

# Transcript of 'Introduction to the Pentland Centre for Sustainability in Business'

## Season 1, episode 2, Transforming Tomorrow

[Theme music]

**Paul Turner:** Hello and welcome to Transforming Tomorrow, a new podcast series from the Pentland Centre for Sustainability in Business here in Lancaster University Management School. I'm Paul Turner.

**Jan Bebbington:** And I'm Professor Jan Bebbington

**Paul:** And over the course of this series we're going to be looking at the work that the Pentland Centre does across the many different aspects of sustainability, and as we'll discover there are diverse different areas of sustainability that that includes.

**Jan:** So in this first podcast I'm going to introduce myself, but also the Pentland Centre its history where it's come from what it's doing now, and why we exist and what we hope to do in the world.

[Theme music]

**Paul:** But first of all Jan forget, about the Centre let's talk about you, it's all about you you you right now, so let's find out a little bit more about you. What's your areas of expertise when it comes to sustainability and how have you come to be here?

**Jan:** Well I've I've come a long way to be here in the Northern hemisphere. As you can imagine with an accent like this I'm from one of three countries, pick New Zealand and you would be right. I trained as a chartered accountant in New Zealand and then, I quite enjoyed it but I didn't enjoy it enough to keep on doing that, so I moved back into the university sector and discovered that I adore teaching.

Right from the outset I was looking at how accountants can help save the world, I suppose, in a in a very general sense but in particular how accounting helps organizations know what they're doing, be able to control them manage them better, and tell other people about what they've done. So right from the outset I was interested in sustainable development. When I moved to the UK in

1991 I started a PhD in the area while working full-time, the PhD took a very long time to complete as you can imagine, and I was looking at that intersection between accounting and sustainable development.

For a fair bit of the 1990s we researched absence - why things weren't happening, but from about the mid 1990s onwards and it's improved and accelerated to the present day, we're now researching things that are going on, helping organizations do better helping capital markets have more information about things that they ought to worry about with regard to sustainable development, and about a year and a half ago, no, two and a half years ago - it's been it's been such a good time it feels like a short time - I came to Lancaster University to be the director of the Pentland Centre.

**Paul:** And you've been terrorising us here ever since with your work around sustainability. No, it's been a delight working with you Jan, honestly, I make that sound as if that's the end of our relationship but no it has been a delight, so that's how you've got here to work and I think a lot of people may be surprised when you talk about sustainability and accounting... accounting and sustainability? They, they go together? Obviously they do.

**Jan:** Yeah, and I think one of the great tricks that accountants have played on the world is to make their discipline boring, so you never look at it, you never think but what would an accountant do, but accounting - along with other management sciences - so you know strategy, organisational work, technology, marketing - all of these disciplines are doing little bits of work within organisations, and the accounting - and I guess accounting bleeds into finance as well - we're interested in um how the numbers stack up.

And so it's quite a numerical area as you might imagine, but it's also a deeply social area because how you account for things has effects on how people understand them and what they do, so I would see accounting as a technical practice but also as a social practice, but then also as an environmental practice as well. Because if you don't count it it doesn't exist, from an accountant's perspective, and so we're increasingly trying to make elements of the natural environment exist so organizations make better decisions.

**Paul:** Which explains how you come to be at a centre for sustainability in business because as you say accountancy runs through everything to do with any business. So let's look at the Centre then - the Pentland Centre's been going for eight years now. Can you tell us a little bit about it and its history.

**Jan:** Well, it was established in 2015, and I'm not the first director, I'm the second director, the first director was Professor Gail Whitman, and a lot of work was done before I even arrived here which has similarities and we build on to this day. So I think three examples of the work that had gone on in the past is a really good way of introducing the kind of things that we work at.

The first one which was led by Dr Paul Young one of the members of the Centre was looking at air quality, and in particular under trying to understand that as climate change impacts on cities and settlements, future air quality will also change, and that's really important for policy makers but also really important for local authorities and government. And it's really important that we don't forget the public sector when it comes to sustainability, of course we're 'sustainability in business' but it's actually sustainability in all sorts of organizations which would include the public sector.

Second example of work from the opening phase of the Pentland Centre is looking at soil and its ability to grow food and how that affects agrifood businesses. So here you've got an environment-business connection with the soil being the ecological underpinning to being able to survive and grow food, to make money, to be part of a local community, etc, etc. So already you see some of the principles that we're doing is that there's this like cascading effect and an interlinkage between many elements that lead us into sustainability. The last example is an accounting one so I can't resist it

**Paul:** There you go, accounting is gonna be a thread through every single episode now, just accounting, just throw it in here and there.

**Jan:** Yes I think so, we'll have to go with that. So the third example was working with Nestlé, and this is a really good example of how Pentland likes to work with partners who are trying to solve a problem, and that work was looking at something that was very new at that time which was produced by the Task Force on Climate-related Financial Disclosures - TCFD. It's a bit of a mouthful but what it basically means is it's trying to encourage UK businesses to be able to financially quantify the value at risk in their businesses from future climate change.

So when that work was done in 2019, to build the capability to do that with Nestlé it was very new. In 2023 all big UK companies have to do it by regulation so this is the other stream that's coming through from you know, when the Pentland Centre was established, but also when I started working in

sustainable development, things have become formalized are becoming more required and more mainstream.

**Paul:** and I think you've covered that such a diverse range of topics even in just three examples that have been picked out there, the work with Nestle, the work on soils, the work with local government organizations, they're all different areas of showing how sustainability applies across the spectrum of business organizations, like you say local government - it's an organization, it can be treated like business, it's got employees, it's got people who work for them, and contractors and everything so...

**Jan:** Exactly

**Paul:** ...all across the board there. And I think something you've said there at the end there is really interesting as well, you've talked about how it's become, things have become more mainstream in the last eight years, and over the course of the Pentland Centre's lifespan then do you see that the work there has become more relevant, how, is there an experience of more and more organizations being interested in working on these areas?

**Jan:** Absolutely, and that's both good news and bad news. It's good news because it means that organizations and businesses are worrying about these environmental issues, but also worrying about their social and economic impact. If they're worrying about it it means they'll be more proactive and they'll be able to do good things. It's not so good news because things have got a lot worse since we had started off and certainly, you know since I came into this field as a as a young scholar, so the climate is changing quite rapidly and we're recording this in the summer, Northern hemisphere summer, of 2023 and you know 'global boiling' has become a new term that I hadn't heard until this summer, I don't ever wish to hear it, but floods and fires and other intensification of weather systems are becoming much more frequent, and it's becoming clearer to people on the street, listeners on this um podcast, but then also to businesses and to people who govern businesses, that the actions of business can have either a positive or a negative effect on on global climate change. The other thing we're worrying about is, unpicking the fabric of life, if you like, all of the nature and biodiversity that comes together and provides us with food,

it provides us with you know the clothes we're wearing ,it provides us with you know everything that we're using in our lives, so it's profoundly sad the

thought of losing a species, but probably of more importance is losing the resilience and the productivity of that natural system for people and their, their well-being. So it is definitely becoming more mainstream, as I say it's good and it's awfully bad as well.

**Paul:** The thing I know about you and a lot of the people who work in the centre is that you realize the importance of not just being all 'doom and gloom' all the time, even if occasionally you tell me the world might explode in two years or however you want to refer to it, but the importance of having the positive, proactive attitude of saying, there are things we can do, there are actions that we can take from the Pentland Centre's perspective that businesses can take and things that business can do. Doom and gloom is the greatest enemy to action, and I think hope is a renewable resource, I also think uh political conviction is a renewable resource, and so I hope that the work of the Pentland Centre, particularly because we are a network of people who are interested in making a difference, and part of my job is to try to energize and uphold that group of people to do that really well, um then figuring out well it's a bit of a mess but we can fix this bit, okay, we now need to fix the

next bit, so just sort of keep keeping the eye on the prize which is making things change. On a more gloomy note, because you're not going to get away without a gloomy note, as the world,

and if the world, I think it's probably 'as' rather than 'if', as it crashes and has you know really big dislocation, if we are more resilient and if we are more thoughtful and if we have built the capacity to respond to change then we're going to do it better. So ultimately even if you know we don't avoid you know really bad environmental problems, we should be better equipped to deal with them, but also better equipped to protect people when that happens as well. So whilst it's got a strong environmental element to sustainable development, at the heart of it is people, humans, the need to be able to make sure people are safe, that they have security, that they have clean water, that they have food, all of those things is absolutely central to sustainable development, because a development beat is all about people.

**Paul:** So, you're listening to Transforming Tomorrow the podcast from the Pentland Centre for Sustainability in Business, and I guess, Jan, we really should discuss why are we called the Pentland Centre. So the Pentland Centre basically is made up of three essential elements. The first element are its members, whose enthusiasm and expertise drives real world sustainability impact

through their research, and of course we are supported in that by our excellent Advisory Board. The second important bit then is the support of the University, where sustainability education and research is a central part of their mission, and it's a central part of ours as well. The University is also working to make radical changes to its operations so that it reduces its carbon footprint enormously, but also that it enhances biodiversity, so it's acting to dampen down the negative and increase the positive, but now to answer your question more specifically, the third element is philanthropic funding. And we get our funding from the Rubin Foundation Charitable Trust, and that Foundation is run by the owners of the Pentland Group Plc and hence we get our name 'the Pentland Centre'. So the Rubin family have very generously funded the centre since its inception in 2015, and it's their gift of both finances but also their personal and professional support, and their ability to connect us with wider practice communities that has really allowed us to thrive. Now our listeners probably don't know the Pentland Group because the name doesn't really tell you much about it, but I guarantee that you would have purchased their um their, their goods and you will then recognize who they are. So Pentland are a brand company, that is they attach brands to the kinds of things that we wear and use in our everyday life. That includes Speedo, um Berghaus for the folks who are into the outdoors, Endura the cycling brand, but then also things like Red or Dead have got really funky shoes, um Lacoste, Kickers and other brands as well. So it's that family of brands that are owned by the Pentland Group that are behind our work. Now just to backtrack a wee bit further again the Pentland Group originated in Liverpool in 1932, and I have the enormous pleasure of working with the Founder's son Stephen but also the Founder's grandson Andy, and they, and the company itself ,has a really good vision for positive business, and so their ethos and our ethos fits really well together.

**Paul:** I'm glad you've explained that 'cause I was really worried that the Pentland Hills had changed location and were now located somewhere just outside the Management School rather than up there just outside Edinburgh. It would have been a big shift in tectonic plates for that to happen.

**Jan:** It would have indeed it would have indeed but we're we're immensely grateful to them both for, for the money, because that really does enable all sorts of things to happen, but also for their contacts, so they're very generous and helping us connect with people that we might want to meet, that they might know and, and also very encouraging of what we do.

**Paul:** Which becomes obvious we'll discuss in the next episode more about the Sustainable Development Goals, but they are not all purely environmental, there's lots of things in there such as good work standards, education, gender equality things in there that people might not always necessarily immediately click that ties in with sustainability, but it does tie in with sustainability and creating that future world where we are more resilient.

**Jan:** And certainly um, and this is where the vision of of the Centre becomes very important, so our vision is a world where businesses understand, act upon and further sustainable outcomes, whether that's who they buy things from, who they sell things to, the people and other businesses that are in their environment where they operate, your local communities, their business ecosystems if you like that phrase, and so that if you like is also a deeply economic question.

So sustainable development sometimes, people used to say it was a three-legged stool with economic, social and environmental, increasingly we're seeing it's still those three things, but the two things we're after is the social and the environmental. The economic is the means by which you get there, and this again makes our work so essential because the design of the economic system is the way we figure out if we can do socially just and ecologically sustainable development.

**Paul:** it so often comes down to the money doesn't it, I know that some work that was done through the centre in recent years looked at the economic impact of the Arctic permafrost melting and how that was going to cost billions, trillions to the world's economy, and sometimes some organizations unfortunately are only going to act if they, well if we don't act we're going to lose loads of money, we're going to take a massive economic hit.

**Jan:** But also it's not just about hits, there's also about opportunity and this is where I'll leave my gloomy persona behind for for this part as well [laughs]

**Paul:** I was all in the gloom with you there Jan, I was in the gloom.

**Jan:** Another piece of work that I've seen from a colleague I used to work with at the University of Birmingham, is whether or not the opening up of the Arctic sea ice, which is not a great thing, would allow materials to be shipped across the, um, the Arctic sea rather than coming all the way around, and the amount of energy that would be saved from doing that, um in terms of the the combustion of of moving ships around the world. So that's not to say let's melt

the sea ice so we have less container traffic, but it does mean that when things change, opportunities also change as well, and I think the organizations I really admire are those that have their eye on both the opportunities and the risks, because both of those things sit together.

**Paul:** So let's look to the future then. We're coming up to 10 years in two years time, a nice 10 year celebration for the Pentland Centre? Let's hope it carries on for years still to come. What's next, what's happening with the Pentland Centre, what kind of areas and work are going to be the focus of the activity for the Pentland Centre?

**Jan:** Well one of the things, and I know it's just a number but you, but you have established that I'm an accountant at heart, is that currently we have 99 members and I'm waiting for the 100th cause that will feel like, okay it's just one more but it feels different as, as you know. So our membership um will continue to I think to diversify, so about 80% of our members are the kind of people that you might imagine, um they are the people who are doing teaching at the University and doing research, so they're if you like the, the lecturers, the kind of people that have jobs like I've had for for all my academic career.

But not all of our members are that we have about a good 15% of our membership are Professional Services staff. So these are people who are making sure that Lancaster University also operates in line with sustainable development principles, and you Paul would be a really good example of that - a communications person, but our ability to communicate and talk about sustainable development rests on your expertise.

**Paul:** For which we should all fear, but [laughs] no and I've learned an awful lot from being a member of the Centre, from working with people like yourself and all the other academics and the experts that are across the Centre with their different areas of research and engagement there, and yeah it is, and it's good to see that, that joined up community of academics and what we call here at Lancaster Professional Services staff, so the people who aren't directly involved in carrying out the research, working together to push the Pentland Centre's work and agenda forward.

**Jan:** The other thing I think we'll see is, um the second thing of three, is a diversification of members. So of course many of our members work in LUMS, the Lancaster University Management School, because it is sustainability and business, you know the clues and the title, but also we have colleagues from



across the University. So we have um colleagues from um Communication and Computing because you know well what is the environmental load of, of computer technology? Somebody looks at that, what kind of um ways are we going to run big data centers, sets, sorry, big data centres, could we run them off um renewable energy?

We have folk in the Lancaster Environment Centre, again more soil science as you might imagine, but also biodiversity sits within their remit. We have people in the Law School looking at how um legal requirements are going to change things. But then likewise we have a really good set of people from um the Sunway Business School, which is a partner institution to Lancaster [University] who's based in Malaysia, and the kind of worries and concerns that they have are quite different from the ones that we have, but that enlarges and, and makes greater our understanding of sustainability. And then the third thing I look forward to is that we're starting to gather together big themes where there's a concentration of people working on them. And some of the themes you'll hear about in future podcasts, so one is business and biodiversity, so podcast number three I know is going to be focusing on that topic.

**Paul:** Mhmm.

**Jan:** Another one is forced labour and complex supply chains, so one of those social parts of sustainable development, and that's going to be in podcast number four. We also have a group of people looking at marine social science, so it's people from all sorts of disciplines who are interested in what's happening in the marine space, with quite a focus on ports as being novel organizations that might be able to, um help us have better sustainability on the oceans. And then from next year we're going to add a circular economy group as well. Now this group already exists and I'm I feel sure that we're going to um talk to people on that project in future podcasts, um but they're in a big grant process at the moment and when that finishes up we want to establish all that learning and build it together and create a circular economy group and specialization. And of course everything else as well [laughter] so because you, they're big themes but actually it could be anything across whatever our members find meaningful, we will try to support.

**Paul:** And I think it's important to stress here as well that the members aren't contained just within Lancaster University, um Duncan Pollard who we will be speaking to about business and biodiversity, he's got that long career in industry behind him, he's an external member, he's retired, who seems to do

more work when he's retired than I do when I'm not retired [Jan laughs] what that says about both him and me is you know up in the air, but we've got people like him, we've got people up in Scotland at St Andrew's who work for the Scottish government as well, we've got people at Strathclyde, we've got people who work with us as the Centre from external, the SeaBOS project that you're a part of involves many different members from across Europe, and while SeaBOS isn't a Pentland specific project you're involved with it from the Pentland Centre, so it gives us that network of people, that the webs just keep on going out.

**Jan:** I think that maybe comes right back to being a New Zealander. You've got to be friendly in this world because I my, my brain is way too small to do everything we might need to do, and so having good buddies, but not just good buddies, you know really smart good buddies, is also part of the the journey as well. And so one of the ways I will know if I've done my job well is if we track people that want to talk to our members, and as you say it's, of course I'm the centre of my own universe, but I'm not the centre of the Pentland Centre universe, it's our members and it's those people that are researching and running the University, who are working in practice um and in policy settings, who are making a difference in the world, and my job is to [music starts softly] help them keep on doing that and do that well.

[Theme music starts]

**Paul:** That seems to me to be a good area to stop this episode, and we'll be back soon with the second episode where we will be looking at the Sustainable Development Goals, how they tie in with the work that the Pentland Centre's going on. We've discussed a few of the ways in which the Sustainable Development Goals fit in with the Pentland Centre's work already, that will carry on throughout the whole series, but next time we will look at them specifically and how they fit in really well with the Centre.

**Jan:** I look forward to that.

**Paul:** Thank you very much Jan. So you've been listening to Transforming Tomorrow, a Pentland Centre for Sustainability in Business podcast, I'm Paul Turner

**Jan:** And I'm Professor Jan Bebbington

**Paul:** And we'll see you soon.

[Theme music]