

The Next Generation of CSR Policy

How Will New Policies and Programs Impact Canadian Business?

Government Panel

Thursday, November 5, 2009 – 2:15 - 3:30pm

Speakers

- >> **Jeffrey Simpson**, Author and National Affairs Columnist, Globe and Mail (moderator)
- >> **Laurel Broten**, MPP Etobicoke-Lakeshore
- >> **Bernd Christmas**, Barrister and Solicitor, Bernd Christmas Law Group
- >> **Tobias Webb**, Founding Editor and Managing Director, Ethical Corporation

Key Messages

- >> All sectors (public, private and non-profit) must work together to encourage change by championing the objectives and realizing the benefits of CSR.
- >> During tough economic times, CSR can serve as the ideal tool to monitor, regulate and standardize the operations of organizations.

Worth Repeating

“People all want a good future for themselves and their children, no matter who does it. We need all hands on deck.”
- Laurel Broten, MPP Etobicoke-Lakeshore

“CSR is not mandatory in the EU, and it doesn’t seem to be the case that it will be in the near future. Thus, CSR will remain voluntary. However, numerous and varied initiatives will arise, based on the premise and rationale of CSR.”
- Tobias Webb, Founding Editor and Managing Director, Ethical Corporation

Summary

An activist at heart, Laurel Broten has always been drawn to topics relating to environmental sustainability and CSR, and believes that last year’s financial crisis forced people to look at the ways in which we conduct, manage and evaluate business. She noted that CSR provides a way for analysts to assess how companies are doing business and where their dollars are being spent. This helps to overcome the obstacles presented by companies growing into large organizations that cannot be easily monitored. She stressed that in the wake of the current economic downturn the government has an unprecedented regulatory role to play in working together with business to advance aspects of sustainability.

As the former CEO of the Membertou Development Corporation (MDC), Bernd Christmas believes the organization is a model for growth - it moved beyond a huge deficit to its current annual revenue of over \$76 million. MDC was also the first Aboriginal community-based organization to gain ISO 9000 status. Christmas discussed the elements involved in building success at MDC, including partnering with government to enduring

legal battles for recognition of rights and privileges for Aboriginal people. He believes that businesses should also undergo a transition to incorporate the priorities of Aboriginal communities into their operations.

Christmas cited Coca Cola, Starbucks and Boeing Corporation as examples of success stories. Indigenous professionals approached these companies and successfully negotiated business arrangements to integrate Aboriginal communities into organizational functions. Due to the current pressures on companies to reduce costs, he stated that it would serve as a win-win situation for both the organizations as well as the communities. Successful partnership would also influence Aboriginal young people, by showing them that there is indeed life beyond their own communities. He highlighted Starbucks and “fair trade” as an example of helping Canadian First Nations communities in this manner.

Tobias Webb brought a UK and European Union perspective on CSR to the group. The EU is sometimes considered a “global regulatory superpower”, but CSR is still not mandatory in the EU. Individual nations voluntarily adapt their values and commitment goals, some using the Global Reporting Initiative as a tool to encourage corporate accountability and transparency. However, as the smaller EU nations often don’t have the finances to implement CSR related standards, he speculates that CSR is going to remain voluntary (at least in the near future). But more and more environmental and social initiatives spurred by the premise of CSR will continue to arise. He cited the Carbon Reduction Initiative as an example.

An audience member asked if CSR initiatives alone will be sufficient for companies to move towards sustainability. The general consensus on this issue was that the term “CSR” is fleeting and that conscious measures should be integrated into ALL aspects of the value chain, from procurement to selling. For example, in addition to having regulations for controlling “externalities” of production such as pollutants, an overt effort should be made to make this a cost of production, with growing costs/revenues invested in technologies that prevent or limit pollution. Further, it is also imperative to seek out companies that share similar ethical standards and aspirations and that take a conscious stance in responsible sourcing. Implementation of standards such as Rules of Prior Disclosure will also compel companies to disclose emissions, costs, materials and production processes, thus broadening their stakeholder-base and related obligations.