Those responsible for the production and marketing of sports activewear are increasingly having to take into account factors that only a few years ago would not have been at the top of an agenda. They are all loosely tied up under the headings of environmental impact, clean production, ethical treatment of workers, human rights and renewable resources. The development of synthetic fibres not reliant on petro-carbons is a reality; the world's biggest sportswear brand is focused on improving and protecting its image against its detractors. Performance factors will no longer be sufficient to ensure success. It is argued that the new megatrend, the key to success, will be sustainable development.

Sport and sustainability

In the Annual Report of 'Forum for the Future' for the year 2001, it is claimed that

- if we carry on burning fossil fuels at present rates, the concentration of greenhouse gases in the atmosphere will increase by 50% within 50 years - risking catastrophic climate shifts;
- over 100 million Europeans and North Americans live in cities where the air is unfit to breathe;
- over the last ten years, environmental disasters have caused $600 billion worth of damage - more than in the four previous decades put together; and that
- more and more of the world's most vulnerable people are now facing acute shortages of freshwater, slumps in food production, devastating floods for some and disastrous droughts for others.

The impact of this change, and particularly of the measures which are now being planned to combat the worst aspects of it, constitute a megatrend. The concept of sustainable development will increasingly be integrated into everyday life in the years ahead, and will constitute a megatrend so far as industrial and market development is concerned and this will be particularly relevant in the world of sport.

Two of the key pillars of sustainable development are focused on here: the economic and environmental. In the years ahead the pursuit of growth which is environmentally sustainable will be the immediate and urgent goal of businessmen, consumers, and governments. For this to constitute a megatrend for business depends on the way in which those three key groups react to it. It needs all three groups to declare an interest.

Existing off the earth's dividends

The pursuit of the so-called 'triple bottom line' is increasingly the goal of leading businesses, which believe that such an approach is fully consistent with enhancing long-term shareholder value. And it is not difficult to understand why. With a world population which has doubled in the last thirty years, and is expected to grow from today's 6 billion to 9 billion in the next thirty, we are running into resource problems and absorption limits for waste and emissions which most responsible business circles recognise. We need to learn how to operate the global economy at levels and in ways where society exists off the earth's dividends and not its resource capital - natural capital maintenance is essential.

The stock of natural capital is under stress from the effects of climate change, ozone depletion, acidification, soil contamination and erosion, loss of forests and biodiversity, and so on. So in the industrial sector the task of de-coupling pollution from growth becomes urgent.

This de-coupling and the achievement of corporate sustainability involves three things - materials reductions, energy efficiency and transport rationalisation - and they form the essence of all of the eco-efficiency codes which the better companies are implementing today. There is not a reliable estimate available but the number of companies actively practising one or other of these codes e.g. EMAS, ISO 14001, runs into many thousands. They have learned in the process that it is profitable to be eco-efficient. A very simple equation demonstrates this:

raw materials + energy = product + emissions + waste

In other words, if by innovation, planning, and

care, you can maintain product volume while decreasing the input of raw materials and/or energy, you reduce the volume of emissions and wastes. So there is a double dividend, improved profit and reduced environmental imprint.

Better and more profitable businesses are now convinced about this, in increasing numbers, and the Dow Jones 'sustainability index' has established that these firms are more profitable. In a survey of senior executives the Stockholm Stock Exchange found that over 80% of them believed that an environmentally friendly perception of their product and companies was essential for their long term survival.

"During the next quarter century the most significant net contribution to a greener world will be made by industry. The green economies and lifestyles of the 21st century can only be actualised by industrial corporations. Industry has a next-century vision of integrated environmental performance. Not every company is there yet, but most are trying. Those who aren't trying will not be a problem simply because they won't be around long term," states Edgar S. Woollard, non-executive chairman of DuPont.

Consumers

If the better business corporations are recognising the new factors determining markets for the future, what of the second key group, the consumers/citizens themselves?

A major EU-wide survey has already highlighted that the majority of consumers are very aware of environmental issues, especially at a local level and are prepared to exercise options in favour of environmentally sound choices. But do they care enough to take a stand for the environment, or to pay more for a more environmentally friendly product? The Shell Oil Company made changes to its corporate policies as a result of the Brent Spar incident and consumer reaction; European consumers hold products in great suspicion which are seen by them to run risks with nature (GM products); there is a major growth in sales of organic certified foods with the giant supermarket chains providing increasing shelf space to 'organic' choices; as the Ikea company has learnt, consumers are showing increasing awareness of timber products certified as being made from timber from sustainably managed forests.

Not just the younger generations are being more environmentally conscious - the entire market is becoming more environmentally conscious and discerning, and this cannot be ignored by those who design and sell product. And there is no scientific study to show that consumers' declared care for the environment is only skin-deep for the non-believer to rely on.

Politicians

If businessmen and consumers realise that the environment will have a dramatically greater influence on our lives and businesses in the very near future, what of the third group, the politicians elected to govern us? Where is the evidence that they have come to realise that rules and regulations will not by themselves lead us down the path of sustainability?

The existing fiscal structures in the developed world, especially in Europe and the USA, encourage the increasing consumption of resources, both renewable and non-renewable, and discourage the employment of people. Up to now this may have been realised but the political courage to take action has been lacking. It can be argued that this is about to change.

It is said that one of the main differences between Europe and the United States is that whereas Europe has long ago learned and accepted to live with cultural and linguistic diversity, the US only now is getting to grips with the cultural/linguistic challenge of Hispanic and Asian immigration. The US on the other hand has enjoyed stable and unified political structures and a constitution for many years, whereas Europeans have not yet achieved political stability, EU structures are still evolving, and there is no constitution.

The European Treaty of Union in 1957 contained no mention of the environment, let alone sustainable development. Revisions have changed all that: the current Treaty now states:

Article 2

"The Community shall have as its task, by establishing a common market and an economic and monetary union,...to promote...an harmonious, balanced, and sustainable development of its economic activities... sustainable and non-inflationary growth...a high level of protection and improvement of the quality of the environment.."

Article 6

"Environmental requirements must be integrated into the definition and implementation of the Community policies and activities...in particular with a view to promoting sustainable development."

What has been done in reality to carry out this mission?

The EU has what are arguably the most comprehensive and demanding regulations in the world in the matter of environmental protection. Over 80% of the environmental laws in the member states derive from European Directives.

But this does not fulfil the requirement to work towards achieving sustainable development, or even to integrating environmental concerns and requirements into other Community policies. It has not even arrested environmental degradation in most areas. So in Cardiff in June 1998 the EU Heads of State set up what has become known as the Cardiff procedure, under which each Council of Ministers (agriculture, transport, economic and financial, etc.) is required to set itself a strategy for incorporating it into its particular policies, and to report progress each year to the



Maize is the principal source of Cargill Dow's NatureWorks PLA fibre, an example of sustainable development at work

Heads of State. This process is now beginning to show some results.

Most significant is the fact that for the last year the Commission and the Member States have been preparing a 'strategy for EU sustainable development' asked for by the Heads of State for discussion this year. The consultations on this strategy have been extensive, with all the economic partners, and it is clear that its implementation will move the European Union states further along the road to sustainable development.

It can be said that the politicians have recognised sustainable development as a megatrend and have prepared the way for the changes to EU economic organisation and individual lifestyles which need to be accomplished to this end. If this programme is followed, its impact on business and the private lives of citizens will be huge. Once started, the process will roll on and will constitute a major concern for business.

But will it affect sport?

The real question is when will it affect the sports industry? The future challenges for the decision makers will be in the spheres of energy use, raw materials, prices and wages in overseas manufacturing plants, environmental behaviour at home and in overseas locations, public image, sponsorship policies, communications with NGOs (non-governmental organisations), and so on.

But surely sport and its supply industries have enough to worry about without getting involved in saving the planet? Some will pose this question, but most know that sport has an increasingly vital interest in environmental quality. Sport itself has an exponentially increasing interest so far as the siting, design and construction of new facilities is concerned, from ski slopes and golf courses to urban sports halls and stadia. The planning and staging of major sports is affected, the recent Sydney Olympics were the Green Games. Corporate sponsors, equipment manufacturers and industry suppliers will more and more be operating in a business environment which is increasingly having to pay attention to environmental issues.

After the Earth Summit in Rio in 1992 the then International Olympic Committee President declared that environment would in future be the third pillar of Olympism, along with sport and culture, and the Olympic Charter was amended to include a new principle dedicating the Olympic Movement to respect the environment and to promote sustainable development.

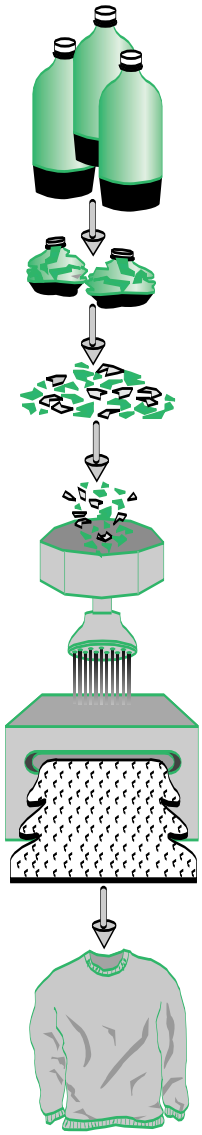
The plans of the Salt Lake City Organising committee for the 2002 Winter Olympics are also very ambitious. They highlight three principle themes: earth, water and air. In pursuing the first they will plant some 100,000 trees in the immediate region, which together with additional national and international programmes could end up planting more than one million trees...the object being to improve air quality. They are also building a new light railway to avoid overuse of cars, and will build 100 new buses fuelled by Compressed Natural Gas. In fact it has committed itself through setting up a "Cleaner and Greener Program" to reducing the Games emissions to zero. Working with top energy consultants the strategy is to identify and quantify the residual emissions after their other initiatives, and these will be offset through specially organised energy saving projects by partner organisations in the region (schools and businesses) who will be awarded emission-reduction credits. It is now abundantly clear that in the future any city hoping to be selected as an Olympic venue must present significant green credentials in relation to site location and management and in respect of its official suppliers.

Of course outdoor sports are the most obviously connected with environmental issues; golf and skiing have been under the spotlight for many years. In the case of skiing The National Ski Association of America has issued an environmental charter for ski areas called 'Sustainable Slopes' which sets out the principles and practical guidelines for minimising impact on fragile mountain ecosystems. The preamble recognises that the environment is the sport's No. 1 asset; damage that and you ruin your business.

Golf has gone further still, indeed no other sport has come anywhere near what the golf authorities have invested in environmental programmes. The US Golf Association alone has spent over $20 million on its Turfgrass and Environmental Research Program, to amass knowledge on the environmental tolerances of different grasses, on the environmental consequences of fertiliser and pesticides applications, alternative pest management strategies, and wildlife conservation programmes.

In Europe there are 5.5 million regular golfers, with just under 5,000 golf courses covering a land area of three quarters of a million acres. Many golfers, and most of their clubs, could with justice be described as 'conservative', and this is certainly so for the governing bodies, The European Golf Association, and The Royal & Ancient Golf Club of St Andrews. Yet the EGA, with the backing of The R&A, The PGA European Tour, The Federation of European Golf Greenkeepers, and the European Commission, undertook extensive research and consultations on the basis of which in 1997 it published its "Committed to Green Handbook". The development of golf in Central and Eastern Europe is being undertaken with a view to sustainable development, Slovenia and Croatia are such examples.

Corporate sponsors are another side of sport which is rapidly coming to recognise the added value of being associated with sports and events that are making genuine efforts to be environmentally responsible. Coca Cola and



From used soft drinks bottle to finished garment: fibre producer Wellman International generates polyester fibre from recycles PET

MacDonalds were horrified to find their brands being targeted in Greenpeace's Green Olympics-Dirty Sponsors campaign. This was because of the refrigerants used in their refrigeration units for the Sydney Olympics. In the words of Salvatore Gabola, Coca Cola's Public Affairs Manager for Western Europe: "Our instinct was simply to erect defensive walls and prepare to defend ourselves. Then we understood that the way out from our perceived siege was a rather different one; we established a dialogue, built engagement and through better mutual understanding agreed how to move forward.

Sydney was for us an eye-opener and a good lesson on the force of green procurement standards. More importantly we understood how a global brand can rise to the challenge posed by such standards, contribute in minimising environmental impact, and actually benefit from the process."

Shell used the Sydney Olympics to demonstrate its new low sulphur fuel for use in the Olympic bus fleet, and the company now provides support to the IOC's Sport and Environment Commission. The point is made.

The context in which we lead our lives and conduct our business will be seminally influenced by the pursuit of sustainable development. The principle driver will be the pursuit of reduced environmental impact in the production and distribution process. Consumers will become more insistent on knowing the environmental credentials of firms whose products they buy. At institutional level the influence of green procurement standards will develop both in formal and transparent terms, and also in more subjective and less transparent value judgments.

Workers in companies will become more interested in a company's environmental impacts; experience is showing that companies which practice eco-efficiency management codes in which there is participation by all benefit not simply in terms of cost savings and public image, but also in staff morale.

In terms of public image the need to be perceived as an eco friendly company will assume greater and greater importance, not only in terms of product sales, but also in terms of capital markets where increasingly institutional investors and pension funds are seeking reassurance on a company's green credentials.

The environment and sustainable development is a megatrend, and companies ignore it at their peril.

This is an edited version of the speech given by Tom Garvey, Trustee of the Committed to Green Foundation and former Deputy Director General of Environment at the European Commission, at The Summit, the international conference organised by World Sports Activewear in a joint venture with DuPont Cordura.