aviva Stadium'. Available online at www.ecocem.ie/uploads/news/1357570027.pdf (accessed 23 May 2014).

Mathews, M. R. (1997) 'Twenty-five years of social and environmental accounting research: Is there a silver jubilee to celebrate?' *Accounting, Auditing & Accountability Journal*, 10: 481–531.

Network for Business Sustainability. (n.d.) 'Embedding sustainability into organizational culture: Framework and best practices'. Available online at http://nbs.net/wp-content/uploads/CultureReport_v4_F2.pdf (accessed 23 May 2014).

Queen Elizabeth Olympic Park. (2014) 'The park'. Available online at http://queenelizabetholympicpark.co.uk/the-park (accessed 23 May 2014).

Savitz, A. (2013) *The Triple Bottom Line: How Today's Best-run Companies are Achieving Economic, Social and Environmental Success – and How You Can Too*. San Francisco, CA: John Wiley & Sons.

Theron, C. and McKenzie, S. (2012) 'Exploring the nexus between sustainability standards and sustainability legislation as drivers to improved sustainability in business'. Available online at http://clt-envirolaw.com (accessed 11 October 2014).

Whistler 2020. (2011) 'Does sustainability cost more?' Available online at www.whistler2020.ca/whistler/site/genericPage.acds?instanceid=1967867&context=1967866 (accessed 23 May 2014).

Willard, B. (2012) *The New Sustainability Advantage*. British Columbia, Canada: New Society Publishers.

World Health Organization. (2014) 'Universal access'. Available online at www.who.int/hiv/universalaccess2010/worldsummit.pdf (accessed 23 May 2014).