Progressing Toward Sustainable Development

Through Reflexive Processes

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Outline

- Context and Principles
- Implications for Industry
- Response
- Knowledge, Participation and Social Responsibility in a Changing World
- Implications for Impact Assessment

Our Times

- 1992: Earth Summit in Rio de Janeiro…new principles and frameworks
- 1995: World Business Council for Sustainable Development (WBCSD)…business begins "changing course", and is part of society
- 1998: 1/3 of Americans have become Internet Users…explosion of information, communications and action networks
- 2002: Sarbanes-Oxley is enacted in the US…more transparency and accountability

Societies Today

- Today: An interconnected, dynamic world (and issues), questioning, critical (and mistrust), information, voice and transparency….have coalesced
- Many disciplines moving in the same direction…toward more reflexive processes
- "Reflexive"…simply:
  - Interactive, openly grappling with different perspectives
  - Reflecting on, and adapting, your own viewpoint and perspectives
  - Critical thinking leading to new insights
  - "referring back to itself"

Sustainable Development Fundamentals

- "…development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
- Key principles: equity, participation, conservation, precautionary approach, "polluter pays", integrated decision making
- Sustainable Development (SD) is still very complex, and ambiguous, but the concept, understanding and principles have matured greatly
- "…sustainable development is not a fixed state of harmony, but rather a process of change…"

Implications of SD for Industry

- Old "rules" don't apply
- Rights to resources (oil and gas, minerals) "below ground" don't guarantee access to those resources "above ground"
- Stakeholder salience: power, legitimacy and urgency
- Uncertainty, frustration, financial risk
- Sometimes events cause a shift (Bhopal 1984; Brent Spar 1996; Westcoast logging mid '90's…)

Oil and Gas in Canada

- Significant industry in Canada: 240,000 jobs, accounts for 45% of Canada's trade surplus, spends $65 Billion each year

- Increasing recognition of public expectation for improved environment and social performance

- Combination of efforts within companies and across the industry

Some Examples from Oil and Gas Companies in Canada

- Some of the best examples come from the toughest projects: Oil Sands
  - Nexen's Long Lake: aligned principles, granted approval without a public hearing, est. savings $1 million
  - Shell's Athabasca: aligned principles, uphold reputation, communications through "*Dialogue, Decide and Deliver*"
  - Deer Creek's Joslyn: small, staged operation, stakeholders a critical part of the business plan

Stewardship

- Canadian Association of Petroleum Producers (CAPP) Stewardship Program:
    - Environmental and safety reporting
    - Sharing of best practices
    - Attempt to encourage voluntary and continuous improvement
- Members see value through:
    - Improved performance management and performance
    - Benchmarking, better priorities
    - Hopes of earning trust and improved reputation
    - Cost savings and viability across the industry
- Without Stewardship, companies and the industry are at risk, creating a business imperative regardless of regulations

Some Examples of Multi-Stakeholder Initiatives

- Also growing success with multi-stakeholder groups
  - Cumulative Effects Management Association (CEMA) in northeastern Alberta
  - Sundre Petroleum Operators Group (SPOG)
  - Clean Air Strategic Alliance (CASA)
  - Alberta Chamber of Resources self-organized integrated landscape management (ILM): coordination of industry activities and knowledge

Signs of a Corporate Response in Other Sectors

- Forestry: certification practices and multi-stakeholder dialogue
- Chemicals: Responsible Care since the late '80's and third party critique
- Mining: Sector Project through the WBCSD and wide range of initiatives

Common Features

- "Governments grant permits, but communities grant permission."....To succeed need public consent (Social license to operate)
- Corporate Social Responsibility (CSR) is the proactive response to society's expectations; and those expectations are Sustainable Development (SD)
- Much more awareness and engagement than five or ten years ago (internet, land use and cumulative effects crunch, less trust, clearer rights for participation...)
- Recognition that companies are part of an increasingly complex environment, and that critical business challenges lie outside of the traditional market forces
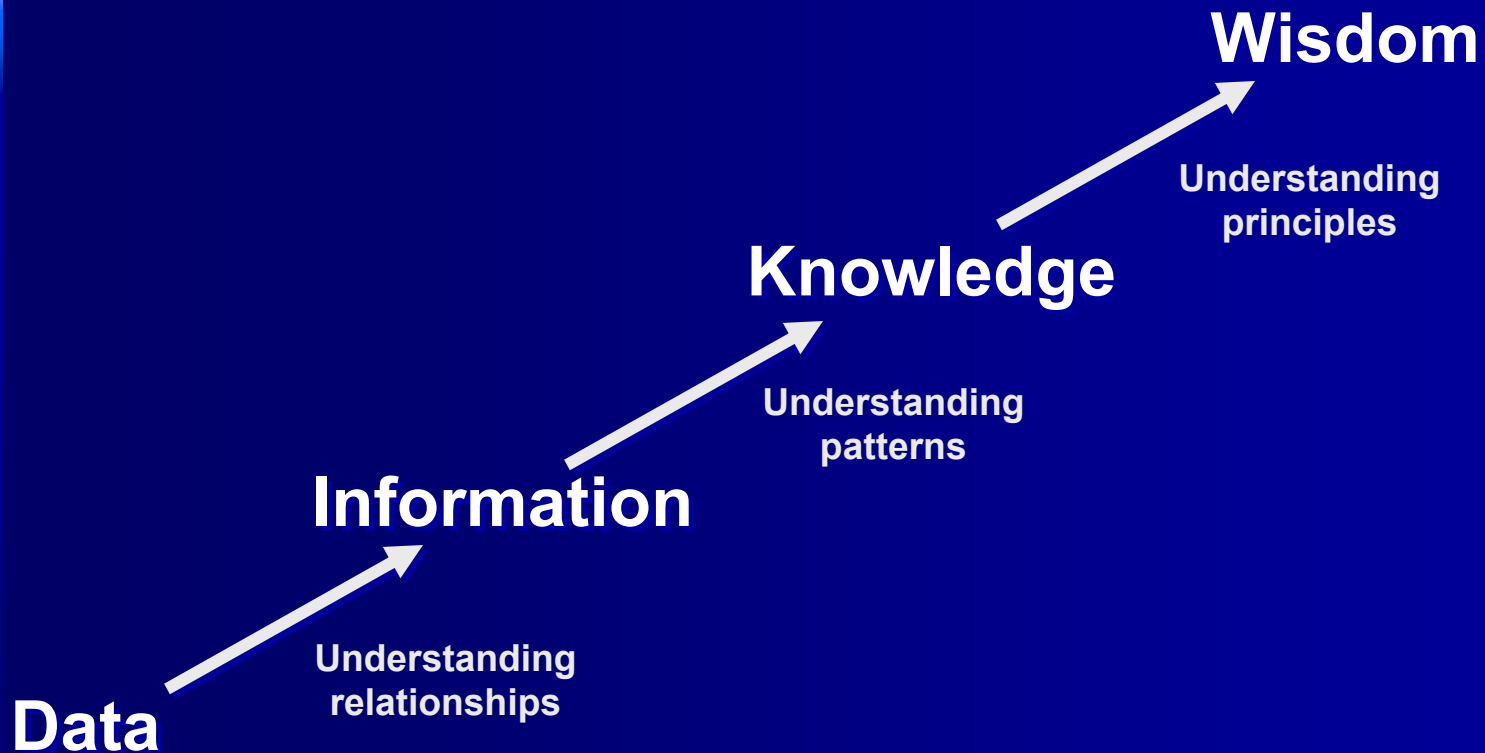
How Business is Changing

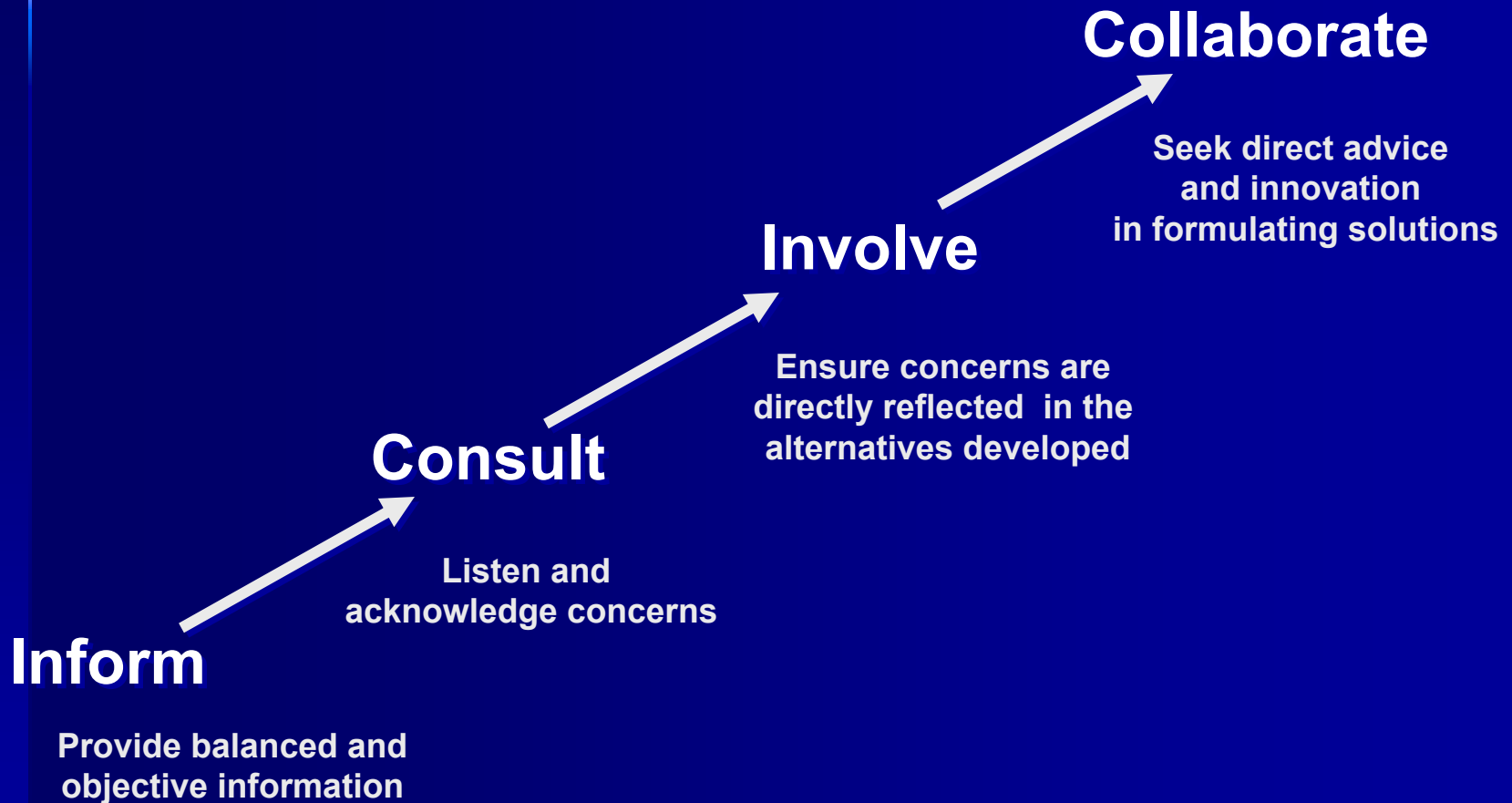| Traditional "way of doing business"	Emerging "ethic"
Exercise legal rights	Work with stakeholders
Inform local residents of plans	Engage stakeholders in dialogue about plans and win-win options
Comply with regulations	Seek continuous improvement
Manage discrete issues	Apply systems management across issues
React to threats	Respond proactively to emerging issues and seek opportunities
Risk management (largely technical, quantitative)	Risk issue management (both technical and social, quantitative and qualitative)

CSR and IA...

- Both work to identify impacts and solutions
- Ultimately look to balance interests; environmental, social and economic
- Both require:
  - Knowledge
  - Public participation
  - Integrated decision making

What is knowledge?

Public Participation Spectrum

Collaborate

Seek direct advice
and innovation
in formulating solutions

Involve

Ensure concerns are
directly reflected in the
alternatives developed

Consult

Listen and
acknowledge concerns

Inform

Provide balanced and
objective information

Goals of Reflexive Processes

- Evolve a "frame of reference" jointly, that will augment everyone's interpretation (company, stakeholder, regulator, etc…)
- Encourage continuous improvement, and responsive and adaptive approaches
- Minimize adversarial or defensive processes and related costs
- Optimize solutions through discourse; better decisions and outcomes
- Increase social capital and trust within companies and amongst stakeholders, and
- Build a stronger domestic industry through increased competencies and competitive advantage

Challenges

- When impact assessment is "outsourced" it may not be an integral part of business processes and company learning

- May also be viewed as a regulatory deliverable rather than a business component

- One off project vs long term part of the community

- Multi-stakeholder processes can be time consuming and won't always reach consensus

Implications for IA?

- Recognize the corporate driving forces
- Integrate, facilitate, leverage and reward progressive company led and multi-stakeholder processes
- Keep sustainable development principles visible, and an integral part of core Principles for IA processes, companies and agencies...we all need to walk the talk
- Use multi-stakeholder advisory groups, and keep the dialogue going throughout the project life-cycle
- There is no one right answer