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The Role of Industry Associations in the Promotion of Sustainability and Corporate Social Responsibility: *Study Findings*

Prepared for:
Government of Canada

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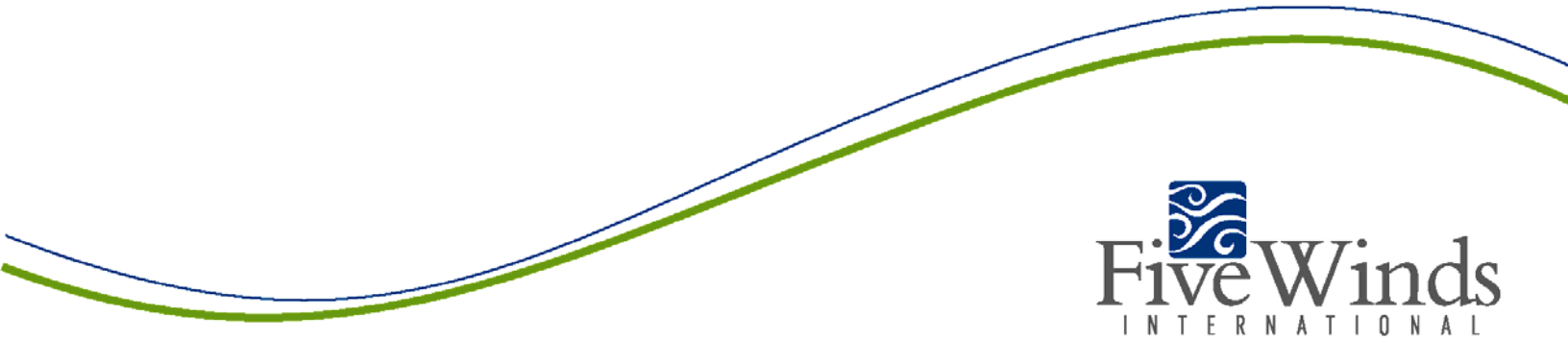

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The success of studies of this nature depends on the enthusiasm and cooperation of the participating organizations. The Project Team would like to thank the following seven industry associations who generously contributed their time to participate in interviews and assist in the completion of their association profiles:

- Canadian Association of Petroleum Producers (CAPP)
- Canadian Bankers Association (CBA)
- Canadian Chemical Producers Association (CCPA)
- Canadian Manufacturers and Exporters (CME)
- Forest Products Association of Canada (FPAC)
- Prospectors and Developers Association of Canada (PDAC)
- Retail Council of Canada (RCC)

Without their valuable involvement, this analysis would not have been possible. The names and contact information for each of the Associations who participated can be found in Appendix 1.

The Team would also like to thank each of the fourteen member companies who agreed to participate in interviews (individuals who participated are listed in Appendix 3). Their open and honest sharing of information will assist Natural Resources Canada and the federal government in determining how they can further support industry associations, and Canadian companies, in the promotion and implementation of sustainability/ CSR business practices.

We extend our thanks to Natural Resources Canada for sponsoring the study and providing guidance throughout, and the steering committee members for contributing their time and insights throughout the project.

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EXECUTIVE SUMMARY

The Government of Canada is interested in gaining a greater understanding of the extent to which sustainability is advanced through industry associations in Canada and how it can support associations in the promotion of sustainability and CSR among their members. This report documents how industry associations are currently promoting sustainability and CSR and points to strengths and opportunities for improvement. The report also proposes sustainability roadmaps for industry associations and government interested in helping Canadian companies on their sustainability journeys.

The study findings presented in this report are based on reviews of publicly available information (e.g., association websites), and personal interviews with seven industry associations (selected for inclusion based on their significance to Canada's economy) and fourteen member companies (two from each industry association as recommended by the association).

It is important to note that the study was not meant to evaluate industry associations or member companies on their uptake of sustainability.

General Study Findings

Study findings revealed that, generally, members find the sustainability outreach programs of their industry associations to be worthwhile. Members would like their associations to be on top, if not ahead, of emerging sustainability issues that will affect their performance. The study identified that some members seek more robust programming on the part of their association, and in some cases, look for associations to play a role in raising industry standards in sustainability and to challenge industry on best practice.

This study, although limited in its sample size, revealed that typically, leadership for the development of sustainability programs comes from the member company themselves. Key drivers for sustainability program development were thought to be the need to build reputation and to promote marketplace acceptance.

Of those industry associations with sustainability programs in place, half of them promote sustainability performance through mandated membership requirements; the other half promote sustainability through voluntary means, primarily workshops and information tools.

Associations and member companies pointed to a number of successes, including high participation rates and engagement of member companies, though it was acknowledged that in some instances this is a result of mandatory requirements. A number of challenges to participation were also identified; particularly the limited capacity of small firms. Awareness, education and capacity-building are perceived to be key activities to overcome these barriers, as well as building and communicating the business case for sustainability.

A number of industry associations have developed best practice programs that are worthy of replication; similarly there are some critical gaps in sustainability program management. Strengths and gaps are summarized below.

Current Strengths and Potential Gaps

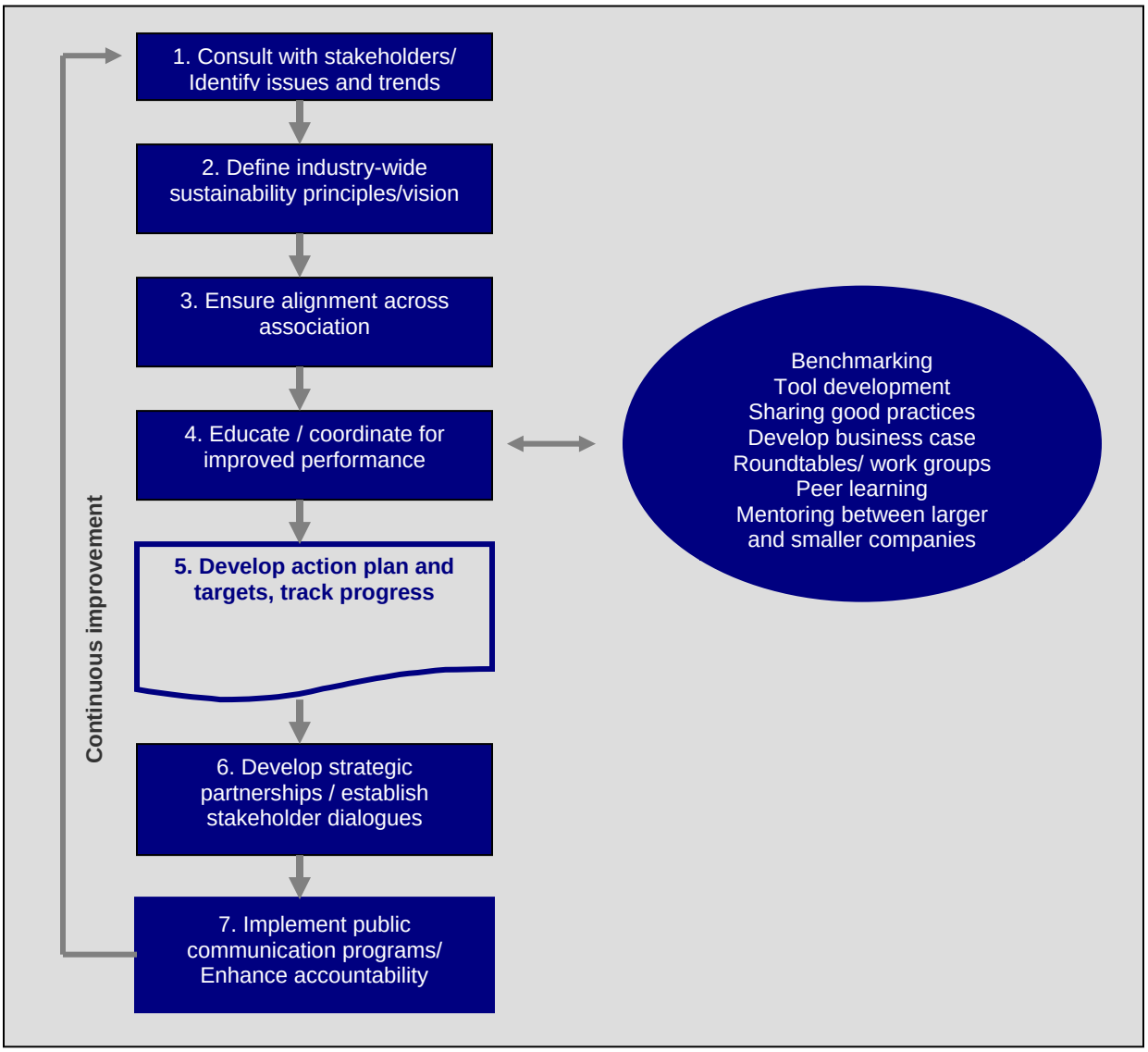
Based on a limited review of seven industry associations in Canada (through an analysis of the interviews and current practice), the following table provides a summary of successes or current strengths in the promotion of sustainability by industry associations as well as potential gaps or opportunities for improving the promotion of sustainability.

Current Strengths	Potential Gaps and Opportunities
• Six associations have formal mandates from their members to promote sustainability to their members • Six associations have established board committees to oversee their sustainability program • Six associations include sustainability programming within their business plans • All associations indicated their CSR, sustainability or environmental initiatives were fundamental to their core mandates to advance industry competitiveness • The majority of associations felt uptake of their sustainability programming was high, while members felt uptake was on the good to high side • All but one of the associations has at least one full time employee dedicated to promoting sustainability among members • Six associations are reaching out, and engaging with other leading organizations in Canada to learn more about how to promote, and advance, sustainability and CSR issues in their sectors • There is growing recognition of the importance of engaging key stakeholders in dialogue on the sector's sustainability issues and programs • Five associations have developed sustainability "how to" resources and tools to support members • Five industry associations encourage member participation in their sustainability programs through use of award/ recognition programs • Three associations have mandated sustainability performance requirements of their members • Two associations are publicly reporting on the sustainability performance of their sector	• Required levels of sustainability performance are limited • Lack of formal target setting • Associations are limited in what they can do to promote sustainability due to member-mandated budgets • Environmental program areas are currently being better addressed than social elements • Limited industry-wide public reporting on the sustainability impacts, activities and performance of sectors • Lack of "house in order" programs amongst associations • Additional support needed in areas such as supply chain management, climate change mitigation and adaptation, product life cycle management, ethical consumerism, aboriginal affairs, waste management and sustainability branding • Opportunity for greater recognition of industry sustainability programming by government, financial community and consumers • Opportunity for greater coordination among federal departments regarding sustainability programming

Role for Industry Associations

The interview findings indicated there is a great deal of common ground between what industry associations feel their ideal role should be now and into the future, and what member companies are looking for from their industry associations in terms of additional sustainability support. The following figure presents a potential "sustainability roadmap" for industry associations to consider when developing, or improving upon existing programming. It is important to note that each industry association will be limited by the mandate given to it by its membership, but as an overall vision, this figure encapsulates best practice as noted by both members and industry associations themselves for supporting members in their journeys toward sustainability.

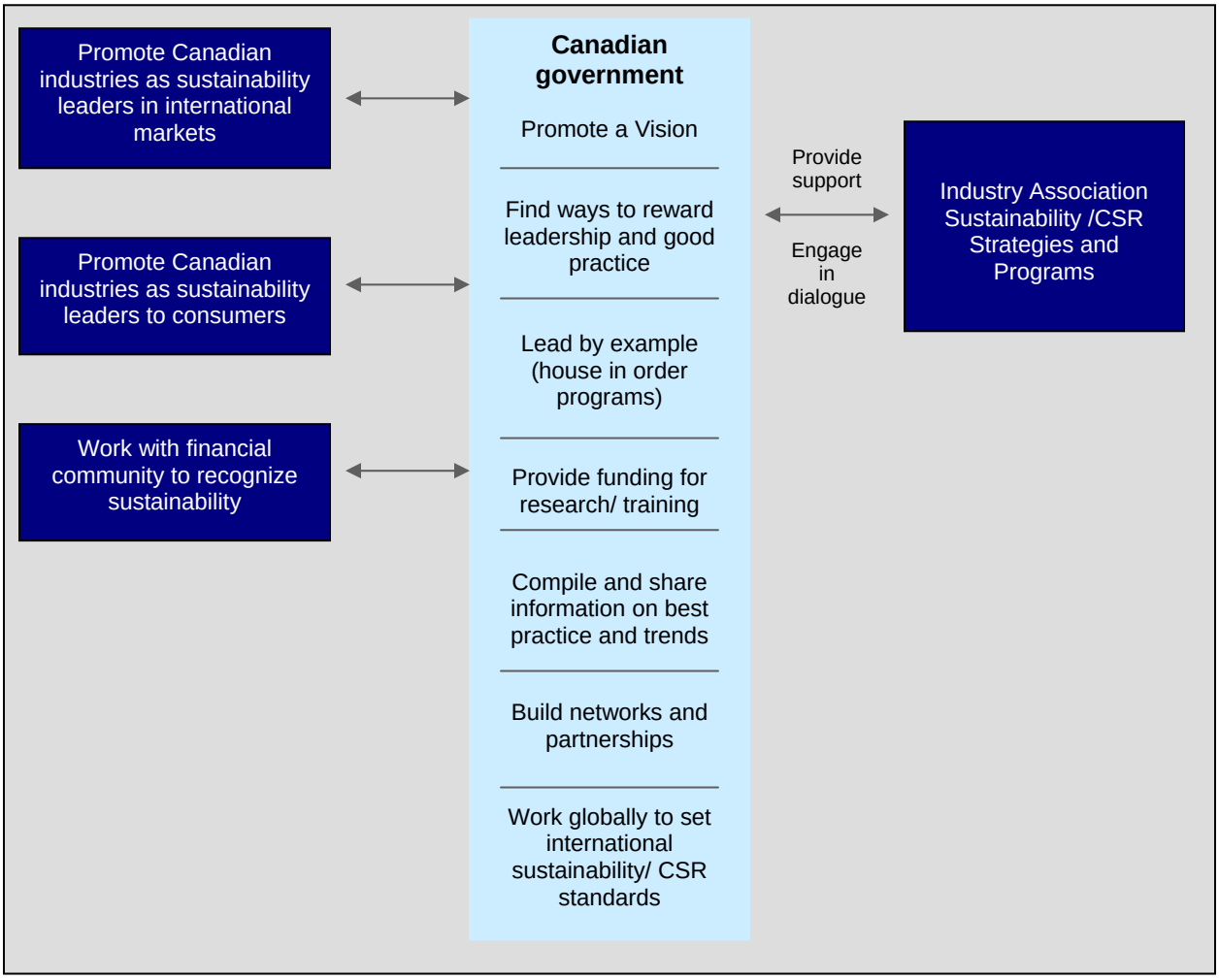
Sustainability Roadmap: Industry Association Role



Role for Government

Similar to the interview findings on the role of industry, a number of common suggestions on potential roles for government were received from both member companies and industry associations. These suggestions have been summarized and are presented below in a potential "sustainability roadmap" for government to consider when developing programs to help industry associations and Canadian firms on their sustainability journey.

Sustainability Roadmap: Government Role



Conclusions

This review of current and desired practice demonstrates that there is some best practice amongst industry associations and that overall, members have an appetite for greater sustainability programming to help themselves and their peers advance towards sustainability. While industry associations are largely active on these fronts there is a clear desire for greater government recognition and assistance in the development and promotion of enhanced sustainability performance. This is hopeful news for those who see the opportunity of positioning Canadian companies as sustainability leaders in a global marketplace and who seek real progress in the advancement of sustainability in Canada and abroad.

I. CONTEXT

OVERVIEW

National and provincial industry associations – and even local chambers of commerce – cover virtually every form of business activity undertaken by firms. Thus, industry associations could be instrumental as a catalyst for informing their member companies of key sustainability trends and opportunities that could have a material impact on firm performance and supporting businesses. A number of industry associations have played an important leadership role in bringing best practices on CSR and sustainability to their members, including reporting benchmarks, development of industry performance standards and fostering strategic relations with stakeholders, among other roles.

Given these potential benefits, the Government of Canada is interested in gaining a greater understanding of the extent to which CSR and sustainability is advanced through industry associations in Canada and how to support and enhance the role of associations in promoting CSR and sustainability to their members. The Government commissioned Five Winds International and Strandberg Consulting to conduct a study to determine the market drivers, program elements, challenges and success factors for various industry association sustainability/ CSR programs and potential roles for associations and the federal government to further advance the sustainability performance of Canadian industry.

This report summarizes the outcomes of this study, including an overview of the key areas of sustainability/ CSR activity among associations in Section III (noting commonalities and differences among sectors, good practices, etc.) and a summary of key interview findings in Section IV (association and member company views on drivers, trends, successes, barriers and challenges in developing and implementing sustainability/CSR programs and ideal role of associations and government in advancing CSR among members). Based on analysis of Sections III and IV, Section V provides conclusions on current strengths and opportunities in the promotion of sustainability/ CSR by industry associations, strategic recommendations on how associations could further improve their members' sustainability performance, and how the Government of Canada can support industry associations in their efforts. The report conclusions propose sustainability roadmaps for both industry associations and government, interested in helping Canadian companies on their sustainability journeys.

For the purpose of this study, the team was flexible in the term used by each association to define its activities in this area. From this point forward in the report we use the term sustainability to encapsulate all of these definitions (e.g., stewardship, corporate responsibility, corporate social responsibility, sustainability).

II. PURPOSE AND METHODOLOGY

STUDY PURPOSE

The goal of the study was to review leading practices in the promotion of sustainability by industry associations and provide information to build on the sustainability performance of Canadian firms over the long term. The study was designed to accomplish this through the following activities:

- Compiling sustainability best practices for cross-pollination between industry sectors with a view to scaling up sustainability practice and performance across a number of industry groups;
- Identifying gaps in current association efforts to advance their members' sustainability performance;
- Understanding challenges and success factors in the promotion and uptake of sustainability by associations and their member companies;
- Identifying a framework for industry associations to consider when implementing their member sustainability programs; and
- Providing recommendations on the role of government in supporting industry associations in the promotion of sustainability with their members.

The findings from this study will inform the federal government's ongoing Sector Sustainability Tables (SST)[1] and could be used to develop a roadmap to enhance industry association capacity for advancing sustainability uptake among Canadian industry sectors.

It is important to note that the study was not meant to evaluate industry associations or member companies on their uptake of sustainability.

METHODOLOGY

Initially, the project team developed a template to capture, and compare, the corporate responsibility and sustainability activities of the seven associations selected for review. The template covers many core elements of sustainability programming (e.g., sustainability vision and position, governance and management, key issues identified in each sector, such as community engagement, ethical sourcing, diversity, climate change and energy efficiency, and initiatives to address them). The template was designed to obtain insights on how associations promote and facilitate sustainability among members (e.g., training, development of guidance documents, etc.); measure uptake / success of different initiatives (e.g., develop goals, objectives and targets and measure progress against these); and report on initiatives and progress. The template components were informed by best practice in sustainability performance, management and measurement; insofar as it has been proven that these indicators are key to sustainability performance improvement over time.

[1] The SSTs are permanent, collaborative multi-stakeholder forums representing each sector's full value chain. The tables comprise a range of key stakeholder views, and are designed to incorporate key elements of Canadian and international best practices on environmental management and sustainable development. www.sst-tdds.gc.ca/Home-WS070A26D1-1_En.htm

The industry associations were chosen for inclusion based on their significance to Canada's economy and are presented in Box 1. These were selected in close collaboration with NRCan and the other committee members. Profiles were developed for each association, and once reviewed by the association for accuracy and completeness, finalized for inclusion and analysis in this report.

To provide additional insights on the promotion and uptake of association sustainability programs by Canadian firms, interviews were scheduled and held with representatives from each of the seven priority industry associations and from fourteen industry member companies (two recommendations from each industry association). The list of participating members companies is provided in Box 2. Questions used to guide the interviews are provided in Appendix 2 and 4. Participating representatives from each industry association and member company are also provided in Appendix 1 and 3.

All interviews were typically one hour in length. Federal government representatives participated as observers in the interviews for six of the seven association interviews.

All but the Canadian Banker Association (CBA) member company interviews were conducted independently. In the case of the CBA, the two member companies participated in the interview with the CBA representative.

Based on the research conducted through profile development and personal interviews, the study team prepared this final report.

Box 1: Industry Associations profiled in the study:

- Canadian Association of Petroleum Producers (CAPP)
- Canadian Bankers Association (CBA)
- Canadian Chemical Producers Association (CCPA)
- Canadian Association of Manufacturers and Exporters (CME)
- Forest Products Association of Canada (FPAC)
- Prospectors and Developers Association of Canada (PDAC)
- Retail Council of Canada (RCC)

Box 2: Member Companies interviewed as part of the study:

- Abitibi Consolidated
- Alcan
- Canadian Tire
- CIBC
- Diavik Diamond Mines Inc.
- Erco Worldwide
- Fresh Air Experience
- Lynch Group of Companies
- Methanex
- Mill and Timber
- NAL
- NEXEN
- TD Bank
- Virginia Mines

LIMITATIONS

Readers should be aware of the following study limitations that influence the findings:

- ***The Project Team was flexible in its definition of sustainability for the purpose of the study*** – We used whatever term each association used to define its activities in this area.
- ***Associations have diverse mandates that place a different level of emphasis on sustainability*** – Association mandates are typically developed in response to member demand; therefore associations are somewhat limited in scope and budget to take on activities that promote sustainability if members do not place high priority on it.
- ***Limited sample size*** – As only seven industry associations and fourteen member companies were included in the study, one should be cautioned on drawing broad conclusions on the sustainability activity in each sector.

- ***Study did not analyze sustainability performance of industry associations or industry sectors*** – The purpose of the study was to analyze the roles and activities of industry associations to advance and promote sustainability to their member companies rather than the sustainability performance of industry sectors or their associations.
- ***Industry association lobbying on sustainability considerations not analyzed*** – Lobbying activities of industry associations on sustainability considerations were not sufficiently explored in this study to warrant meaningful conclusions. It is recognized that values alignment within industry associations between how they promote sustainability to their members and how they represent their sustainability views to regulators and legislators is an important dimension of sustainability practice and beyond the scope of this study.

III. CANADIAN INDUSTRY ASSOCIATION SUSTAINABILITY PROFILES

This section presents a summary of the sustainability activities of the industry associations noting key areas of activity, commonalities and differences among sectors, and strengths or gaps/ opportunities. Detailed profiles were developed for each industry association; these can be found in Appendix 5. Each association was given opportunity to provide comments and clarifications on the information presented in the profiles to ensure accuracy and completeness.

It is important to note when reviewing the profiles, that the activities of each association cannot be compared or evaluated against each other due to the unique context and mandate of each. The mandates for each of the seven are quite diverse; some have never been given a strong mandate by their members to promote sustainability while others have indicated they want their membership fees to go to programming in this area. Factors influencing the scope of sustainability mandates include government regulation (i.e., some sectors have been regulated to initiate community consultation or aboriginal engagement programs), size of member companies (i.e., smaller member companies with limited resources tend to look to associations for more support), and whether member companies get sustainability implementation support through other venues (i.e., other associations or organizations).

It is also important to note that these industry association profiles of sustainability are snapshots in time. Several associations indicated they were in the process of reviewing their mandates or expanding programming in certain areas at the time of the interviews; as such these profiles will only be accurate for a limited period of time.

SUMMARY OF FINDINGS

Sustainability Vision & Position

Scope, coverage and definition

Table 1 provides a summary of the term, scope and history for the programming of each industry association reviewed in this study. The majority of initiatives are relatively recent – initiated since 1999 – with the exception of Responsible Care which was launched in 1985. Some focused initially on environmental management (e.g., CCPA, FPAC) and have recently expanded to include some elements of social performance (health and safety, community engagement). Two associations – PDAC and RCC – are currently developing a CSR Strategy while CBA and CME have not formalized their vision for sustainability.

It is interesting to note that two resource industries – oil and gas and forestry – refer to their programs as "stewardship", perhaps indicative of their land-based activities. CME and RCC refer to it as CSR. There is considerable evidence that all programs are evolutionary in nature, updated with new components to adapt to changing conditions and priorities.

Table 1: Scope, coverage and definition used by Industry Associations

Industry Association	Term Used	Scope of Definition	When Developed
CAPP	Stewardship	Environment, health and safety, and social performance	Stewardship model adopted in 1999, became mandatory component of membership in 2003
CBA	Not considered part of mandate	Scope has yet to be defined	No formal vision or strategy
CCPA	Sustainability/ Sustainable Development	Environmentally sound management, some elements of social responsibility (community engagement, health and safety)	Responsible Care launched in 1985, continues to evolve over time (to include additional elements)
CME	CSR	Environment, social and economic, but no clearly defined programs to support	No formal vision or strategy
FPAC	Sustainability Stewardship	Economic viability, social desirability, environmental responsibility	Sustainability Initiative and Principles adopted in February 2005
PDAC	Sustainability & CSR	Environmental management, some social components addressed (community engagement, health and safety, aboriginal affairs)	Environment program in existence 1999 (in e3 program – Environmental Excellence in Exploration Currently developing a CSR Framework for exploration
RCC	CSR	Environmental, social (domestic and international), human resources and economic performance	CSR vision currently being developed Held first CSR conference in Oct 2006

Board level commitment

All but one of the industry associations reviewed have formal mandates[2] and board level commitment and oversight for their sustainability strategy and/ or programs.

Dedicated staff

In every case where an association has adopted a sustainability mandate and program, designated staff have been given responsibility to oversee and implement the association's sustainability strategy, ranging from one full time employee to five at FPAC. As noted in Table 2, sustainability is often an executive level responsibility, at VP or SVP levels.

[2] A "formal mandate" refers to those associations who have been given authorization or approval by their member companies to use association funds to develop supporting programs that include policies, programs and objectives.

Table 2: Staff Dedicated to Overseeing and Implementing Sustainability Programming

Industry Association	Number of Full Time Employees	Positions and Titles
CAPP	Three FTEs	o VP Stewardship and Public Affairs o Manager Stewardship o EHS Advisor
CBA	One PTE	o Advisor Financial Affairs (provides part time support to Environment Group)
CCPA	Two FTEs	o VP Responsible Care o Responsible Care Administrator
CME	One FTE	o Director Environmental Policy
FPAC	Five FTEs	o Senior VP Sustainability o VP Environment o VP Government Relations and Communication o Environmental Analyst o Senior Counsel
PDAC	One FTE	o Director Sustainability and e3 Project Manager
RCC	Two FTEs	o VP, National Affairs - oversees CSR work, Product Safety Committee and Public Affairs Forum o National Manager, Government Relations (Environment) - oversees environmental issues and stewardship programs, liaises with RCC's Environment Committee

Partnerships with international standard bodies/ leading sustainability initiatives

Some of the industry associations have developed partnerships, or participate in, the sustainability initiatives of other organizations.

- CAPP – Partner in the International Petroleum Industry Environment and Conservation Association (IPIECA)
- CCPA – Contributed to development of Responsible Care Global Charter
- CME – Participates in ISO Working Group on CSR
- FPAC – member of the International Council of Forest and Paper Associations (ICFPA), also partners with the Canadian Standards Association (CSA), the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI)
- PDAC – participates in Towards Sustainable Mining (operated by the Mining Association of Canada), association member of the International Council on Mining and Metals (ICMM), promoter of World Mines Ministries Forum
- RCC – collaborates in Fair Factories Clearing House initiative, engages with Canadian Business for Social Responsibility (CBSR) and several provincial stewardship organizations

There is little evidence of active involvement in cross-industry global sustainability collaborations such as the Global Reporting Initiative, the UN Global Compact or the World Business Council on

Sustainable Development, apart from CME's involvement with the ISO SR 26000 standards. Six of seven industry associations reviewed are, however, active in sustainability oriented initiatives outside of Canada providing an opportunity to learn from and inform global best practice.

Performance criteria

Some industry associations have implemented mandated sustainability performance criteria as a condition of membership, possibly demonstrating best practice leadership in this area. Two associations – CPPA and FPAC – require members to commit to sustainable practices (through Responsible Care programming or sustainable forestry management certification), while CAPP requires members to report on their social and environmental performance. The latter does not mandate a certain performance level or outcome, but requires evidence that, at a minimum, member companies are monitoring their environmental and social impacts in key areas. Because CAPP compiles this industry wide data, member companies are in a position to benchmark their performance to their peers, providing a context for identifying opportunity areas for improved sustainability performance. Additionally, as an industry, CAPP is able to identify strong and weak trends within its sector and take action to close performance gaps as necessary. A few associations strongly encourage their members to take up certain aspects of sustainability performance (i.e., PDAC encourages its members to abide by e3 guidelines, RCC members are requested to voluntarily adopt the Responsible Trading Guidelines) however accountability could be improved. CCPA and FPAC require some form of external verification from member companies.

Best practice

Three industry associations – CPPA, FPAC and CAPP – demonstrate leadership practice by implementing mandated sustainability performance criteria as a condition of membership.

Table 3: Minimum Required Levels of Member Performance

Industry Association	Requirements

CAPP	*Requirements*
	o Member companies, typically a corporate officer, self-declare Stewardship level relative to Stewardship management system expectations
	  o Step 1: Plan – Bronze - Commitment to Stewardship and development of plan to meet Stewardship Management System Expectations
	  o Step 2: Do – Silver - Implementation of Stewardship Management Systems
	  o Step 3: Check – Gold - Internal audits of systems
	  o Step 3: Check – Platinum - External audits of management system implementation
	o Companies required to report performance data as a condition of membership
	Verification
	o Since 2004, CAPP has retained PWC to review data collection, validation, analysis and reporting procedures used to prepare Stewardship Benchmarking Report. (Note: company-specific data is not verified)
	o CAPP monitors the Association's mandatory reporting requirement by determining whether eligible organizations have submitted their sustainability benchmarking data. Those who do not may be required to leave the Association

Table 3: Minimum Required Levels of Member Performance

Industry Association	Requirements
CCPA	*Requirements* o CEO or most senior executive of every member of CCPA must commit to implement six Responsible Care® guiding principles and associated codes of practice within three years of joining the Association. Codes cover the following aspects of sustainability: 1. Community Awareness and Emergency Response (CAER), 2. Research & Development, 3. Manufacturing, 4. Transportation, 5. Distribution and 6. Hazardous Waste Management o Member reporting of data to CCPA to collate for the Annual Emissions report is mandatory for all members *Verification* o Verification teams visit each member company immediately following three-year implementation period. Teams consist of advocates, industry experts and neighbours; use of third party industry experts and public representatives adds credibility to process o Verification reports are made publicly available on CCPA website o Companies are re-verified every three years o Member companies that do not meet RC Commitments have memberships revoked (this has happened twice)
FPAC	*Requirements* o As of Jan 2002, FPAC committed to having all lands under members' management certified to one of three internationally recognized sustainable forestry standards in use in Canada: Canadian Standards Association (CSA), Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) o At end of 2005, 95% of members were certified *Verification* o Auditing is required to achieve and maintain certification with one of these three standards

Identifying Key Sustainability Issues in the Sector

Process for identifying key trends and issues

Five of seven industry associations reviewed have no formal process for identifying sustainability issues or trends affecting their sector. Sustainability issues and trends are brought to the attention of the associations informally through the following mechanisms:

- Through internal membership committees or Leadership Groups (CAPP, CBA, CCPA, CME FPAC, RCC, PDAC)
- Participation in other associations / organizations (CAPP – IPIECA, PDAC – MAC)

- Member surveys (CAPP, PDAC)
- Formal surveys conducted by external third party (CAPP – Ipsos Reid)
- Annual benchmarking exercise (CAPP, CCPA)

Identifying sustainability issues is part of the formal mandate for both CCPA's National Advisory Panel and CAPP's Stewardship Advisory Group.

Programs for addressing key trends and issues

All associations have integrated sustainability programming into their operational plans and have resourced their programs with budget commitments, with the exception of the CBA for whom sustainability is not yet seen as part of its mandate, although this is currently under review. The annual budgets for each association's programming range from $40,000/ year to $250,000/ year. Associations have developed programs in the areas noted in Table 4 to respond to the sustainability trends and issues faced by its sector. All associations are engaged on environmental programming and all have ongoing public policy and government relations activities on sustainability matters. Resource industries have aboriginal programming and the retail and forestry sectors are addressing supply chain issues.

Table 4: Key Areas of Sustainability Programming

Type of Program Area	CAPP	CBA	CCPA	CME	FPAC	PDAC	RCC
Communities - *Engagement* - *Community giving* - *Skills development* - *Land use/ Access* - *Abandoned mines initiative* - *Transportation safety/ Emergency response*	✓		✓		✓	✓	✓
Employees - *Health and Safety*	✓		✓	✓	✓		✓
Customers							✓
Shareholders							
Suppliers - *Responsible/ Ethical Trading Guidelines* - *Chain of custody certification for sustainable managed resources*					✓		✓
Governance/ Ethics				✓			✓
Environment - *Air quality/ climate change* - *Env management* - *Waste reduction* - *Water use* - *Toxic substances* - *Conservation/ preservation* - *Env risks/ liabilities* - *Abandoned mines initiative*	✓	✓	✓	✓	✓	✓	✓

Table 4: Key Areas of Sustainability Programming

Type of Program Area	CAPP	CBA	CCPA	CME	FPAC	PDAC	RCC
Formal, Ongoing Stakeholder Engagement Programs - *e.g., advisory groups_*	✓		✓				
Measuring, Monitoring, Verification and Reporting & Communications - *Sets targets* - *Reports on performance of sector*	✓		✓		✓		
Indigenous Communities	✓				✓	✓	
Human Rights							
Security							
Public Policy/ Government Relations regarding sustainability	✓	✓	✓	✓	✓	✓	✓

Setting goals, objectives and targets for specific programs

Target setting is a key feature of leading sustainability performance at the firm level. The lack of formal target setting by industry associations was a notable gap in their sustainability programming. In some cases, associations measure and report on performance against a set of environmental and social performance indicators (CAPP, CCPA, FPAC), however, only FPAC has set a formal target with an associated timeline: increase paper recovery rate to 55% by 2010 over current baseline of 45%. CCPA has a sector-wide goal of eliminating all employee injuries and process-related accidences but this has no associated timeline or concrete process for measuring success. A few associations indicated they have set targets through memorandums of understanding (MOUs) with government on specific performance issues (e.g., GHG reduction target, benzene reduction target).

Notable gap

A notable gap in the sustainability programming of industry associations is the lack of formal target setting.

Engaging Key Stakeholders

The review demonstrated that there is a growing recognition of the importance of engaging key stakeholders in dialogue on sustainability issues and programs. Several associations noted that engaging with stakeholders is key to operating in a credible and transparent manner and that many of their member companies engage in company-specific stakeholder engagement activities. Three of seven associations have developed formal, ongoing stakeholder engagement programs, while others use informal processes of identifying and engaging stakeholders on an issue-by-issue basis. A notable best practice for engaging stakeholder groups in dialogue around sustainability issues is the use of an external advisory panel led by an independent facilitator; a practice used by both CAPP and CCPA.

Best practice

A notable best practice for engaging stakeholder groups in dialogue around sustainability issues is the use of an external advisory panel led by an independent facilitator; a practice used by both CAPP and CCPA.

Process for identifying key stakeholders

Three associations have formalized a process for identifying key stakeholders to engage in dialogue:

- FPAC – has instituted a team focused on stakeholder relations
- CCPA – uses an independent facilitator to identify stakeholders for inclusion in its National Advisory Panel
- CAPP – extends invitations to stakeholders to participate in its Stewardship Advisory Group using a nomination process. Expertise, knowledge and experience are primary factors determining eligibility to serve, influenced by work history and affiliation. Nominations are sought from CAPP's Executive Policy Groups (EPGs) and existing Stewardship Advisory Group members while the final selection of stakeholder members is made by a nomination committee comprised of members of the Stewardship Committee, Environment, Health and Safety EPG and CAPP executive team.

Informal ways of identifying stakeholders as noted by associations include:

- PDAC – identifies key stakeholders through committees and a general membership survey at commencement of every strategic planning cycle
- CCPA and CAPP – identify stakeholders on a case by case basis depending on sustainability issue; both are open to stakeholder groups who approach them to work on an issue, also seek out experts in specific areas they are looking for guidance/ assistance

Key stakeholders

Industry association representatives identified the following as key stakeholders for their industry sector (Table 5). NGOs are most frequently identified, followed by local communities and government.

Table 5: Key Stakeholders as Identified by Industry Associations

Industry Ass'n	Gov't	Academic/ Research Experts	NGOs	Local Communities	Consumer Groups/ Consumer	Other Ass'n/ Peers	Aboriginal Communities/ Groups	General Public	Labour
CAPP	✓		✓	✓		✓	✓		✓
CBA	✓		✓		✓				
CCPA		✓	✓	✓	✓	✓			✓
CME	✓	✓	✓	✓		✓			✓
FPAC			✓	✓			✓	✓	
PDAC	✓			✓			✓	✓	
RCC	✓	✓	✓		✓	✓			

Programs to engage stakeholders

Apart from CAPP and CCPA, associations do not have active, ongoing stakeholder dialogue fora on sustainability. However, several of the associations participate in stakeholder forums led by other organizations, some of which focus on sustainability issues. The programs listed in Table 6 are being used to dialogue on the sustainability performance of industry associations and are led by the associations themselves.

Best practice

CAPP and CCPA have initiated active programs for engaging with stakeholders in the form of external advisory panels or groups.

Table 6: Formal Programs Used to Dialogue on Association Sustainability Performance

Industry Association	Formal and Ongoing Stakeholder Engagement Programs
CAPP	o Established a Stewardship Advisory Group (CSAG) in 2006 to foster dialogue between CAPP and its stakeholders; provides stakeholders an opportunity for input on priority sustainability issues o CSAG comprised of stakeholder members, ex-officio members representing CAPP and, when necessary, an independent facilitator o Each stakeholder member asked to make minimum commitment of two years; memberships may be extended for up to five years

CCPA	o Supports a National Advisory Panel
	  o Includes 12 – 16 regional representatives from across Canada; representing broad range of stakeholder groups
	  o Panel advises CCPA on leading edge issues and on implementation of, and improvements to, Responsible Care Program
	  o Meet 4X year, 7-14 days before CCPA Board meetings to facilitate Board reporting
	  o Independent facilitator coordinates Panel meetings
	  o National Advisory Panel writes annual report each year to CCPA, also reviews performance of individual companies at the request of each member company

Industry Association	**Informal and ad hoc Stakeholder Engagement Programs**
FPAC	o In 2005, conducted focus groups with forest industry stakeholders and sustainability experts in different regions of Canada to obtain feedback on their Sustainability Initiative
RCC	o Engaged Maquila Solidarity Network and Canadian Business for Social Responsibility to develop the agenda for RCC's first CSR Conference

Reporting on stakeholder engagement activities

Reporting on the type and nature of stakeholder engagement, and especially results of engagement activities, is quite limited. Most of the associations reviewed do not report on the nature of their

engagement processes and deliberations, or on the degree to which stakeholder input has influenced decision-making. Two exceptions include:

- FPAC commissioned a report on the focus groups it held in 2005, written by an independent third party. FPAC indicates that findings from the focus groups influenced the design and implementation of its Sustainability Initiative.
- CCPA's reports on its website about how its National Advisory Panel convinced it of the need for third party verification of member company practice and commitment to the principles of Responsible Care. CCPA indicates that after initial scepticism, the association embraced the concept, invested in developing the protocol and made verification a core activity of Responsible Care. The National Advisory Panel has also influenced the program by insisting companies be re-verified every 3 years.

Notable gap

Most of the associations reviewed do not report on the nature of their stakeholder engagement processes and deliberations, or on the degree to which stakeholder input has influenced decision-making, an exercise recommended in many best practice standards in stakeholder engagement.

Supporting Industry Association Members

Training and education

Most of the industry associations with formal sustainability programs (5/6) offer some form of training or education program for their members on sustainability, suggesting this is a common association practice and role. One of these training initiatives – PDAC's Community Engagement Course − has been formalized to the extent that it is an accredited program. A common theme or topic of several of the training and workshops identified related to community/ stakeholder engagement practices and processes. Holding shorter workshops on CSR topics was also common. These workshops ranged from general topics (such as "What is CSR"?), to more specific topics (e.g. how to measure emissions, how to address transportation safety issues, how to form a community advisory panel, etc.).

Guidance documents and tools

The guidance documents and tools listed in Table 7 have been produced by the industry associations reviewed to support members in implementing the association's sustainability program objectives.

Table 7: Guidance Documents and Tools Produced by Industry Associations

Industry Association	Guidance Documents and Tools
CAPP	o Members only website – contains support materials for 151 codes of practice under Responsible Care© o NERM toolbox – assists members when completing annual emissions survey (also helps complete National Pollutant Release Inventory Survey)

Table 7: Guidance Documents and Tools Produced by Industry Associations

Industry Association	Guidance Documents and Tools
CCPA	o The Guide for Effective Public Involvement – best practice guide that includes the fundamentals of public involvement, guidelines, steps, backgrounders, case studies, resources and references o Guide to Developing a Basic Environmental Program for the Upstream Petroleum Industry o Benchmarking Guide for Stewardship Reporting o Stewardship 101 – guide for understanding and implementing Stewardship requirements
CME	o Tools to support members with ISO implementation o "How-to" Guides on environment and H&S management for small and medium sized enterprises (SMEs)
PDAC	o E3 online database – internet-based toolkit offering leading examples of environment and social responsibility in minerals industry, provides guidelines and best practice case studies o PDAC – Guidebook on Mineral Exploration, Mining and Aboriginal Community Engagement o PDAC (with ICMM) – Biodiversity Good Practice Guidance, Community Development Toolkit
RCC	o Responsible Trading Guidelines for ethical sourcing o Commitment to Parents Code (requires retailers to support/ enforce the Entertainment Software Ratings Board ratings for computer, video games)

Internal Communications

No examples of formal, ongoing internal communications programs were noted by industry associations, however many referred to informal methods of sharing sustainability information with members:

- Weekly/ biweekly e-newsletters to members that periodically highlight sustainability topics (noted by CAPP, CCPA, RCC)
- Monthly/ quarterly publications that periodically highlight sustainability topics (noted by CCPA, CME, PDAC, RCC)
- Inclusion of sustainability topics on public website / member intranet sites (noted by CAPP, CCPA, FPAC, PDAC, RCC)
- Occasional communication briefs devoted entirely to CSR issues (noted by PDAC)

Incentive Programs

Most industry associations encourage member participation in their sustainability programs through the use of awards and recognition programs as incentives.

Five of the seven industry associations reviewed encourage member participation in their sustainability programs through the use of awards and recognition programs as incentives.

- RCC offers awards to member retailers who demonstrate leadership in CSR at their annual

conference

- PDAC honours individuals or organizations demonstrating leadership and accomplishment in protecting and preserving the natural environment, or establishing and maintaining good relations with local communities, with an e3 award
- CME operates an awards program in cooperation with CIDA to recognize members who support sustainable, economic growth and social programs to reduce poverty in developing countries. The CME also recently added a new category to its Canadian Innovation Awards for New Technologies to recognize technologies that contribute to improved environmental outcomes
- CCPA gives Responsible Care plaques to members upon successful verification. CCPA also operates the SHARE Program to recognize companies who have made significant improvements in, or who have sustained high levels of health and safety performance over a 5-year period
- CAPP's Annual Steward of Excellence Awards recognize exceptional work of member companies in four categories: environment, health and safety, social and overall stewardship (the latter referred to as the President's award)

Sustainability Reporting on Industry-Wide Initiatives

Half of the industry associations issue, or plan to issue, sustainability reports on their sector's sustainability performance. Two industry associations currently issue public reports on the sustainability impacts of the sector and initiatives in place to address those impacts – CAPP and CCPA, with a third on the way: FPAC. Across the three current and planned reports there is a strong focus on environmental indicator reporting, with a more recent inclusion of broader social indicators.

Notable Gap

Two of the seven industry associations reviewed currently issue public reports on the sustainability impacts and activities of the sector; both of which are focused primarily on environment, health and safety. A third association will start reporting across a range of indicators in 2007.

CAPP publishes an annual Stewardship Progress Report that covers the association's current and future sustainability initiatives and members' sustainability performance on the following key environmental, health and safety indicators: GHG emissions, flaring and venting, spills and releases, safety, water use, NOX emissions, abandonment and reclamation and benzene emissions and an employee profile. The 2007-08 report will also contain progress towards two new social indicators: Employee Skills Enhancement and Community Investment. Members are required to collect and submit data as a condition of membership. A notable best practice is the use of an independent audit firm to assess and validate CAPP's data collection processes and findings (not to be confused with validation of member company performance, which CAPP does not monitor or require).

Best practice

A notable best practice in reporting on industry-wide initiatives is CAPP's use of an independent audit firm to assess and validate its data collection processes and findings.

CCPA publishes collated environmental, health and safety performance data from member companies annually (Annual Emissions Report), as well as annual verification reports on its members' commitment to Responsible Care© Principles. The Annual Emissions Report includes a five year review of performance in the following areas: toxins, smog, climate change, ozone depletion, water

quality, waste and recoverables, and use of chemical substances. Member reporting of data to CCPA to collate for the Annual Emissions report is mandatory for all members. Publishing of annual verification report (demonstrating commitment to all Responsible Care© principles) is mandatory for all members following a three year implementation period.

FPAC is in the process of launching a public reporting initiative on sector sustainability performance. Their first report will be published in 2007, and will occur on a biennial basis after that. The report will cover the collective performance of its members and address three key areas: Economic Viability, Environmental Responsibility and Social Desirability.

Association's Sustainability Performance

Only one association − CAPP – has identified the sustainability impacts associated with its own operations (i.e., a house in order program).

CAPP identified three key sustainability aspects associated with its own operation – waste generation, energy use and unsafe driving – and has developed programs to manage these impacts. For example the association has adopted a recycling program, identified ways to improve its energy efficiency (through alternative lighting, video conferencing, use of transit passes) and instituted a driver safety program for all staff. To date no formal targets have been set and no progress has been measured or reported as these programs are relatively informal.

IV. INTERVIEW FINDINGS

CANADIAN INDUSTRY ASSOCIATIONS

Industry Association representatives were interviewed for their views on the drivers, trends, successes, barriers and challenges in developing and implementing sustainability programs for their members. They were also asked to provide their thoughts on the ideal role of the association to advance sustainability among members and to make suggestions regarding the role of the federal government to support associations in their sustainability objectives. The following is a summary of this input.

Development and Nature of Sustainability Program

How programs were developed

Most commented that the development of the sustainability program was primarily championed by member companies themselves seeking a leadership role of their association. In one instance the association's CSR initiative was directly advanced by the President of the association. In two instances, the sustainability program was under development at the time of the study; however, member companies were playing active roles in furthering the effort.

Six of seven associations indicated their sustainability programs are, and were initially, championed by member companies seeking a leadership role of their association.

Relationships between sustainability and core mandates

All associations commented that their CSR, sustainability or environmental initiatives are fundamental to the core mandates of the association to advance industry and member company productivity and competitiveness, support the industry's social license to operate, build market reputation and acceptance, enhance member risk management, and to provide opportunities for members to retain or grow their business and maintain international leadership. In one instance, the focus was on government regulation and reputational risk management, which were perceived as key to the association's core purpose.

Common drivers

Respondents named the following as drivers that led to the development of their sustainability program, key among them being the need to build reputation and promote market acceptance (Box 3):

- The need to build reputation and market acceptance
  - Concern that members would begin suffering brand damage

Box 3: Common Drivers Leading to Development of Sustainability Program

- Need to build reputation and market acceptance
- Growth of industry and industry expansion
- Broadening of civil society
- Legal framework – clarification regarding duty to consult, etc.
- Concern about regulations – want to be ahead of, and provide input into, government regulations

  - Negative press
- Growth of industry and industry expansion
  - New stakeholders, environmental concerns
  - Increases in world prices increases exploration and contact with remote communities
- Broadening of civil society
- Legal framework – clarification regarding duty to consult, etc.
- Concern about regulations – want to be ahead of, and provide input into, government regulations

Promotion of sustainability

Industry associations promote sustainability to their members through various means, primarily conferences, workshops and seminars. One commented that it is a condition of membership while another indicated that promotion was not necessary as the marketplace was driving sustainability performance. Associations indicated they promote sustainability through the following methods:

- Annual convention, conferences, social and environmental risk management workshops, CSR technical sessions at conferences, environmental seminars, regional workshops
- Newsletters, notices, technology updates, publications
- Best practice documents
- Industry reporting program
- Participation in multi-stakeholder processes (e.g., CSR Roundtable, ISO 26000 Working Group)
- Membership requirement

One association did not have a mandate to promote sustainability or CSR to its member companies.

Documentation of business case

Modest efforts are apparent to formally document the business case benefits of sustainability for members. One association commented they had organized a discussion on the business case issues of Kyoto. Another association referred to production of research documents on certain sustainability issues. A third association commented they build upon the business case research of others. A fourth association did not see its role as providing business case information and felt that member participation in international sectoral initiatives adequately served that purpose.

While there did not appear to be considerable business case documentation and analysis, the majority of the association representatives identified a number of key business case issues for members, e.g. industry reputation and market access, social license to operate, risk management, shareholder value creation, cost savings and containment (e.g., energy efficiency initiatives, waste reduction), enhanced sales, employee attraction and retention (especially in the face of labour shortages).

A number of interviewees commented upon the processes by which members are assisted in the identification of sustainability risks and opportunities, including:

- Shared incident management
- Social and environmental risk management workshops

- CSR technical sessions and how-to guides
- Communication documents
- Committees on various topics that work through issues as a group
- Close proximity of members which facilitates information-sharing
- Membership talent and resource pool to share information and expertise between members
- Association brings expertise members don't have, such as top climate change policy experts in the country, toxicologists, etc.

Role, Challenges, Barriers and Opportunities

Key successes in promoting and implementing sustainability

Most commented that high member participation was a key success of their efforts to promote and implement sustainability through the association. Sample observations included: high attendance at first CSR conference; significant member buy in; and senior management involvement in sustainability initiatives. Other successful outcomes as noted by associations include (Box 4):

- *Industry movement on CSR* issues in absence of regulations
- *Development of close relationships* with other associations and organizations to advance dialogue on key issues
- *Significant market recognition* – industry is perceived as North American leaders by environmental groups, customers and opinion leaders
- Members are *broadening their approaches* to sustainability, including health and safety, aboriginal issues, etc.
- Information tracking on new sustainability issues reveals *high levels of performance* in some areas
- *Commitment to leadership* in sustainability by members and association
- Members are *open to continuous improvement* in sustainability even if it involves stricter timelines, codes of conduct, etc.
- Association *committees take sustainability issues into account*; there is a track record in attracting business leaders onto sustainability committees
- Successfully lobbying efforts on key environmental regulations

Box 4: Successful Outcomes due to Promotion of Sustainability

Industry Association noted the following successful outcomes resulting from their promotion of Sustainability:

- Industry movement on sustainability in absence of regulations
- Increasing partnerships, relationship building to tackle sustainability issues
- Greater market recognition
- Expanded sustainability scope of programming by member companies
- Commitment to leadership in sustainability by several member companies
- Members open to continuous improvement in sustainability
- Association committees take sustainability issues into account

Success was largely attributed to high member participation and cohesion, strong industry and association leadership, a strong business case for sustainability, and building sustainability into every aspect of how the association and member companies work.

Challenges and barriers to member uptake

Industry Associations also described a number of challenges to member uptake of sustainability programs, the most frequently mentioned being the lack of resources and capacity of smaller member companies (Box 5):

- *Limited capacity of small companies:* Capacity of small companies to adopt and implement a sustainability program is limited; generally, smaller companies lack awareness of how to implement sustainability and do not have the resources to address CSR issues; very focused on running the core business
- *Continuity:* As staff move between companies, or when management changes at a member company, the associations sometimes have to prove themselves to new management/new staff
- *Communication:* Geographic dispersal of a large number of small companies operating around the world creates communication challenges
- *Fluctuating commodity prices:* The industry is subject to world price and low margins on projects – CSR practices change as the price fluctuates
- *Costs to implement sustainability*: Especially for small companies
- *Lack of a business case*: Industry is not aware of the business benefits of sustainability
- *Limited resources or mandate of association:* Associations are limited in their activities by the mandate given to them by their members, and funding dedicated to the issues
- *Lack of senior-level support:* Need for senior management buy-in to advance sustainability at member companies
- *Member independence:* Members prefer independent approaches
- *Fear of government regulation:* Fear that government will move to regulate voluntary sustainability programs
- *Lack of government support:* Some members are starting to question the value of participating in the program if it is not required by regulations or if governments provide no incentives to participate

Box 5: Challenges to the Promotion of Sustainability

Industry Association noted the following challenges to their promotion of sustainability among member companies:

- Limited capacity of smaller member companies
- Changes in staff/ management at member companies
- Fluctuating commodity prices
- Lack of awareness of business benefits
- Limited resources and mandates of the association
- Lack of senior-level support or buy-in
- Member independence
- Member fear of government regulation
- Lack of government recognition/ incentive

Ideas on how to overcome challenges and barriers

Awareness, education and capacity building are among the top suggestions for how to overcome the challenges and barriers to member uptake of the industry association's sustainability programs. The complete list of suggestions includes:

- *Awareness raising, education and capacity building*:

Awareness, education and capacity building were most frequently noted as key elements needed to overcome the challenges affecting member uptake of Sustainability programming.

  - Raise awareness and build capacity through toolkits, resource guides, workshops and conventions/conferences
  - Help members understand the business case
  - Develop an understanding of good practice; highlight good practices
  - Extend program beyond executive office; promote widespread understanding of the program throughout the company; help the community to understand the program
  - Share knowledge and lessons learned and provide peer-based learning (e.g., establish discussion groups of 12 – 15 members interested in working together to address implementation issues)
  - Hire outside expertise to help facilitate strategies on how to improve industry sustainability performance
  - Raise profile of sustainability leadership through annual award program
  - Conduct site tours of leading companies to witness sustainability in practice
  - Benchmarking and gap analysis of industry sustainability practice; work with others in industry to develop tools to help with gap analysis
- *Ensure relevance*:
  - Focus test topics to be sure the right issues are being addressed
  - Segment communication to members to ensure relevance; communicate as directly as possible; targeted, not mass, communications to members
  - Survey members to determine their priority interests to justify broadened role for association
- *Build external relationships*: Participate in relationships with outside research groups and NGOs in order to improve knowledge and information base
- *Develop resources*: Pool funding, share costs, seek government partnerships for cost-sharing; raise funds from interested companies to develop toolkits and resource guides, host workshops, etc.

Key opportunities over next 3-5 years

When asked about key opportunities for advancing sustainability uptake among their members over the next 3-5 years, associations[3] noted the following:

- Increase awareness and education
- Develop a common member platform to move forward
- Identify opportunities for costs savings in sustainability efforts
- Assist with sustainability reporting, disclosure, transparency and accountability (e.g., help members to produce sustainability reports, measure sustainability performance)
- Launch sustainability R & D program (e.g., develop the business case, identify technology gaps to address goals such as finding ways to reduce emissions, promote carbon capture and storage and reduce industry's environmental footprint)
- Stakeholder engagement (i.e., growing public appetite for involvement in projects; need for an informed discussion)
- Opportunity to engage with government on recognizing the value of the sustainability program

[3] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

- Follow-up from CSR Roundtable: very professional approach; good example for other sectors; lessons to be learned through process and recommendations
- Make sustainability a priority of the association; consider opportunity to grow membership on this issue
- Address specific sustainability topics (as noted below in Table 8)

Table 8: Priority Sustainability Topics to Address in Next 3-5 Years *(as noted by Industry Associations)*[4]

Sustainability Topic	Specific Issue to Address
Air	Identify processes / technologies for particulate reduction
Water	Understand impact of, and develop strategies for, managing endocrine disrupters
Land	Understand impact of, and develop strategies for, managing issues in the boreal and other conservation issues (e.g., protecting caribou habitat, endangered species) Stakeholder/government partnerships on conservation issues, e.g. boreal forest
Economic and Regulatory	Ensure companies can stay in business for the long term, earn social license to operate Carbon emissions trading developments and opportunities Legislative reform
Community impact of industry rationalization	Anticipate negative impacts of mill closures on rural communities, work with government to establish rural economy transition programs for workers and communities, etc.
Research ethical consumerism	Conduct research in order to better understand the trends as there is very little North American data, could support business case, provide market advantages
Opportunity to brand sustainability for Canadian businesses	Explore opportunity to develop national strategy to leverage ISO 26000 (International Standard providing guidelines for social responsibility that will be launched in 2008)
CSR in the supply chain	Increase awareness of the power of the supply chain and the member company's role in the supply chain as members will be affected (e.g., major purchasers will demand environmental and social performance information from member companies). Understand general supply chain issues relating to sustainability, including relevance and role of certification systems
International standards	Assess impact and opportunity of emerging international standards and accords on industry
NGO partnerships	Identify opportunities and approaches for NGO collaborations on key sustainability issues

[4] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

Ideal roles[5] for industry associations in promotion of sustainability

The majority of respondents believed that a key role for industry associations in promoting sustainability is one of leadership (Box 6). These respondents believe industry associations should be on top of emerging sustainability trends and issues and keep their members up to date. They should inform members of developments in civil society, government and law, conduct scans on topical issues, bring ideas on how to address issues to members, convene the industry to discuss sustainability topics, encourage members to take up sustainability initiatives and ensure the industry sustainability program remains sound and robust. The industry association is also responsible for helping to articulate the sustainability value proposition and to promote accountability of the industry to society. To this end, the industry association can facilitate stakeholder engagement at an industry level to secure society and stakeholder input on key sustainability issues.

Many association representatives also felt they should help to raise industry standards on sustainability and challenge industry on best practice. The industry can benchmark company performance, provide best practice examples from within the industry, and partner with government to provide workshops and training on sustainability, especially for smaller companies. Associations can develop guidelines, how-to guides, sample policies and provide affordable resources and tools for members. They can promote peer-based learning and help companies share knowledge with each other through networking and other collaborative efforts. It was suggested that collective action is the key tool for industry groups to advance on sustainability. Through collective action the industry can work together to find solutions rather than compete with each other to have the best practices in an area. It is the job of the industry association to identify such co-operative opportunities and form working groups of interested members to help the industry move forward on key issues.

Box 6: Ideal Roles for Industry Associations – IA Perspective

Demonstrate Leadership
- Stay on top of CSR trends and issues, keep members informed
- Convene industry to discuss CSR topics
- Encourage members to take up CSR initiatives
- Articulate the sustainability value proposition / promote accountability of industry to society
- Facilitate stakeholder engagement

Raise Industry Standards
- Set targets for industry advancement
- Benchmark member performance
- Share best practice examples
- Develop how-to guides, resources
- Promote peer-based learning
- Partner with others (Government, NGOs etc.) to provide training and workshops

Provide assistance in getting management buy-in, responding to shareholders / boards on CSR matters

Represent industry in standard-setting initiatives, develop codes of practice

Support members in stakeholder engagement

Create a common platform for addressing shared interests and dealing with stakeholders

The association can also provide assistance in getting management buy-in and in responding to shareholders and boards on sustainability matters. The association might set targets for the industry to advance sustainability, though targets will not take the place of regulations. A possible role for the industry association is also to provide support to members on how to engage with NGOs and other stakeholders.

[5] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

Finally, it was suggested that associations can represent the industry in standard-setting initiatives, developing codes of practice and possibly bringing in large buyers to speak to member companies on the role of the supply chain in advancing CSR.

One association expressed that the most ideal role for the association is to create a common platform for addressing shared interests and dealing with stakeholders. This more modest role would provide issue education, identify opportunities for cost-sharing on research where appropriate, and facilitate information sharing and government lobbying.

Role of Government

Summary of suggestions from interviews regarding potential roles for government

The following are thoughts from industry associations regarding the role the federal government can play to assist them in supporting their member companies' sustainability performance, key amongst them being to promote industry sustainability progress to international and domestic markets and to Canadians generally and to recognize sustainability progress in regulations (Table 9).

Table 9: Potential Roles for Government *(as Noted by Industry Associations)*[6]

Suggested Government Role	Examples of this Role
Marketing and promotion of sustainability leadership	• Recognize industry successes with sustainability (e.g., ministers could include industry success stories when talking to the press, or at international fora) • Trade commissioners could promote the purchase of wood from companies adhering to sustainable forestry standards • Communicate sustainability programs of global corporations to Canadian trade agencies abroad • Brand Canadian industries as CSR leaders; market Canadian companies that follow CSR practices as good corporate citizens • Provide recognition for sustainability leaders (e.g., through an award program for leading companies) • Promote industry's progress to market and Canadians; globally market industry leadership on sustainability and CSR
Develop policy or regulatory framework to encourage member uptake	• Create incentives for participation, whether for compliance or leadership (e.g., make it easier/ quicker to obtain permits if stewardship programs are followed) • Provide relief from regulatory burden if companies have sustainability programs • Recognize companies with strong stewardship records in regulations • Best practices could be used for future regulation development as in performance-based regulation

[6] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

Table 9: Potential Roles for Government *(as Noted by Industry Associations)*[6]

Suggested Government Role	Examples of this Role
Develop industry-government partnership programs	• Partner and collaborate with industry on sustainability programs; fund collaborative research projects • Work with various government departments to fund training, workshops and capacity building, especially for SMEs • Collaborate on specific initiatives, such as ethical trading issues, providing funding for international CSR programs that are priority for associations and their members (e.g., Fair Factories Clearing House) • Launch programs to increase energy efficiency • Assist with development of research programs (e.g., ethical consumerism) • Conduct best practice research • Develop information kits on sustainability
Provide information	• Inform association of existing government sustainability programs that can assist member companies • Provide information on the available options for advancing corporate sustainability
Develop communication channels	• Open lines of communication; ongoing information sharing • Play liaison role at conferences • Create a one-window sustainability/CSR approach – e.g. a national working group on CSR that associations can liaise with as a single point of contact within government • Develop a coordinated approach within government; stewardship programs do not fit neatly within government departments
Develop international standards	• Help to establish an international standard – there are bad players in global industry which results in poor reputation for the industry; plus, to the extent laggards get away with bad performance, this makes them cost competitive compared to advanced sustainability performers • Play a role in an industry-led global effort
Promote industry sustainability programs to companies	• Jointly promote sustainability initiatives, programs and standards to other companies • Include sustainability program in government-produced information bulletins
Support sustainability through government purchasing	• Use sustainability criteria in purchasing decisions and link to industry programs
Government legislation	• Consult on environmental legislation and regulation • Enforce existing legislation or develop new requirements so the industry doesn't have to negotiate with civil society on sustainability issues • Develop a carbon trading emissions standard

CANADIAN MEMBER COMPANIES

Two member company representatives from each of the industry associations were interviewed for their perspectives on barriers and challenges, successes and cost-benefit of participating in the association. As with the association representatives, they were asked to comment upon the ideal role of the association to advance sustainability among members and to make suggestions regarding the role of the federal government to support associations in their sustainability objectives. The following summarizes their input. (Note: In one instance (CBA) association members were included in the industry association interview, thus their comments are not included here).

Impact of Industry Sustainability Program

Degree of awareness

Nearly all respondents were very familiar with the industry sustainability programs. One was not a member but had some familiarity and another commented they were somewhat familiar with the range of available programs, but was an active user in only one of the key programs.

Level of adoption

Of those respondents participating in the industry sustainability programs, they had the following views on why there were participating (Table 10):

Table 10: Primary Reasons for Participating in Industry Sustainability Programs *(as noted by Member Companies)*[7]

Opportunity to build external positioning through association programs

- Use program to support a strong brand corporate identity
- Helps position the company as a leader
- Builds external positioning

Economies of scale and cost savings

- Save the hassle of each company having to lobby on the same issues
- Realize opportunities for cost-savings / economies of scale

Strength from collective effort rather than working individually

- Opportunity to raise industry performance levels
- Most issues are sector issues (e.g. climate change, boreal forest)
- Opportunity to demonstrate through collective reporting that progress is being made, build social license to operate

Desire to raise own performance levels

- Opportunity to learn from others
- We take a long term view of our business; we are long term stewards of

[7] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 10: Primary Reasons for Participating in Industry Sustainability Programs *(as noted by Member Companies)*[7]

property
Benefits to large members
• Large members need to influence sector positioning to bring others along on sustainability path • Through the association we can raise the bar with other companies – this can improve the overall reputation and brand of the industry • Makes information-sharing more efficient because can't deal individually with mentoring calls
It's the right thing to do
• Altruism • This is the right approach • Personal interest; it is company's duty to be socially responsible
Credibility
• Association brings credibility to the table • They are a professional organization with strong leadership • Helps us establish our credibility

One interviewee indicated they were not that engaged in the association's environmental programs as alternative non-profit programs were more effective (robust, leading edge, informative, etc.) and that they were not engaged on the sustainability programs as there was limited SME participation and reduced opportunities for information-sharing. One member company was uninvolved due to greater participation in other associations more directly related to their business and global nature.

Member companies were asked to comment on the receptivity of the rest of the membership to the industry's sustainability programs, potential barriers and success drivers. Most indicated that member company participation in the industry association's sustainability programs were on the good to high side, some attributable to the mandatory nature of the program. One member company felt member participation in association program was spotty and another thought it was low. One was unaware of member participation levels as they were not involved themselves. Member company respondents identified several barriers that could limit or prevent member uptake of the industry's sustainability programs (Table 11). Member companies were also asked to what they attributed high adoption rates and they shared the success factors (also Table 11).

Table 11: Success Factors and Barriers Affecting Member Participation in Association Programs *(as noted by Member Companies)*[8]

Success Factors Contributing to High Level Member Uptake of Association Programming	Barriers Limiting Member Participation in Association Programming
• Credibility of association • Proactive role of association (can't be too far	• Limited financial capacity • Time constraints

[8] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 11: Success Factors and Barriers Affecting Member Participation in Association Programs *(as noted by Member Companies)*[8]

Success Factors Contributing to High Level Member Uptake of Association Programming	Barriers Limiting Member Participation in Association Programming
ahead, but can't be passive) • Dedicated association staff and resources • Strong, capable leadership with skills in multi-stakeholder programs, etc. • Process that was followed: ❖ Good problem definition; developed shared view of the problem and shared view of the solution ❖ Achieved buy-in ❖ Developed achievable, though stretch, goals and clear steps for engagement ❖ Promoted adoption ❖ Cheerleading during roll-out ❖ Member company champions	• Undeveloped program; lack of association expertise • Lack of awareness; program not promoted • Different priorities between large and small member companies (e.g., small companies may see little value in sustainability reporting) • Lack of business case; not perceived as a competitiveness issue • Lack of peer pressure to participate • No demand from financial community/ investors • No incentive from government • Do not see benefit of collective action (i.e., do not perceive they have sector risks that need to be managed by the sector) • Unaware of new expectations; older workforce maintains conservative view • Lack reporting processes, systems, metrics and ability to produce information and track statistics • Sustainability not seen as part of doing business; seen as add-on • Voluntary programs have low participation rates; guidelines are too flexible; need for clear expectations from regulators to drive performance • Global operations not addressed by Canadian association; association not directly related to company interests • There are many associations and companies have to choose which to belong to

One respondent commented that they didn't perceive any barriers to participation. A few commented on strategies to help overcome these barriers, primarily through incentive programs such as regulatory incentives and marketplace promotion; business case documentation; education on how the world is changing and how to implement sustainability; raising member awareness of the programs; and free or subsidized training and workshops.

Member companies were asked to comment upon the costs and benefits of participating in the industry's sustainability programs. Many members noted the costs of participating were minor, and that there were no 'hard' costs. Several noted 'soft' costs that could be attributed

Box 7: Soft Costs Associated with Participation in Association Program

- Costs to compile data
- Labour costs:
  - Committees
  - Document writing
  - Meetings
- Working with less sophisticated organizations
- Reaching consensus; can be difficult to get buy in, takes time
- May hold back best practice
- May be affected negatively if there is poor performance of one member company

to participation in the industry association program (Box 7). Benefits of participating in association programming are noted in Table 12.

Table 12: Benefits Members Have Realized through Participation in Association Programs[9]

Platform for involvement

- Provides a roadmap/ puts whole industry on the same path/
- Helps companies identify where to get started
- More powerful when working collectively
- Provides common understanding and usage of key sustainability indicators

Improves practice and performance

- Helps benchmark performance / calibrate performance with others so won't be too far ahead or too far behind
- Identifies best practice, problem solving, lessons learned opportunities
- Facilitates peer learning / provides mentors
- Identifies trends; provides advance knowledge; changing nature of business requires integration of social and environmental considerations

Cost effectiveness

- More expensive to develop program independently
- Able to cost-share expenses
- Able to go further, faster/ more efficient, more robust results
- Able to monitor international evolution of issues effectively

Competitive advantage opportunities

- Demonstrates performance and become supplier of choice for customers, suppliers, communities and regulators

Improves risk management

Improves stakeholder/government relationships

- Common, systematic and uniform platform for stakeholder communication and engagement
- Don't have to deal directly with watchdog groups
- Gain insight into government
- Government more likely to participate on industry tables than at the individual company level; stakeholder prefer to deal with associations

Improves market access

- Enhances social license and builds reputation of industry
- Industry is perceived to have a common track record; need to build up overall performance to improve overall reputation
- As an integrated industry (in terms of its supply chain), it is only as good as weakest link

Forestalls government regulation

[9] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 12: Benefits Members Have Realized through Participation in Association Programs[9]
• Could forestall government regulation if industry takes the lead
Improves morale and productivity
• Increases employee morale, productivity • Improves employee retention

Role of Industry Associations

Summary of suggestions from interviews regarding ideal roles for industry associations

Table 13 identifies specific suggestions proposed by member companies as potential roles for industry associations to advance industry sustainability.

Table 13: Ideal Roles for Industry Associations *(as Noted by Member Companies)*[10]

Suggested Role	Examples of this Role
Stay ahead of the trends; conduct research on sustainability topics	• Research consumer issues related to sustainability: ❖ Social and environmental interests of consumers; how to help consumers make social, ethical and environmental choices ❖ Provide examples of consumer engagement – how to make a home healthier; how to make products run more cleaner; the role of the consumer to advance sustainability ❖ Gain better understanding of trust issues – may not simply be about promoting and communicating industry performance on sustainability, but about lack of public trust • Compile and disseminate best practice research within and outside of sector • Benchmark industry best practice; create opportunities for members to assess performance relative to peers; facilitate comparative analyses • Assess industry's role in Canada versus other countries; help close gaps in international industry sustainabtility/CSR standards or best practices • Link closely to global associations to be aware of international developments, standards and trends
Establish clear business case	• Develop a sustainability business case
Develop tools	• Case studies • Best practice guidelines for improving performance • Guidelines to measure performance • Draft sustainability policies, templates, tools • Promote and tailor international tools • Supplier Codes of Conduct, RFP tools, Codes of Business Practice

[10] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 13: Ideal Roles for Industry Associations *(as Noted by Member Companies)*[10]

Suggested Role	Examples of this Role
Provide information resources; develop a clearing house on best practice and how-to information	• Help sort out information and guidelines on sustainability. There are many approaches and models available; help companies determine which ones are credible and appropriate • Provide support on how to establish environmental programs (e.g. waste packaging, energy efficiency, electronic waste streams, how to manage responsibly) • Provide guidance on how to set up environmental and social purchasing programs • Share information on relevant government programs
Help companies with specific sustainability issues	• Provide one-on-one support for companies on specific issues (e.g., ethical sourcing, risks and opportunities regarding climate change, etc.)
Provide education, training and capacity building support	• Roundtables, working groups • Facilitate networking and dialogue • Provide education and training via workshops, seminars, peer learning • Bring in outside resources, speakers and expertise • Help smaller companies partner up with larger companies; matchmaking and mentoring programs • Develop list serve to share best practice ideas and collaborate • Develop programs in collaboration with government • Identify areas of industry weakness and offer learning opportunities to advance performance
Conduct stakeholder engagement	• Conduct outreach and engagement activities with NGOs • Develop and/or participate in dialogues, roundtables
Develop industry sustainability performance program	• Develop common sustainability performance standards and guidelines • Can facilitate comparative and trend analyses • Incorporating the following elements: o Standards and guidelines o Targets o Tracking o Reporting o Marketing and profiling o Continuous improvement programs
Develop public relations program	• Ensure proactive public relations – the voice of industry on sustainability • Help consumers understand the sustainability leadership role the sector is playing • Highlight and profile good practice • Promote industry sustainability programs to international marketplace • Advance industry's sustainability agenda in public forum
Develop recognition program	• Recognize leaders through stewardship/ sustainability awards

Table 13: Ideal Roles for Industry Associations *(as Noted by Member Companies)*[10]	
Suggested Role	**Examples of this Role**
Help set international sustainability performance standards	• Raise the international bar on sustainability performance; level the playing field; promote adherence to international standards • Help identify which countries to avoid due to lower standards
Facilitate cross-sectoral information sharing and collaboration	• Work with other industry associations who have best practice companies and common issues (e.g. stakeholder engagement, land access issues, Aboriginal affairs) • Enable cross pollination with other industry groups on sustainability performance • Identify sectors that have common sustainability interests and work on joint projects
Develop industry reporting program	• Develop industry-wide sustainability indicator program and roll-up industry performance to communicate to public audience/government • Work with government to develop indicator and reporting standards

One member company pointed to the unique role of horizontal associations (which represent a wide-cross section of sectors, e.g., CME) to identify issues common to their members, as distinct from issues that may be of interest to multinational companies.

Capacity Gaps and Future Issues

Member companies were asked whether there are any gaps or areas where they will be looking to industry associations for further support in their ongoing implementation of sustainability. Suggestions from member companies are provided in Table 14.

Table 14: Potential Gaps / Areas Needing Additional Support from Industry Associations *(as Noted by Member Companies)*[11]	
Areas Requiring Additional Support	**Examples of Support**
Target setting	• Help to set targets at company level • Set targets for industry's sustainability program • Develop key performance indicators
Third party verification	• Industry program should be fully audited • Implement third party verification to address lack of trust; social license
Sustainability principles	• Develop sustainability principles for sector
Collaborative projects	• Launch green buying club • Joint marketing campaigns touting sustainable business practices of sector

[11] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 14: Potential Gaps / Areas Needing Additional Support from Industry Associations *(as Noted by Member Companies)*[11]

Areas Requiring Additional Support	Examples of Support
	• Publish case studies of successful industry collaborations
External advisory body	• Develop external body to provide guidance on stewardship/ sustainability programs
Continuous improvement	• Advance existing programs (programs should continue to evolve)
International standard setting	• Help raise international bar to advance regions with lower standards
Environmental programs	• Track future environmental issues because expectations evolve • Research health and environmental risks of contaminants; adopt an industry-wide approach • Operate ongoing programs to reduce environmental footprint • Develop common lifecycle framework for industry; cradle to grave on products o Look at source, efficiency of use, recovery aspects o Improve product stewardship so we can be more competitive as an industry sector o Manage product lifecycle • 'How to' and best practice info on: o climate change mitigation and adaptation o air quality o water quality o building design o energy efficiency, o green purchasing o waste management (e.g. how to turn waste into revenue streams and determine innovation potential; how to reduce packaging; recycling) • Develop environmental green store designation for retail companies to work towards
Social programs	• Address full scope of CSR (e.g., child labour, fair work, bribery and corruption, human rights, health and safety, etc.) • Help companies develop social indicators; select those relevant to their business • Provide clarity on social aspects; need to understand what impacts industry has on society, usually rural and northern communities • Provide guidance on Aboriginal affairs; career and skills development for Aboriginal people; exchange of best practices; development of indicators to demonstrate industry contribution • Develop programs to encourage member companies to hire locally • Creation of an investment/technology development indicator such as energy efficiency • Ethical issues relating to intellectual property and how viewed in other

Table 14: Potential Gaps / Areas Needing Additional Support from Industry Associations *(as Noted by Member Companies)*[11]	
Areas Requiring Additional Support	**Examples of Support**
	countries
Supply chain management	• Green and social purchasing • Ethical sourcing • Supplier codes of conduct • Help in product sourcing – work with other industry associations around the world to develop standards, rating and identifications systems and certifications, so we know where and how products are sourced
Promote stronger government role in sustainability	• Lobby government to address key sustainability issues through legislation and regulation • Work with government to develop reasonable and effective regulatory measures on key issues

Role of Government

Member companies were asked to share their perspectives on potential roles for the government to play to support the industry association in the promotion of sustainability among its member companies (Table 15).

Table 15: Potential Roles for Government *(as Noted by Member Companies)*[12]	
Suggested Government Role	**Examples of this Role**
Marketing and promotion of sustainability leadership	• Become more aware of what industry is doing on sustainability and include sustainability information in government marketing programs • Promote sustainable industries to the marketplace • What is Canada's brand?
Incentive programs to reward sustainability performance	• Differentiate between companies who have best practices and provide regulatory acknowledgement of their performance; those that have some kind of stewardship initiative either in-house or through an industry association should be rewarded • Collaborate with industry on framework that rewards performance • Recognize sustainability programs as an exploration expense
Provide information	• Bring information together on what other industry associations are doing around the world • Inform industry associations on global trends and sustainability developments/standards

[12] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 15: Potential Roles for Government *(as Noted by Member Companies)*[12]

Suggested Government Role	Examples of this Role
	• Prepare newsletter bulletin with information on leading sustainability practices • Compile and share information on best practices
Supply chain assistance	• Work with customs so they know where goods are coming from • Develop comprehensive program to help industry identify bad performers in the supply chain • Help guide companies in terms of ethical sourcing issues; help companies understand what is happening in various countries • Share best practices in green purchasing and ethical sourcing
Government house in order	• Get own house in order • Procurement policy should incorporate FSC paper; paper procurement policy should be a lifecycle approach
Reporting and disclosure	• Develop common reporting standards/framework, e.g., GRI • Reduce reporting burden; harmonize reporting • Require companies to disclose their sustainability performance • Develop one-stop reporting window for company disclosure across federal and provincial programs
Certification and standards	• Help with certification processes and standard setting on global sustainability issues
Engagement	• Promote dialogue with industry and government on sustainability • Think of industry groups as conduits for information and dialogue • Provide access to ADM/ DMs • Gain understanding of interrelationship between different industry associations so government efforts don't work at cross-purposes • Partner on specific issues
World markets/global scan	• Determine Canada's place in world markets and how we compare to international competitors on sustainability performance • Facilitate discussion on Canadian company performance overseas • Bring global perspectives of other countries to the table • Identify and evaluate global sustainability conditions that impact on Canadian industry • Conduct sustainability trade missions to identify business opportunities and collaborations
Support research	• Collaborate on research projects • Fund research
Investment industry	• Work with financial community to recognize sustainability performance • Help put sustainability on agenda of the financial community
Climate change	• Develop climate change program and set targets and baselines to provide

Table 15: Potential Roles for Government *(as Noted by Member Companies)*[12]

Suggested Government Role	Examples of this Role
	framework
Mandate improved sustainability performance	• Develop legislation to advance sustainability performance of industry and send signals to the marketplace
Promote sustainability tools and standards	• Help industry to leverage ISO 26000 guidelines for competitive advantage • Support SME sector to understand and adopt new sustainability tools and standards • Distinguish between quantifiable sustainability issues that can be governed by standards and regulations and qualitative issues (e.g. stakeholder relations) that should be promoted through best practice guidelines

V. CONCLUSION & RECOMMENDATIONS

GENERAL CONCLUSIONS

A review of the industry association and member company interviews revealed that generally members find the sustainability outreach programs of the industry associations to be worthwhile. Members would like their associations to be on top, if not ahead, of emerging sustainability issues that will affect their performance. Some members are even calling for more robust programming, and in some cases, looking for associations to play a role in raising industry standards in sustainability and to challenge industry on best practice. This study, although limited in its sample size, revealed that typically, leadership for the development of sustainability programs comes from the member company themselves. The key driver for sustainability program development was thought to be the need to build reputation and to promote marketplace acceptance.

Of those industry associations with sustainability programs in place, half of them promote sustainability performance through mandated membership requirements; the other half promote sustainability through voluntary means, primarily workshops and information tools.

Associations and member companies pointed to a number of successes, including high participation rates and engagement of member companies, though it was acknowledged that in some instances this is a result of mandatory requirements. A number of challenges to participation were also identified; particularly the limited capacity of small firms. Awareness, education and capacity-building are perceived to be key activities to overcome these barriers, as well as building and communicating the business case for sustainability.

Members listed a number of priority sustainability issues they would like addressed in the future, including environment and community relations generally, with particular interest in supply chain management, ethical consumerism, and international sustainability standards, among other topics.

Members identified the benefits of collaboration to advance both firm-specific and industry-wide performance and would like their associations to identify co-operative opportunities and form working groups of interested members to help the industry move forward. Some members, however, held a more modest view that the role of the association should be restricted to providing information and facilitating networking and best practice.

Members identified a number of common benefits to participating in association programming, including an opportunity to build external positioning, realize economies of scale, learn from others, gain competitive advantage, enhance stakeholder relationships and – fundamentally – provide support in improving sustainability practice and performance. Regarding costs of participation, financial and time resource constraints were thought to be the most significant issues; however, few member companies thought these costs applied in their case – suggesting a possible gap between perception and reality.

A number of industry associations have developed best practice programs that are worthy of replication; similarly there are some critical gaps in sustainability program management. Strengths and gaps are reviewed below.

CURRENT STRENGTHS

Based on the limited review of seven industry associations in Canada, the following can be considered successes or best practices[13] in association sustainability programming to improve the sustainability performance of Canadian firms:

- Six associations ***have been given a formal mandate*** by their members to promote sustainability, and have responded by assigning a high level of responsibility and oversight to managing these issues at the executive level (i.e., SVPs and VPs of sustainability).
- Six associations have developed a sustainability governance framework in which ***board committees have been assigned responsibility*** to provide leadership and oversight on the sustainability program.
- Six associations include ***sustainability programming within their business plans***, and dedicated resources to achieving their sustainability objectives, suggesting an increasingly formal and dedicated attention being given to sustainability within associations. Primarily the sustainability efforts are funded through the association's core operational budget.
- All associations commented that their CSR, sustainability or environmental initiatives are ***fundamental to the core mandates of the association*** to advance industry and member company productivity and competitiveness, support the industry's social license to operate, build market reputation and acceptance, enhance member risk management, and to provide opportunities for members to retain or grow their business and maintain international leadership. In essence, the business case is relatively clear for most.
- The majority of a***ssociations felt that uptake of their sustainability programming was high, while members felt uptake was on the good to high side.***
- All but one of the associations reviewed has ***at least one full time employee dedicated to promoting the Association's sustainability programs.*** This is evidence of the growing demand for support from members and that associations are responding accordingly.
- Six associations reviewed are reaching out, and ***engaging and/or partnering with other leading organizations*** to learn more about how to promote, and advance, sustainability and CSR issues in their sectors, albeit within Canada or within their own sector.
- There is ***growing recognition of the importance of engaging key stakeholders*** in dialogue on the sector's sustainability issues and programs. Associations are recognizing that this engagement provides increased transparency and credibility to overall programs. The majority of associations reviewed are engaging with stakeholders, some formally through external advisory committees, and others more informally on a case-by-case basis.
- A notable best practice for engaging stakeholder groups in dialogue around sustainability issues is the ***use of an external advisory panel led by an independent facilitator***; a practice used by both CAPP and CCPA.
- Five associations ***develop sustainability "how to" resources and tools*** to support their members in the uptake of specific programming.

[13] This analysis of success and best practice is based on compilation of the industry profiles and interview findings, The industry profile template was informed by recognized best practice in sustainability performance, management and measurement; insofar as it has been proven that these indicators are key to sustainability performance improvement over time.

- Five industry associations encourage member participation in their sustainability programs through the ***use of awards and recognition programs*** as incentives.
- Three associations have ***mandated sustainability performance requirements*** of their members, suggesting the importance of sustainability management to the industry.
- Two associations are ***publicly reporting on the sustainability performance*** of their sector, on environmental and increasingly social performance measures.

POTENTIAL GAPS AND OPPORTUNITIES

Current areas that appear to be potential gaps[14], and as such opportunities for improvement in the promotion of sustainability by industry associations or government, include:

- ***Required levels of sustainability performance are limited and current accountability is weak***. Several of the programs offered by associations are voluntary in nature, which allows there to be an uneven playing field. A definite best practice is those associations who require some form of external verification from member companies (provides incentives for member companies to raise the bar, provides a level playing field, provides additional credibility to the overall program).
- A notable gap in the sustainability programming of industry association's was the ***lack of formal target setting.*** Associations have developed comprehensive programs to encourage more sustainable performance among members but without setting targets and measuring progress against a baseline, real progress may be minimal/ unknown.
- The annual budgets for each Association's programming ranged from $40,000/ year to $250,000/ year; as such, associations ***may be somewhat limited in what they can do to promote sustainability***, due in part to the mandate given to them by their members.
- ***Environmental program areas of sustainability are currently being better addressed than the social elements***. This is understandable given that more work has been done identifying environmental performance improvements and environmental targets/metrics are better understood, however, this means there may be potential gaps in social programming and further evolution may be required. Member companies specifically noted that a better understanding of their sector impacts on society is needed, and related to that, social indicators to help measure performance in these areas.
- ***Common themes identified by member companies for areas that need more focus/ support[15] included***:
    - Supply chain management (ethical sourcing, supplier codes of conduct, etc.)
    - Climate change mitigation and adaptation (energy efficiency, building design, etc.)
    - Identifying and managing impacts over the product life cycle
    - Ethical consumerism (identifying trends, how to educate consumers on sustainable choices etc.)

[14] This analysis of potential gaps and opportunities is based on compilation of the industry profiles and interview findings, The industry profile template was informed by recognized best practice in sustainability performance, management and measurement; insofar as it has been proven that these indicators are key to sustainability performance improvement over time.
[15] This focus and support could come from industry associations, government, or collaborative efforts of both.

  - Aboriginal affairs (skills development, development of indicators to demonstrate industry contribution, etc.)
  - Waste management (recycling, reducing packaging, turning waste into revenue streams, etc.)
  - Sustainability branding/ profiling of sector leadership

- ***Two industry associations reviewed currently issue public reports*** on the sustainability impacts and activities of the sector.
- ***One association has taken initiative to identify its own sustainability impacts*** and issues, and address them accordingly in its own "house in order" program. It is commonly asserted that to require sustainability improvements in others, one must demonstrate a similar commitment and dedication to continuous improvement.
- ***Opportunity for greater recognition of industry sustainability programming*** by government (through reduced regulatory burden, purchasing habits, awards and recognition), financial community (through investment practices) and consumers (through purchasing habits). Market drivers and incentives are still weak; industry associations and member companies both confirmed greater recognition of leadership practices is needed.
- ***Greater coordination among federal departments;*** it is difficult, and frustrating at times, for associations and member companies to respond to various sustainability programs and legislation that are not always complementary.

ROLE FOR INDUSTRY ASSOCIATIONS

The interview findings highlight that there is a great deal of common ground between what industry associations feel their ideal role should be now and into the future, and what member companies are looking for from their industry associations in terms of additional sustainability support. Table 16 provides a summary of these areas of consensus, but also points to a few gaps. These gaps include the development of a comprehensive sustainability strategy or management system (with clear vision, standards and guidelines, concrete targets, tracking/ measurement, reporting of progress, marketing and profiling, continuous improvement), the development of an external advisory/ stakeholder body to provide guidance on sustainability, implementation of third party verification, and enhancement of cross-sectoral information sharing and collaboration.

As profiled in Section IV, a few of the associations reviewed as part of this study have developed pieces of the management system (i.e., vision and guidelines, reporting of progress, element of continuous improvement etc.) but some pieces are missing, and opportunities for improvement among the associations varies.

Table 16: Roles for Industry Associations

As noted by Industry Associations[16]	*Common Ground*	*As identified by Member Companies*[17]
Stay on top of sustainability trends/ issues, keep members informed		Stay ahead of trends in sustainability, conduct research on sustainability Research consumer issues related to sustainability: - Social and environmental interests of consumers, how to encourage sustainable purchasing - Gain better understanding of trust issues; is it about better communications or are there deeper trust issues
Encourage members to take up sustainability Programs		Recognize leaders through sustainability awards program
Continue to refine business case for sustainability / Assist in getting management buy-in		Develop clear business case for sustainability
Promote accountability of industry to society		Develop public relations program: - Provide unified voice of industry on sustainability - Highlight and profile good practice - Promote industry sustainability performance in international arena - Advance industry's sustainability agenda in public forum - Help consumers understand leadership role of industry
Facilitate stakeholder engagement Create common platform for addressing shared interests/ dealing with stakeholders		Conduct outreach and engagement activities with NGOs Develop and or participate in dialogues/ roundtables with stakeholders
		Develop external advisory body to provide guidance on sustainability
		Introduce third party verification to audit industry program, will help address lack of trust, social license to operate
		Develop industry sustainability performance program incorporating following elements: - Vision and Principles - Standards and guidelines - Targets

[16] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

[17] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

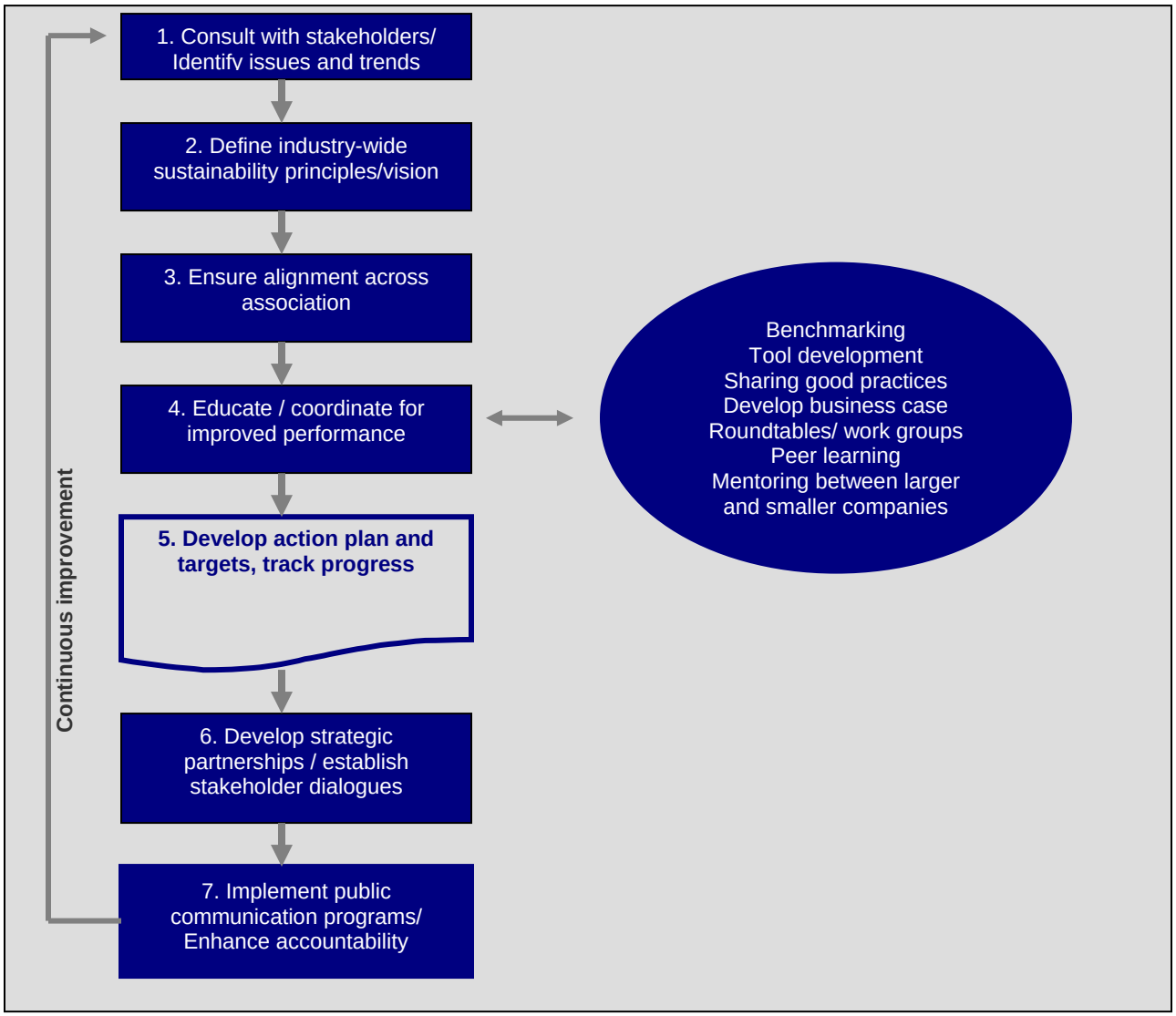
Table 16: Roles for Industry Associations

As noted by Industry Associations[16]	*Common Ground*	*As identified by Member Companies*[17]
		- Tracking/ measurement - Reporting - Marketing and profiling - Continuous improvement
Set targets for industry advancement		Set targets (see above) but in context of comprehensive sustainability performance program to support
Benchmark member performance		Benchmark industry best practice, create opportunities for members to assess performance relative to peers, facilitate comparative analysis Assess industry's role in Canada versus other countries, help close gaps in international industry sustainability standards or best practices
Share best practice examples		Develop case studies Compile and disseminate best practices in Canada and internationally
Develop how to guides and tools		Develop tools - best practice guidance - guidelines to measure performance - draft sustainability policies and templates - supplier codes of conduct, RFP tools - promote and tailor international tools
Partner with others (Gov't., NGOs) to provide training and workshops Promote peer based learning Convene industry discussions on sustainability issues		Provide education, training and capacity building support - Roundtables, working groups - Facilitate networking, partnerships - Workshops and training, peer learning - Bring in outside resources, expertise - Help smaller companies partner with larger companies (mentoring) - Link closely to global associations to be aware of international trends, developments
Represent industry in standard setting initiative, develop codes of practice		Raise the bar on *international* sustainability performance, level the playing field, promote adherence to international standards
Address specific sustainability issues as needed (e.g., CSR in the supply chain, ethical consumerism, air, water and land issues, sustainability branding)		Provided one-on-one support, help companies with specific issues (ethical sourcing, sustainable purchasing, environmental programs, risks and opportunities regarding climate change, etc.)
		Facilitate cross-sectoral information sharing and collaboration (sharing of best practice, joint projects to address shared issues, etc,)

Table 16: Roles for Industry Associations		
As noted by Industry Associations[16]	***Common Ground***	***As identified by Member Companies[17]***
		Develop industry wide sustainability indicator program and roll up industry performance to communicate to public/ government
Encourage government to recognize sustainability performance of association and member companies		Lobby government to address key sustainability issues through regulation/ legislation

Based on analysis of the above, the following figure presents a potential "sustainability roadmap" for industry associations to consider when developing, or improving upon existing programming. Again, it is important to note that each industry association will be limited by the mandate given to it by its membership, but as an overall vision, this figure encapsulates best practice as noted by both members and industry associations themselves for supporting members in their journeys toward sustainability.

Sustainability Roadmap: Industry Association Role



ROLE FOR GOVERNMENT

Similar to the interview findings on the role of industry, a number of common suggestions on potential roles for government were received from both member companies and industry associations. Table 17 provides a summary of these areas of common ground for government to consider.

Table 17: Potential Roles for Government

As noted by Industry Associations[18]	*Common Ground*	*As identified by Member Companies*[19]
Marketing and promotion of sustainability leadership nationally and internationally - Recognize industry successes with sustainability (awards program, other) - Promote sustainable practices on trade missions, conferences etc. - Brand Canadian industries as CSR leaders - Promote industry's progress to market and Canadians		Marketing and promotion of sustainability leadership - Launch Canadian sustainability brand - Promote sustainable industries to national and international markets - Determine how we compare to international competitors on sustainability - Identify and evaluate global sustainability conditions that impact on Canadian industry
Develop policy or incentive framework to encourage member uptake of sustainability - Create incentives for participation, for compliance and/ or leadership - Provide relief from regulatory burden - Industry best practices could be used to inform regulation development - Jointly promote sustainability programs		Incentive programs to reward sustainability performance - Collaborate with industry on framework that rewards performance - Acknowledge through regulation those companies with best practice - Help industry leverage ISO 26000 guidelines for market advantage - Support SMEs in adopting new standards and tools
Develop industry-government partner programs - Fund collaborative research - Fund training, workshops, capacity building especially for SMEs - Conduct best practice research		Support research - Fund collaborative research
Provide information - Inform associations about government programs to assist member companies - Inform government policy makers about association efforts and how these efforts align with policy and regulatory frameworks (e.g., Clean Air Act)		Provide information - Research activities of global industry associations - Provide info on global sustainability/ CSR trends, issues - Share best practices
Develop international standards - Work with industry on global efforts to establish international sustainability standards – currently playing field is uneven		Provide assistance with certification and standard setting on global sustainability issues

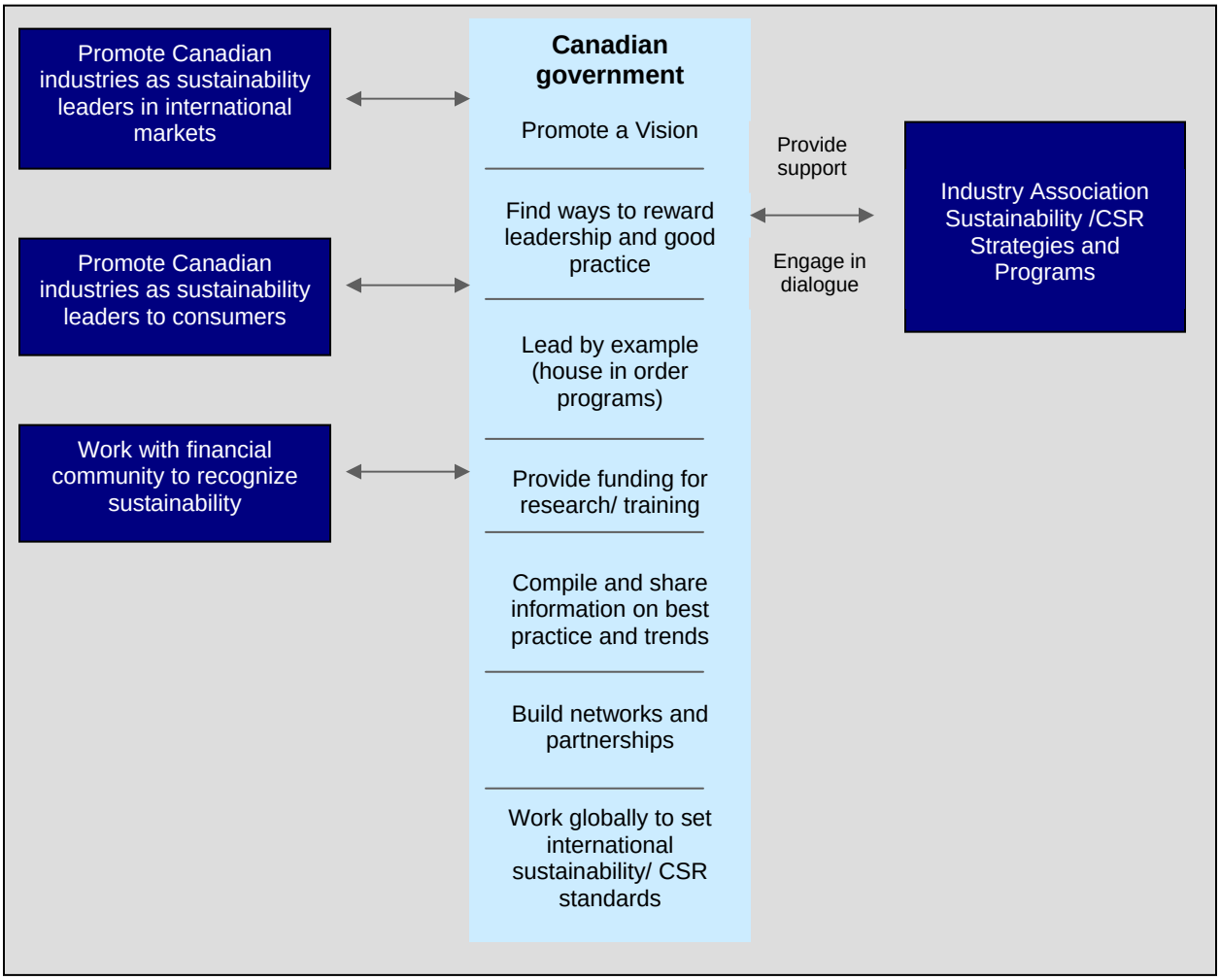
[18] It should be noted that these suggestions were not mentioned by all of the industry associations interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all associations.

[19] It should be noted that these suggestions were not mentioned by all of the companies interviewed. They represent a summary of viewpoints expressed, and may not represent the perspectives of all companies.

Table 17: Potential Roles for Government		
As noted by Industry Associations[18]	***Common Ground***	***As identified by Member Companies[19]***
Consult with associations when developing sustainability legislation - Consult on all sustainability related legislation - Enforce existing regulations		Mandate improved sustainability performance - Develop legislation to advance sustainability performance of industry and send signals to market
Support sustainability through government purchasing		Government house in order program
Develop clear communication channels - Coordinate CSR approach – national working group on CSR (provide single point of contact in government) - Open lines of communication		Enhance engagement with industry - Partner on specific issues - Provide access to DMs, ADMs - Seek understanding of interrelationships between various associations, so government doesn't work at cross purposes
Develop carbon trading emissions standard		Develop climate change program and set targets and baselines to provide framework
		Develop common reporting standard / framework (e.g., GRI) - Reduce reporting burden, harmonize requirements - Require companies to report on sustainability performance
		Work with investment community to recognize sustainability performance
Support sustainability through government purchasing		Provide supply chain assistance - Develop program to help companies identify poor performance in supply chain - Guidance on ethical sourcing - Share best practices in ethical sourcing, sustainable purchasing

Based on analysis of the above, the following figure presents a potential "sustainability roadmap" for government to consider when developing programs to help industry associations and Canadian firms on their sustainability journey.

Sustainability Roadmap: Government Role



POTENTIAL NEXT STEPS

Based on feedback from the interviews, we have outlined suggested next steps for the Government of Canada to proceed with the results of this study:

- ***Share study findings with participating associations***; also consider sharing findings with all industry associations as results can inform their program development;
- ***Consider recommended roles for government as suggested by industry associations and member companies*** emerging from this study (especially those areas of common ground);

- ***Arrange face to face meetings/ discussions with associations***:
  - To learn more about their current sustainability efforts;
  - To understand how to better recognize or support these efforts;
  - To inform development of related policy and legislation (i.e., industry best practices could be used to inform regulation development);
  - To further elaborate on the initial suggestions on potential roles for government emerging from this study; and
  - To identify potential areas of common ground/ opportunities for collaborative efforts (especially where they may be linkages between government policy objectives and sustainability efforts of the associations); and
- ***Provide opportunities for information exchange among associations to facilitate the cross-sectoral sharing*** of sustainability best practices and advance the overall sustainability of Canadian firms *(e.g., host roundtables, other forums of exchange).*

APPENDIX 1: INDUSTRY ASSOCIATION PARTICIPANTS

The following Industry Association contacts were interviewed between October 2006 and January 2007 as part of the study.

Individual	Organization, Title	Contact Information
Pierre Alvarez	Canadian Association of Petroleum Producers (CAPP), President and CEO	alvarez@capp.ca (403) 267-1102
Philip Bousquet	Prospectors and Developers Association of Canada (PDAC), Director, Sustainability and Manager e3 Project	pbousquet@pdac.ca (416) 362-1969 ext. 230
Nancy Coulas	Canadian Association of Manufacturers and Exporters (CME), Director Environmental Policy	Nancy.Coulas@cme-mec.ca (613) 238-8888 ext. 234
Avrim Lazar	Forest Products Association of Canada (FPAC), President and CEO	alazar@fpac.ca (613) 563-1441
Derek Nighbor	Retail Council of Canada (RCC), Vice President, National Affairs	dnighbor@retailcouncil.org (416) 922-0553 ext. 234
Richard Paton Brian Wastle	Canadian Chemical Producers Association (CCPA), President and CEO Canadian Chemical Producers Association (CCPA), VP Responsible Care	rpaton@ccpa.ca (613) 237-6215 bwastle@ccpa.ca (613) 237-6215
Karen Williston	Canadian Bankers Association (CBA), Advisor Financial Affairs	KWilliston@cba.ca (416) 362-6093 Ext 255

APPENDIX 2: INDUSTRY ASSOCIATION INTERVIEW GUIDE

THE ROLE OF INDUSTRY ASSOCIATIONS IN PROMOTING SUSTAINABILITY/ CSR
Interview Guide for Industry Associations

Context:

The Government of Canada is conducting a study to ensure it has a good understanding of the market drivers, program elements, challenges and success factors for various industry association sustainability/ CSR programs. The goal of the study is to build upon leading practices in the promotion of sustainability/ CSR by industry associations, and continue to improve the sustainability performance of Canadian firms over the long term.

Five Winds International and Strandberg Consulting have been engaged to conduct the study on behalf of the Government and invite your participation. The steering committee identified you as a priority association to include in the study because of your industry's significance to Canada's economy.

Study findings will be communicated to the Government of Canada in a report that summarizes current best practices for promoting sustainability/ CSR and key findings from the interviews in terms of challenges and success factors for enhanced uptake by association member companies. If you agree to participate in the study, you will receive the study summary report to inform your activities.

We would like to schedule an occasion to speak with you, or an alternate association representative. Interviews are expected to last no more than one hour, will be conducted by telephone, and will follow the questions as outlined below.

Interview Questions:

1. Development and nature of sustainability/ CSR program

- How was your sustainability/ CSR program developed (e.g., member-driven, competitive research, trend reports, best-practice and benchmarking of other industry associations, etc.)?
- What is the relationship between your sustainability/ CSR program and your core mandate?
- What were the drivers that led to the development of your program? Was there a specific turning point? What is the rationale for the program?
- How do you promote sustainability/ CSR to your members?
- Has your industry association documented and profiled the business case benefits of sustainability/ CSR to your members? If yes, what are the key aspects of the business case for your members?
- (How) do you help member-companies identify sustainability/ CSR risks and opportunities to their business?

2. Role, challenges, barriers and opportunities

- Please describe the key successes in designing and implementing your sustainability/ CSR program? To what do you attribute these successes?
- What do you perceive to be challenges or barriers to member uptake of the industry association's sustainability/ CSR programs? How could these challenges or barriers be overcome?
- What do you perceive to be key opportunities for action over course of the next three to five years in order to advance CSR uptake among your members?
- What is the most ideal role for industry associations to help member-companies advance their sustainability/ CSR performance?

3. Role of Government

- What role can the federal government play to assist your association in supporting your member-companies' sustainability/ CSR performance?
- How would you like to see the results of the study communicated (in addition to receiving the final report, e.g., a workshop for study participants)?

4. Member companies

- Could you recommend two member-companies actively participating in your sustainability/ CSR Program?

  We would like to interview two member-companies – one small and one large company – to get their perspectives on the challenges and success factors for adopting or participating in the industry association's sustainability/ CSR program. The interview guide for member-companies is available upon request.

Thank you for participating in this study.
Your perspectives are greatly appreciated

APPENDIX 3: MEMBER COMPANY PARTICIPANTS

The following Member Company contacts were interviewed between October 2006 and January 2007 as part of the study:

Individual	Industry Ass'n	Organization, Title	Contact Information
Sheila Burke	CCPA	Erco Worldwide, Vice-President Regulatory Affairs and External Relations	sburke@ercoworldwide.com (416) 234-7524
Caroline Casselman	RCC	Canadian Tire, Director Community & Public Affairs	Caroline.casselman@cantire.com (416) 480-8159
Alan Cranston	RCC	Fresh Air Experience, Vice President	freshair@tbaytel.net (877) 722-3002
Francine Dorion	FPAC	Abitibi Consolidated, VP Sustainability and Environment	Francine_Dorion@abitibiconsolidated.com (514) 394-2199
André Gaumond	PDAC	Virginia Mines, President & CEO	mines@virginia.qc.ca (418) 694-9832
David Gray	FPAC	Mill and Timber, President	davidgray@apgroup.ca (604) 580-2781
David Hecnar Michel Lalonde Patrick Tobin	CME	Alcan, Manager, Strategic Research and Communications Director, Sustainability, Alcan Primary Metal Group Director, Government Relations (Canada)	David.Hecnar@alcan.com (613) 233-8475
Tom Hoefer	PDAC	Diavik Diamond Mines Inc., Manager, External & Internal Affairs	tom.hoefer@diavik.com (867) 669-6518
Larry Kratt	CAPP	NEXEN, Manager Environment	larry_kratt@nexeninc.com (403) 699-6207
Jonathon Lexier	CAPP	NAL, Chief Operating Officer	jlexier@nal.ca (403) 405 3427
Ernie Lynch	CME	Lynch Group of Companies, President	elynch@lynch.ca (905) 363-2400

Individual	Industry Ass'n	Organization, Title	Contact Information
Sandra Odendahl	CBA	CIBC, Senior Director, Environmental Risk Management	Sandra.Odendahl@CIBC.ca (416) 980-5949
Don Rycroft	CBA	TD Bank Financial Group, Senior Counsel, Legal Department	Don.Rycroft@td.com (519) 667-3446
Lorna Young	CCPA	Methanex, Director Responsible Care	lyoung@methanex.com (604) 661-2635

APPENDIX 4: MEMBER COMPANY INTERVIEW GUIDE

THE ROLE OF INDUSTRY ASSOCIATIONS IN PROMOTING SUSTAINABILITY/ CSR
Interview Guide for Industry Association Members

Context:

The Government of Canada is conducting a study to ensure it has a good understanding of the market drivers, program elements, challenges and success factors for various industry association sustainability programs. The goal of the study is to build upon leading practices in the promotion of sustainability/ CSR by industry associations, and continue to improve the sustainability performance of Canadian firms over the long term.

Five Winds International and Strandberg Consulting have been engaged to conduct the study on behalf of the Government and invite your participation. Your industry association identified you as a priority member-company to include in the study because of your active participation in association sustainability/ CSR programming.

Study findings will be communicated to the Government of Canada in a report that summarizes current best practices for promoting sustainability/ CSR and key findings from the interviews in terms of challenges and success factors for enhanced uptake by association member-companies. If you agree to participate in the study, you will receive the study report.

We would like to schedule an occasion to speak with you, or an alternate company representative. Interviews are expected to last between 30 and 45 minutes, will be conducted by telephone, and will follow the questions as outlined below.

Interview Questions:

1. Impact/effectiveness of industry Sustainability/ CSR Program

We briefly describe industry associations' sustainability/ CSR program.

- How many of these initiatives are you aware of?
- Which, if any, has your company adopted or used? Why/why not?
- How receptive are other member-companies to the industry sustainability/ CSR program?
    - What do you perceive to be the barriers that limit or prevent member uptake of the industry sustainability/ CSR program? What would encourage additional member uptake? *OR*
    - To what do you attribute the high adoption rate?
- What are the costs/benefits of participating in the industry's program?

2. Role of industry association

- What is the most ideal role for the industry association to assist your company in advancing its sustainability/ CSR performance?

3. Capacity gaps and future issues

- Which key sustainability/ CSR issues does your company face that could be further supported by your industry association (e.g., what are the key competitiveness issues addressed by sustainability/ CSR that the industry association could assist with)? Please list and indicate possible role of association and rationale.
- What kind of additional information, support, etc. might the industry association provide to further assist your company in its sustainability/ CSR efforts?
- What future sustainability/ CSR issues/programs do you hope the industry association might pursue/ take on? Why and how?
- Is there a role for the Federal Government to play to assist industry associations in supporting the uptake of SD/CSR initiatives?

Thank you for participating in this study.
Your perspectives are greatly appreciated!

APPENDIX 5: INDUSTRY ASSOCIATION PROFILES

CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS (CAPP)

There are approximately 500 exploration and production companies currently operating in Canada, 150 of which are members of CAPP. These 150 members are Canadian owned companies, which represent over 95% of the oil and natural gas produced in Canada. These 150 companies also represent 25% of annual private sector capital investment in Canada ($42 million in 2006) and 30% of the total value of the Toronto Stock Exchange. In addition, CAPP has 125 Associate Members that provide a wide range of services to support the upstream oil and gas industry.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *Stewardship* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *Stewardship is commitment to responsible resource development and continuous improvement in environment, health, safety and social performance* • What components does the vision cover? *Stewardship framework lays out:* o *Common set of Principles which both CAPP and CAPP members must uphold* o *Collective Industry Approach speaks to how CAPP members will work together, and with other stakeholders, to improve industry performance, develop best practices and improvement initiatives, influence public policy and conduct peer reviewed research* o *Company Commitments, which identifies the need for all CAPP members to align their activities with Stewardship principles, implement industry best practices and report data annually* o *Mission includes commitment to continuously enhance economic well-being and sustainability of Canada's oil and natural gas industry in a socially, environmentally and technically responsible and safe manner* o *Four principles of Stewardship Model commit CAPP members to:*

Sustainability/ CSR Practice	Description
	1. *adopting Stewardship in their operations,* 2. *developing resources responsibly,* 3. *placing an overriding value on people, communities and the environment, and,* 4. *communicating effectively with stakeholders to build trust.* • How long has the vision been in place? What were drivers for developing the CSR vision? o *CAPP adopted Stewardship Model in 1999; participation became mandatory component of membership in 2003* o *Drivers: growing concern in late 1990s about upstream oil and gas sector reputation within CAPP membership. CAPP concluded the industry was not doing enough to communicate with stakeholders about environmental health and safety (EHS) performance, industry-wide initiatives and industry practices. A voluntary performance and accountability initiative ("Stewardship') was conceived that would publicly report industry success stories and initiatives, CAPP member participation and aggregated industry EHS performance data on an annual basis* • Is there recognition of business case e.g., market access and innovation? *Formal business case for benchmarking and other elements of Stewardship Initiative includes:* ***COMPETITION -*** *Competition for access to resources is growing; industry is expanding on many fronts, and potential for overlapping and competing interests has escalated. Stewardship is strategic response that helps member companies maintain their license to operate* o ***CREDIBILITY -*** *Stakeholders are more sophisticated, and have higher expectations for industry EHS and social performance than ever before. Recent (2003/4) Ipsos Reid survey conducted on CAPP's behalf showed a substantial percentage believe the industry is improving its performance, but many more believe further improvement is needed. Stewardship Benchmarking provides performance results of member companies* o ***COMMUNICATIONS -*** *Stakeholders told (2003/4) Ipsos Reid that dialogue is important to them; they don't need to agree with everything CAPP does, but they want to understand how the industry is performing. Open reporting of industry results supports dialogue and relationships with landowners and regulators* o ***CONTINUOUS IMPROVEMENT -*** *Stewardship Initiative benchmarks member company performance annually and against industry averages to identify where efforts are yielding results and where improvement opportunities exist. Focusing resources on identified opportunities helps deliver results in efficient and timely manner.*
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee o *The Environment, Health and Safety Executive Policy Group (EHS EPG) and Public Affairs Executive Policy Group report directly to the Board and are responsible for identifying and managing sustainability issues that relate to the sector*

Sustainability/ CSR Practice	Description
	Mandate of EHS EPG: ▪ *monitor, prioritize and manage national environment, health and safety issues, or jurisdiction-specific issues that may set national precedents* ▪ *facilitate the continuous improvement of the Canadian upstream petroleum industry environment, health and safety performance* ▪ *develop and monitor CAPP's national environment, health and safety issues and Stewardship budget* ▪ *develop national environment, health and safety policy and recommendations for the Board of Governors* o *CEO Leadership Group – This committee has an informal mandate to provide the board with direction on Stewardship issues* o *CEO Task Group on Climate Change reports directly to the Board.* *Mandate: develop CAPP position on climate change and clean air policies and plan for engagement and communication*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *3 full time employees and 1 full time with shared responsibilities* • What are their positions and title(s), e.g. VP of environment? o *(3) full time employees) - VP Stewardship and Public Affairs, Manager Stewardship, EHS Advisor and (1) full time with shared responsibilities - Public Affairs Advisor*
Association forms linkages or partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)? o *Partner in International Petroleum Industry Environment and Conservation Association (IPIECA) - Working groups within IPIECA address global environmental and social issues related to petroleum industry: oil spill preparedness and response, global climate change, biodiversity, social responsibility, fuel quality and vehicle emissions, and human health*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations *CAPP currently discussing climate change policy options with federal and provincial governments:* o *CAPP position states Kyoto Accord is seriously flawed; emissions targets it imposes on Canada are unrealistic and unattainable. The Kyoto framework does not optimize Canada's position to develop new technology or take other effective measures to reduce Canada's GHG emissions* o *GHG reduction policies must be integrated with clean air policy in way that recognizes co-benefits and trade-offs between actions to achieve air quality and GHG objectives. Also critical to ensure GHG objectives are consistent with Canada's economic growth objectives and overall energy strategy, with*

Sustainability/ CSR Practice	Description
	appropriate emphasis on energy efficiency and conservation o *In 1995,joined multi-stakeholder Working Group on Benzene Emissions from Glycol Dehydrators (convened by EC); group created report of best management practices that outlined voluntary emission-reduction targets and provided steps for measuring and limiting emissions levels* *CAPP also working with all levels of government to engage in discussions with First Nations people to address long-standing issues* • Identify leadership roles to promote industry role in sustainability to government o *Clean Air Strategic Alliance - multi-stakeholder partnership, composed of representatives selected by industry, government and non-government organizations, which recommends strategies to assess and improve air quality in Alberta* o *Water for Life Strategy – Government of Alberta initiative to develop new water management approach and outline specific strategies and actions to address province's water issues*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria. *Annually member companies, typically a corporate officer, self-declare their Stewardship level on annual Stewardship signup form. Companies are expected to assess performance relative to Stewardship management system expectations (see below)* *CAPP does not set sustainability performance criteria, but has established following grading system to signify member commitment to sustainability management framework:* o *Step 1: Plan – Bronze - Commitment to Stewardship and development of plan to meet Stewardship Management System Expectations* o *Step 2: Do – Silver - Implementation of Stewardship Management Systems* o *Step 3: Check – Gold - Internal audits of systems* o *Step 3: Check – Platinum - External audits of management system implementation* *Association requires that eligible companies (only companies that operate production) report mandatory data to CAPP as a condition of membership* • Description of monitoring/ verification/ corrective action or remediation process *Since 2004 CAPP has retained PWC to review CAPP's data collection, validation, analysis and reporting procedures used to prepare Stewardship Benchmarking Report. (Note: company-specific data is not verified)* *CAPP monitors the Association's mandatory reporting requirement by determining whether eligible organizations have submitted their sustainability benchmarking data. Those who do not may be required to leave the Association* *Step1: Eligible reporters who fail to report are first verbally encouraged to comply with reporting requirements and*

Sustainability/ CSR Practice	Description
	offered a deferred deadline *Step 2: If within the defined timeframe no response is received a written notification of non-compliance is sent to the non-reporter* *Step 3: Failure to comply with written request is reviewed by CAPP's Board where subsequent action is taken, which may result in non-reporter being asked not to renew their membership* *Additionally, Stewardship Program grades members' own verification programs, as follows:* o *Step 3 A includes:* • *Routinely (minimum three-year intervals) undertake internal audits of management systems using protocol consistent with CAPP's Audit Protocol* o *Step 3 B includes:* • *Periodically (minimum five-year intervals) audit EH&S management systems by independent parties*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *Participation in IPIECA (described above) helps Association identify global sustainability issues and assess their potential impact on the oil industry* o *Annual Stewardship Progress (Benchmarking) Report helps to identify best practice, trends* o *Internal Executive Policy Groups, Task Groups and committees identify issues and bring to Board* o *Participation in external multi-stakeholder committees and advisory groups help identify trends/ issues* o *CAPP uses formal surveys (e.g., Ipsos Reid) and focus groups to obtain feedback on specific issues* o *CAPP Stewardship advisory group mandate includes sensitizing CAPP to new perspectives on existing and emerging issues and /or the emergence of new issues related to Stewardship* • How are members involved in developing and evaluating strategy? o *Through policy groups, task groups, committees and advisory groups (e.g., Stewardship Industry Committee gathers information, coordinates and reviews analysis done by committee volunteers or CAPP staff and develops recommendations for improvement subject to mandate of EHS EPG)* o *Stewardship committee meetings typically held monthly or as needed* • What issues have been documented? o ***Air:*** *Sour Gas, Flaring & Venting, Benzene Emissions, Other Air Emissions* o ***Climate Change*** o ***Water Use***

Sustainability/ CSR Practice	Description
	o ***Land**: Spills and Releases, Boreal Forest, Cumulative Effects* o ***Health & Safety:** Workplace Safety, Emergency Response, Public Health and Safety, Animal Health* o ***Communities**: Land Owner Relations, Aboriginal Relations*
Association establishes programs or activities to address these issues	• Describe programs/activities to address issues identified above o *Energy in Action: Canada-wide community stewardship initiative sponsored by CAPP and member companies to support educational and environmental renewal activities* o *Reporting and benchmarking data: Association collects data from eligible member companies and prepares annual industry report under the Stewardship Initiative.* ▪ *Database: being developed to facilitate benchmarking among member companies* ▪ *Indicator development: develops performance measurement tools industry can use to track environmental and social performance. Current efforts underway in safety, water use and local community benefit from oil and gas activities* o *Stakeholder engagement: Ongoing initiative to engage stakeholders through Stewardship Advisory Group and Synergy Groups (each described below in more detail); published "The Guide for Effective Public Involvement" which outlines process for stakeholder engagement* o *Training tools: Development of health and safety and public involvement training programs* • **Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *Reporting – applicable to eligible reporters (in 2005 99.98% of eligible companies)* o *Energy In Action is targeted to specific regions and the specific companies operating in those regions (generally about 12 communities per year)* • Are the programs included in the Association's Business Plan? o *Yes* • What is the annual budget for the sustainability/ CSR program? o *$250,000* • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.? o *Member dues*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing	• Describe goals, targets o *Association does not set performance goals or targets* o *CAPP has been involved in external targets set by BTAT (for benzene) and CASA (flaring and venting)* o *Metrics are reviewed annually to determine their continued relevance. New metrics are added as*

Sustainability/ CSR Practice	Description
sustainability/ CSR issues in the sector	*identified each year (e.g. In 2006 Abandonment and reclamation indicators were reviewed and refined to better reflect the reclamation phases that upstream oil and gas land sites go through after abandonment; in 2007 two new social indicators will be added for Employee Skills Enhancement and Community Investment)* • How often is progress reviewed and assessed? o *Industry performance (based on Stewardship data) is assessed annually relative to trends in different jurisdictions and made available in Stewardship progress report*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? o *Formal process for identifying stakeholders to sit on Stewardship Advisory Group* ▪ *Invitations extended to stakeholders using nomination process* ▪ *Expertise, knowledge and experience are primary factors determining eligibility to serve and will be influenced by work history and affiliation. Other considerations include: reputation within field of expertise; skills working in committees and advisory panels; availability; and willingness to serve* ▪ *Nominations sought from CAPP's Executive Policy Groups and existing Stewardship Advisory Group members* ▪ *Final selection of stakeholder members are made by nomination committee comprised of members of the Stewardship Committee, EHS EPG and CAPP executive team.* o *Informal process for engaging with other stakeholders; on as needed basis* • Who are the key stakeholders? *Stewardship stakeholders vary with issue under consideration, as such can range from:* o *Directly affected: employees of member companies, landowners, regulators, governments* o *Indirectly affected: municipalities, Aboriginal communities, recreational land users, other industries, environmental groups and governments*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.) o *CAPP Stewardship Advisory Group (also known CSAG) established in 2006 to foster dialogue between CAPP and its stakeholders; provides stakeholders an opportunity for input on priority sustainability issues* ▪ *CSAG comprised of stakeholder members, ex-officio members representing CAPP and, when necessary, an independent facilitator. Each stakeholder member will be asked to make minimum commitment of two years; memberships may be extended for up to five years* o *Energy In Action – Promotes dialogue with communities in which oil and gas companies operate*

Sustainability/ CSR Practice	Description
	o *In Alberta CAPP works through "Synergy groups"; community-initiated partnerships with oil and gas companies; a multi-stakeholder approach to finding mutual solutions to issues around oil and gas activity in local communities (currently 60 operating in Alberta).. CAPP supports Synergy AB, a centralized resource for Synergy groups*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *The association does not publicly report on its stakeholder engagement activity* • Describe how stakeholder engagement activities have influenced policy or program development • *Information not available*
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *Stewardship 101 launched in 2006 includes implementation tools and training to assist CAPP members in understanding Stewardship Program* o *Public Involvement Training Program (complements the Public Involvement Guide mentioned below) - course is designed for oil and gas industry employees, contractors, community relations practitioners and project managers who deal with stakeholders within upstream oil and gas industry* o *CAPP facilitates annual Stewardship Benchmarking workshop (helps members assess where they stand in relation to peers, identify opportunities for improvement etc.);* o *CAPP Facilitates issue specific workshops and collaborates with other organizations to provide training* • **Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *Est. 75% participation average*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *The Guide for Effective Public Involvement is a best practice guide that includes the fundamentals of public involvement, guidelines, steps, backgrounders, case studies, resources and references* o *Guide to Developing a Basic Environmental Program for the Upstream Petroleum Industry* o *Basic Safety Program (recommended practice for the industry)* o *Benchmarking Guide for Stewardship reporting* o *Stewardship 101- guide for understanding and implementing Stewardship requirements* • Indicate if produced by Association or other sources

Sustainability/ CSR Practice	Description
	o *All above documents produced by the Association*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *Members receive weekly e-newsletter updating them on industry issues, such as regulatory changes; often includes details of upcoming stewardship information sessions and workshops, award opportunities, community outreach activities, tools and resources, etc.* o *CAPP uses website to communicate its CSR initiatives – one distinct site for members with detailed information relating to ongoing initiatives and programs, other for public with general information on CAPP and issues relating to upstream oil and gas industry*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *Annual Steward of Excellence Awards recognizes member companies with exceptional work (based on defined criteria) in 4 categories: Environment, Health and Safety, Social and President's Award*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the Association's sustainability/ CSR programs for its members (distinct from the Association's own organizational performance) o *Annual Stewardship Progress (Benchmarking) Report, distributed to over 3500 contacts; also available online. CAPP engages an audit firm to assess validation procedures of data collection* • What does the report cover? (e.g. performance goals and progress in implementing the sustainability/ CSR program) o *The Association's current and future sustainability initiatives and members' sustainability performance on key environmental and health and safety indicators (including GHG emissions, flaring and venting, spills and releases, safety, water use, N0X emissions, abandonment and reclamation, benzene emissions, employees profile). Additional social indicators will be reported on in 2007/8* • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report) o *All eligible CAPP members who operate production in Canada are required to collect and submit data as condition of membership. In 2005, 103 member companies representing 99.98% of total CAPP production reported data* • Does the Association use other formats to communicate sustainability performance to the public? Describe. o *CAPP website* o *Media and journal articles in service, industry or special interests magazines* o *Presentations to post-secondary institutions, other industry associations and professional groups*

Sustainability/ CSR Practice	Description
	○ *Information ad campaigns address specific issues – Stewardship, water use, energy efficiency*
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? ○ *Waste generation, energy use, unsafe driving*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe ○ *No formal goals or targets have been set*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities ○ *Programs around recycling and reuse, energy efficiency and conservation (lighting, video conferencing, transit passes) and driver safety; programs are informal at this point and progress is not measured*

CANADIAN BANKERS ASSOCIATION (CBA)

Of 67 banking entities in Canada (domestic, foreign-owned and foreign branches), 56 are members of the CBA. Of the 21 domestically-owned Canadian banks, 16 are members of the CBA.

Note: At the time of preparing this template, the Canadian Bankers Association was reviewing and updating the mandate of its Environment Group. To date, it has not been a formal mandate of the Association to assist member companies with general sustainability matters, with the exception of regulatory environmental issues; member companies have preferred to address sustainability and CSR risks and opportunities independently. This is currently under review.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *Not considered to be part of CBA mandate* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *Not applicable given above* • What components does the vision cover? • How long has the vision been in place? What were drivers for developing the CSR vision? • Is there recognition of business case e.g., market access and innovation? o *Hasn't been need to document business case for members – Banks develop own business case*
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee o *There is no board committee focused on environmental or sustainability considerations*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *One employee provides support to the Environment Group, among other duties (see below for details on current mandate)* • What are their positions and title(s), e.g. VP of environment? o *Advisor, Financial Affairs*
Association forms linkages or partnerships with international standard bodies, other leading	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)?

Sustainability/ CSR Practice	Description
sector initiatives in sustainability / CSR	o *Association does not form linkages with International Standard Bodies/ Leading Sector Initiatives*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations o *Tracks all new provincial and national environmental legislation that may affect the banking industry (e.g., Brownfields, toxic substances, climate change, sustainable forestry/ resource management)* o *Coordinates industry position/ provides comments on proposed legislation (lobbying)* o *Key recommendation: For Ontario's Brownfield legislation, CBA continues to advocate for professional accreditation of "qualified persons" to sign records of site condition* • Identify leadership roles to promote industry role in sustainability to government o *No examples at present*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria o *CBA does not establish sustainability/ CSR performance criteria for the member financial institutions.* • Description of monitoring/ verification/ corrective action or remediation process o *Not applicable given above*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *Environment Group is one way CBA identifies issues and trends: current mandate is to track environmental legislation development, bring legislation that may pose environmental risks or opportunities to members' attention, and coordinate response as appropriate. Historically, Environment Group's mandate was to address physical liability of environmental contamination when it affected credit process* • How are members involved in developing and evaluating strategy? o *Members bring issues forward to the Association on an ad hoc basis* • What issues have been documented? *The following are the type of issues that may be discussed in the future, if deemed relevant to CBA members* o *Legislative reform – Ontario proposal on Brownfields* o *International standards / accords – (e.g., Equator Principles)* o *Boreal issues* o *Collaborative approach for dealing with NGO stakeholders*
Association establishes programs	• Describe programs/activities to address issues identified above

Sustainability/ CSR Practice	Description
or activities to address these issues	o *None currently* • **Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) • Are the programs included in the Association's Business Plan? • What is the annual budget for the sustainability/ CSR program? • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.?
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets o *No goals or targets set* • How often is progress reviewed and assessed? o *Not applicable given above*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? o *CBA has no formal process for identifying stakeholders* • Who are the key stakeholders? o *Provincial and Federal government agencies, bank shareholders, investors, customers and clients, and NGOs*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.) o *Participated in several provincial stakeholder groups on proposed federal and provincial legislation, such as supporting redevelopment of Brownfield sites (e.g., BC, Alberta, New Brunswick)*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *No public reporting of its stakeholder consultation activities* • Describe how stakeholder engagement activities have influenced policy or program development o *Not applicable, given above*

Sustainability/ CSR Practice	Description
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *Currently, CBA offers no sustainability/ CSR training or education programs* • **Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *Not applicable given above*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) • Indicate if produced by Association or other sources o *Not in Association's mandate*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *Currently no internal communications program to educate/ inform members of CSR matters*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *Not applicable given above*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the Association's sustainability/ CSR programs for its members (distinct from the Association's own organizational performance) o *Not in the Association's mandate* • What does the report cover? • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report)

Sustainability/ CSR Practice	Description
	• Does the Association use other formats to communicate sustainability performance to the public? Describe. o *Association posts links to members' Public Accountability Statements (Corporate Responsibility Reports) for those who produce one (7 at present time, about 14% of members)*
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*

CANADIAN CHEMICAL PRODUCERS ASSOCIATION (CCPA)

The CCPA currently has 60 member companies, which covers approximately 90% of the chemical manufacturing operations in Canada. Of these 60 members, approximately 25% are Canadian-owned companies.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *Sustainability/ Sustainable Development* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *Association refers to sustainability program as Responsible Care®. The Program covers safe and environmentally sound management of chemicals throughout their life cycle and social responsibility of member companies* • What components does the vision cover? o *Health and safety, environment, transportation, community engagement and protection, product stewardship* • How long has the vision been in place? What were drivers for developing the CSR vision? o *Responsible Care® (RC) launched in 1985* o *Drivers: public concerns over chemicals and their impact on health and environment, belief that companies must be responsible to communities and share information on risks and operations* • Is there recognition of business case e.g., market access and innovation? o *Informally; list of community outreach initiatives provided on website include references to innovation as benefit of RC program* o *Driven originally by need to maintain society's "permission to operate"*
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee o *There is no board committee with responsibility for overseeing sustainability strategy; RC is the first item of discussion at all Board meetings including reports of leadership groups.*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *Two full time employees plus several consultants* • What are their positions and title(s), e.g. VP of environment?

Sustainability/ CSR Practice	Description
	o *VP Responsible Care, Responsible Care administrator*
Association forms linkages or partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)? o *Canada's Responsible Care Program evolved into global program called Responsible Care Global Charter - adopted by chemical trade associations in over 50 countries around the world; each country develops program consistent with 8 key principles (codes of practice)* o *No other international relationships with CSR initiatives identified*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations o *Canadian Environmental Protection Act, endocrine modulators, public health, transportation safety and efficiency, GHG reduction, accident prevention and response, employee health and safety* o *CCPA Position on Climate Change Policy* ▪ *Any GHG reduction strategy must balance economic, social and environmental performance* ▪ *Any GHG reduction regime should be harmonized between the federal and provincial governments* ▪ *CCPA believes in an approach based on sectoral agreements, rather than one-size-fits-all legislation or regulations (possibly an MOU with government)* ▪ *The Canadian approach to addressing climate change must:* • *allow for sustainable growth* • *be based on the implementation of new technologies as well as the optimization of current technologies* • *be comprehensive and involve industry, consumers and governments* ▪ *Canada must seek approaches that reduce GHGs globally.* o *CCPA Position on Precautionary Principle* ▪ *Responsible Care is an approach that goes beyond the precautionary principle* o *CCPA on endocrine disruptors* ▪ *CCPA sponsoring several research initiatives, primarily through Canadian Network of Toxicology Centres (CNTC), aimed at advancing knowledge and understanding of endocrine system and the possible adverse effects of chemicals upon it* • Identify leadership roles to promote industry role in sustainability to government o *On its website, CCPA outlines 11 key principles for design of framework for successful MOU with government on climate change* o *In 1992 CCPA developed the National Emissions Reduction Masterplan (NERM), and recommended it to Environment Canada as example of effective approach to emissions inventorying. EC took many*

Sustainability/ CSR Practice	Description
	elements of NERM and created the National Pollutant Release Inventory (NPRI)
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria o *CEO or most senior executive of every member of CCPA must commit to implement 6 RC guiding principles and associated codes of practice within three years of joining the Association. Codes cover the following aspects of sustainability:* ▪ *Community Awareness and Emergency Response (CAER) – Member companies must have ongoing processes to identify/ respond to community concerns, inform community of risks associated with operations, and have emergency plan integrated and tested with community's emergency response plan* ▪ *Research & Development –Companies must understand and minimize risks arising from new chemical products, processes, equipment and uses, or from new applications for existing products (covers each stage of development, from initial research to market)* ▪ *Manufacturing – Companies must have systems in place to protect employees, community and environment from any harmful effects stemming from manufacturing operations, including new and existing manufacturing sites* ▪ *Transportation - Companies must transport chemicals /chemical products in manner that minimizes environmental damages and risk of injury to people living along transportation routes, including selecting and assessing carriers and informing communities along the way of safeguards being taken* ▪ *Distribution - Members must adopt standards, procedures and training for storage and handling of chemical products. Suppliers, distributors and customers are assessed for compliance with code; business dealings are suspended if this requirement is not met* ▪ *Hazardous Waste Management - Code challenges companies to avoid production of wastes; for unavoidable wastes that can't be reused, recycled or recovered, calls for sound management of all aspects of waste sites. Previously contaminated sites must be assessed, communicated to authorities and appropriately cleaned up* o *Commitments to verification and continual improvement also part of Responsible Care®* • Description of monitoring/ verification/ corrective action or remediation process o *Verification teams visit every member company immediately following three-year code implementation period. Teams consist of advocates, industry experts and neighbours; use of third party industry experts and public representatives as verifiers adds credibility to the process* o *Verification reports are made publicly available on CCPA website* o *Companies are re-verified every three years* o *Member companies that do not meet RC Commitments have their memberships revoked (this has happened twice)*

Sustainability/ CSR Practice	Description
	o *Senior executives of member companies meet quarterly in 5 Leadership Groups across Canada to review program performance and provide input to the Board.*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *National Advisory Panel of stakeholders provides regular advice and input to Board on emerging stakeholder issues and Responsible Care program implementation and improvements* o *Five Leadership Groups meet quarterly to identify issues that will affect the sector* o *Issues are flagged from a review of collective performance trends from annual benchmarking exercise (especially in areas such as employee health and safety, plant emissions, transportation and plant accidents, etc.)* • How are members involved in developing and evaluating strategy? o *Leadership Groups review RC verification reports and identify performance trends and issues that require general industry response. These issues are reported to the CCPA board for follow up.* • What issues have been documented? o *Chlorine Action Plan* o *Economic instruments to achieve environmental goals* o *POP (Persistent Organic Pollutant) requirements* o *Chemical exposure limits* o *Approach to transportation* o *Emergency assistance planning and response* o *Community outreach approach*
Association establishes programs or activities to address these issues	• Describe programs/activities to address issues identified above o *Transportation: Part of CCPA's Transportation Code of Practice is TransCAER® (Transportation Community Awareness and Emergency Response) - to reduce impact of, and number of, transportation incidents. Program also recognizes public's right to have information regarding movement of chemicals and chemical products through their communities in manner consistent with CCPA's Community Right-to-Know policy* o *Environment: Responsible Care®, Emissions Reporting (NERM) Toolbox, Reducing Emissions Report* o *Economic: Keystone Project (chemicals as an essential part of the economy/society)* o *H&S: Safety and Health Analysis, CAER (Community Awareness and Emergency Response)* • **Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.)

Sustainability/ CSR Practice	Description
	○ *Member participation in all programs listed above is mandatory; therefore uptake is 100%* • Are the programs included in the Association's Business Plan? ○ *Programs are in the business plan and reviewed as part of triennial planning process* • What is the annual budget for the sustainability/ CSR program? ○ *Budget is not broken down in this way; information unavailable* • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.? ○ *Basic architecture of RC is funded by association's core budget. Verifications and other programs paid through cost recovery.*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets ○ *CCPA adopted goal to eliminate all employee injuries/illnesses and process-related accidents* • How often is progress reviewed and assessed? ○ *Tracking and reporting of continuous reduction in emissions from all plant sites is done annually* ○ *Progress made on specific MOUs is done via stakeholder forum established under each MOU*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? ○ *CCPA uses independent facilitator to identify stakeholders for inclusion in National Advisory Panel – membership matrix regularly reviewed by Panel and the Association* ○ *CCPA also identifies key stakeholders for specific issues on a case-by-case basis; CCPA is open to those who approach it as an interested stakeholder but also invites participation from stakeholders it feels might be interested in sector issues, or who have specific expertise in issue area they are working on* • Who are the key stakeholders? ○ *Communities, academic sector, business, consumers, environment, plant neighbours, environmental groups, citizen organizations, employees, peers in the industry, transportation safety advocates, other industries, media, public health advocates/professionals, organized labour*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.) *National Advisory Panel* ○ *12 – 16 regional representatives from across Canada; represents stakeholders named above* ○ *Panel advises CCPA on leading edge issues and on implementation of, and improvements to,*

Sustainability/ CSR Practice	Description
	Responsible Care Program o *Meet 4X year, 7-14 days before CCPA Board meetings to facilitate Board reporting* o *Independent facilitator coordinates Panel meetings* o *National Advisory Panel writes annual report each year to CCPA, also reviews performance of individual companies at the request of each member*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *Association does not report on results of its stakeholder engagements* • Describe how stakeholder engagement activities have influenced policy or program development o *National Advisory Panel convinced CCPA of need for third party verification of member company practice and commitment to the principles of Responsible Care* o *After initial skepticism, CCPA embraced concept, invested in developing protocol and made verification core activity of Responsible Care. On suggestion from the Panel CCPA also entrenched system in which companies are re-verified every three years*
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *Effective Community Engagement Course - Training on community outreach to ensure compliance with RC codes - done in person and / or on-line* o *Holds periodic workshops on: How to Measure Emissions, How to Address Transportation Safety Issues, How to Form a Community Advisory Panel* o *Programs are not certified or accredited* • **Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *This has not been tracked*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *Members-only website contains support materials for all aspects of the 151 codes of practice and various supporting processes of Responsible Care* o *CCPA posts "best practice" findings from verifications* o *National Emissions Reduction Masterplan (NERM) Toolbox provides direction, guidelines and other information to assist members in completing annual emissions, wastes and recoverables survey (members can complete CCPA NERM survey and Environment Canada NPRI survey using same*

Sustainability/ CSR Practice	Description
	software) • Indicate if produced by Association or other sources o *Codes of practice support materials produced primarily by CCPA, on occasion in cooperation with other groups involving key stakeholders* o *CCPA developed NERM Toolbox,*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *Bi-weekly newsletter – every issue has sustainability content* o *Quarterly magazine – every issue has sustainability content*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *"SHARE Program" - Safety award given to companies who have made most improvement in H&S performance, also companies who have sustained high level performance over 5-year period* o *Responsible Care plaques are provided when verification is successful; membership is revoked when companies do not meet the commitments outlined in the program*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the Association's sustainability/ CSR programs for its members (distinct from the Association's own organizational performance) o *CCPA publishes collated environmental, health and safety and social performance data from member companies and annual verification reports (on member commitment to RC Principles)* • What does the report cover? o *Annual emissions report includes 5 year review of: Toxins, Smog, Climate change, Stratospheric ozone depletion, Water quality, Waste and recoverables, Chemical substances* o *Biannual Safety and Health Report includes 5 year review of H&S performance* • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report) o *Reporting performance is mandatory for all CCPA member companies* o *51 of 58 member companies reported in 2004; 7 who didn't report had either just begun implementing Responsible Care or had unique circumstances (i.e., railroad with no fixed facility emissions)*

Sustainability/ CSR Practice	Description
	• Does the Association use other formats to communicate sustainability performance to the public? Describe. o *Annual emissions reduction reports are posted on CCPA website*
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*

CANADIAN MANUFACTURERS AND EXPORTERS (CME)

The CME is Canada's largest trade and industry association. Membership in the CME accounts for an estimated 70% of total manufacturing production and 90% of Canada's exports. 100% of its members are Canadian companies, and more than 85% of these are small and medium sized enterprises.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	*No clear vision expressed on website.* • Do they refer to it as CSR or Sustainability or other? o *CSR* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *Environment, social and economic* • What components does the vision cover? • How long has the vision been in place? What were drivers for developing the CSR vision? • Is there recognition of business case e.g., market access and innovation? o *No formal documentation of the business case*
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee *CME has two groups that address and report to the board on sustainable business issues:* o ***1) Environmental Quality Committee of the Board*** *– mandate is to lobby for effective environmental policy and legislation. Current issues include voluntary programs, climate change and toxics* o ***2) Business Ethics Roundtable with Director oversight -*** *The Roundtable is less formal than committee, but provides forum for members to discuss issues relating to ethical management practices, codes of conduct, and corporate social responsibility. The roundtable meets on an ad hoc basis, provides a network for regular information exchange among members.*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *1 Full Time Employee* • What are their positions and title(s), e.g. VP of environment? o *Director, Environmental Policy*
Association forms linkages or	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)?

Sustainability/ CSR Practice	Description
partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	o *Advocates use of ISO standards among its members (including ISO 9000-2000, ISO 14000 and OSHA 18000 standards); also provides implementation tools to support members* o *Participates ISO Working Group on CSR*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations o *Helped lead Coalition for a Sustainable Environment (CASE) on Bill 133, the Ontario Environmental Enforcement Statute Law Amendment Act. "Through joint efforts, industry was able to improve many parts of this controversial bill"* o *CME met with DM from Environment Canada on Sept 22, 2005, over 60 members were in attendance. Topics covered included the following:* ▪ *Climate change, NPRI, CEPA, Categorization of New Dom Substances Lists, New Substances Notification, Import/ Export Regulations* o *EQ Committee is shaping emerging policy direction for clean air policies through newly formed "Clean Air Group"* o *EQ Committee sits on Industry Steering Committee on Climate Change (ISC3)* o *Note: Policy recommendations are unavailable* • Identify leadership roles to promote industry role in sustainability to government o *No evidence of his*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria o *No minimum performance criteria set* • Description of monitoring/ verification/ corrective action or remediation process o *Not applicable given above*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *No formal process for identifying sustainability/ CSR issues and trends* • How are members involved in developing and evaluating strategy? • What issues have been documented? o *Environment:* ▪ *Climate Change & Energy Efficiency* ▪ *Toxic Substances Management*

Sustainability/ CSR Practice	Description
	o *Health and Safety Management* o *Business Ethics/ Management*
Association establishes programs or activities to address these issues	• Describe programs/activities o *Cross country workshops on ISO 14001 (increasing awareness of business case for implementing an EMS)* o *Innovation Insights program (allows members companies to tour other member facilities to learn about EMS implementation, other environmental initiatives)* o *Engages in various programs at the regional level including Great Canadian Shoreline Clean Up, awareness program regarding diversity and workplace safety, literacy programs, industrial energy management project to define and benchmark the industry's energy use, etc.* • ***Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.)* • Are the programs included in the Association's Business Plan? • What is the annual budget for the sustainability/ CSR program? • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.?
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets o *No goals and targets set by CME* • How often is progress reviewed and assessed? o *Not applicable given above*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? o *No formal process for identifying key stakeholders* • Who are the key stakeholders? o *Government, other associations and peers, NGOs (specific to sustainability issue topics), research and academic organizations, community organizations, labour groups*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.) o *Conducted consultations on future of industry in 2005 (which included sustainability drivers as one element) with educational institutions and research centers, labour groups, community organizations, economic development agencies, governments and business and financial services*

Sustainability/ CSR Practice	Description
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *No reporting on stakeholder engagement activities* • Describe how stakeholder engagement activities have influenced policy or program development o *Not applicable given above*
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *Offers variety of seminars and workshops on subjects including: lean manufacturing, wage disparity, human resources issues, workplace health and safety, environment and energy efficiency, ISO and other quality standards* • ***Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.)*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *Provides tools on website to support members with ISO implementation (quality, health and safety, and environmental management). These tools are made available for small fee* o *Produced "how to" guides on environmental management and H&S management for SMEs (guides also emphasize the business case)* • Indicate if produced by Association or other sources o *Developed ISO support tools in conjunction with BRI International Inc.*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *Some ad hoc examples on website (not always focused on CSR or Sustainability issues but these can be components)* o *20/20 Industry Association Magazine – some articles focus on env, H&S, CSR*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *Canadian Awards for International Cooperation* – CME and CIDA recognize achievements of Canadian businesses and organizations in supporting sustainable economic growth and social programs to reduce poverty in the developing countries of Africa, the Middle East, Asia, Latin America and the Caribbean, as well as in the countries in transition in Central and Eastern Europe.

Sustainability/ CSR Practice	Description
	o *2005 Canadian Innovation Awards for New Technology* – new themes were added including Env Technologies, HR, New Product Development, LEAN manufacturing and Health and Safety o *Health and Safety Leadership Award*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the association's sustainability/ CSR programs for its members (distinct from the association's own organizational performance) o *Produce annual report every two years, 2 pages devoted to initiatives and activities of the Environmental Quality Committee but no reporting of performance of members or the sector* • What does the report cover? (e.g. performance goals and progress in implementing the sustainability/ CSR program) o *Description of environmental lobbying and advocacy efforts, examples of policy influence, some discussion of award programs (incentives mentioned in above)* • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report) • Does the association use other formats to communicate sustainability performance to the public? Describe.
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*

FOREST PRODUCTS ASSOCIATION OF CANADA (FPAC)

FPAC currently has 21 member companies, which are responsible for 75% of the working forests in Canada and 65% of all pulp & paper and lumber production. 100% of FPAC's members are Canadian companies.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *Sustainable stewardship* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *FPAC member commitment includes operating in a manner which is: Economically viable, Environmentally responsible and Socially desirable.* • What components does the vision cover? o *Economic Viability: Financial viability, Competitiveness, Customer focus* o *Social Desirability: Employees and workplace safety, Community and stakeholder relations, Relations with Aboriginal Peoples, Economic contribution* o *Environmental Responsibility: Environmental performance, Sustainable Forest Management, Resource use, Product recycling* • How long has the vision been in place? o *FPAC Sustainability Initiative and Sustainability Principles were adopted February 2005* • What were drivers for developing the CSR vision? o *Market acceptance and reputation* • Is there recognition of business case e.g., market access and innovation? o *No formal documentation of the business case*

Sustainability/ CSR Practice	Description
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee o *Sustainability Steering Committee (SSC) composed of CEOs of 5 member companies and chairs of key member committees including the Environment Section, the Forestry Section, the Market Acceptance Committee and the Climate Change Committee.* o *SSC guides the development and implementation of the FPAC Sustainability Initiative, on behalf of the Board of Directors.* o *Sustainability Working Group (described below) reports to the Steering Committee*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *Five* • What are their positions and title(s), e.g. VP of environment? o *Senior VP, Sustainability; VP Environment; Environmental Analyst; Senior Counsel, Sustainability; VP Government Relations and Communications*
Association forms linkages or partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)? o *FPAC instrumental in development of Sustainability Leadership Statement under banner of International Council of Forest & Paper Associations (ICFPA)* o *Linkage with internationally recognized standards in use in Canada: Canadian Standards Association (CSA), Forest Stewardship Council (FSC), and Sustainable Forestry Initiative (SFI)*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations o *Pulp and Paper Air Quality Forum* o *R&D and technology development (e.g. retrofitting equipment for reduced climate change emissions)* o *Environmental Effects Monitoring* o *Species at Risk* o *Climate Change (The forest products industry was first industry to sign Memorandum of Understanding with the Government of Canada committing it to a 12% reduction in GHG emissions by 2010)* o *Sustainable Forest Management Certification* o *Illegal Logging* • Identify leadership roles to promote industry role in sustainability to government o *Spearheading a multi-stakeholder process—the Pulp and Paper Air Quality Forum—to draft 10-year action plan to lower air emissions; foundation for future government air regulation of mills across Canada* o *Work with government to support strategic research system that fosters R&D and technology development (i.e., relating to climate change initiatives)*

Sustainability/ CSR Practice	Description
	o *Climate Change (FPAC President appeared before House of Commons Standing Committee on Environment as part of the Committee's study of the Government of Canada's Kyoto Plan)* o The industry recommends: *i) Forest Community Futures Refundable Investment Tax Credit* *ii) Accelerate switch from fossil fuel to renewable energy* *a) Include green energy from forest products industry in Capital Cost Allowance Class 43.1* *b) Treat all renewable sources equally in Renewable Power Production Incentive*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria o *As of January 2002, FPAC requires all lands under members' management must be certified by one of three internationally recognized standards in use in Canada: Canadian Standards Association (CSA), Forest Stewardship Council (FSC), and Sustainable Forestry Initiative (SFI)* o *At end of 2005, 95% FPAC members were certified with one of standards* • Description of monitoring/ verification/ corrective action or remediation process o *Auditing required to achieve and maintain certification with one of the three standards*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *Various membership committees such as environment, forestry, sustainability identify issues and trends* • How are members involved in developing and evaluating strategy? o *Sustainability Working Group composed of sustainability experts from member companies; Group reviews and integrates input from FPAC expert committees, makes recommendations to Sustainability Steering Committee on design elements and implementation mechanisms for Sustainability Initiative, and serves as focal point for engaging member companies in the Initiative* • What issues have been documented? o *Air quality, climate change, recovery rate of waste paper, environmental management, sustainable forest management, health and safety, aboriginal and community relations*
Association establishes programs or activities to address these issues	• Describe programs/activities (refer to list of general CSR Program areas in *Sustainable Program Highlights* Section) o *In 2005, FPAC members committed to Sustainability Initiative; a program that affirms FPAC members' sustainability commitment, and provides a mechanism to report the industry's progress on a range of environmental, economic and social indicators* o *In 2006, FPAC's board approved Statement on Illegal Logging - members recognize illegal logging not only*

Sustainability/ CSR Practice	Description
	contributes to deforestation but undermines viability of legally harvested and traded forest products, and a serious detriment to forest sustainability o *In 2006, FPAC members announced Traceability Commitment; each members must trace fibre supplies back to forest area of origin by end of 2008 to assure customer fibre is coming from legal sources* • **Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *95% members were certified by end of 2005 to CSA's Sustainable Forestry Management Standard* • Are the programs included in the Association's Business Plan? o *Yes* • What is the annual budget for the sustainability/ CSR program? o *Information not available* • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.? o *Program is funded by core budget*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets o *FPAC 2010 paper recovery target is 55%; current rate is 46%* o *MOU with Canadian Government sets target of 12% reduction in GHG emissions by 2010 for industry* o *FPAC currently developing industry-wide program to measure and report on the following: Total hectares certified, % AAC certified, particulate matter emissions, total reduced sulphur emissions, effluent flow, energy intensity improvement, % GHG improvement, %energy use from biomass, water use, Canada's paper recovery rate, employee and workplace safety, aboriginal relations, community and stakeholder relations, investment in communities, financial viability, competitiveness and customer focus* • How often is progress reviewed and assessed? o *Bi-annually*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? o *Team in place focused on stakeholder relations* • Who are the key stakeholders as identified by the association? o *Conservation and civil society groups, Aboriginal groups, and local communities*
Association operates programs to	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program

Sustainability/ CSR Practice	Description
actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	development, etc.) o *Develop partnerships with key stakeholders in area of conservation planning* o *Conducted focus groups in 2005 in different regions of Canada to obtain feedback on the Sustainability Initiative from forest industry stakeholders and sustainability experts*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *Produced a summary report following series of focus groups as described above; report was written by independent third party* • Describe how stakeholder engagement activities have influenced policy or program development o *Program implementation and communication about the initiative was modified based on input received*
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *FPAC Technical Committees share best practices in certain areas (e.g. energy efficiency, aboriginal relations, forestry certification, etc.)* o *No formal training programs are offered* • **Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *Not applicable as no formal training programs*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *No evidence of this* • Indicate if produced by Association or other sources o *Not applicable given above*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *No formal communication program in place*
Association offers incentive	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.)

Sustainability/ CSR Practice	Description
programs to encourage member participation in sustainability / CSR Programs	o *No examples of this*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the association's sustainability/ CSR programs for its members (distinct from the association's own organizational performance) o *FPAC has not reported on progress on the Association's Sustainability Initiatives in past, however, beginning in 2007, FPAC will report on the collective performance of its members every two years in the three key areas of the Initiative: economic viability, environmental responsibility, and social desirability* • What does the report cover? (e.g. performance goals and progress in implementing the sustainability/ CSR program) o *See point above, beginning in 2007 report will cover all three aspects of sustainability* • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report) o *Not applicable* • Does the association use other formats to communicate sustainability performance to the public? Describe. o *Informal communications in form of presentations to public but no formal accountability*
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*

PROSPECTORS AND DEVELOPERS ASSOCIATION OF CANADA (PDAC)

PDAC currently has 6,000 members representing a wide range of companies and individuals in mineral exploration, including:

- Corporate members, which includes senior and junior producing companies (SMEs)
- Individual members, which includes prospectors, geoscientists, geological consultants, company executives, and junior exploration and senior mining companies
- Members also include people in financial, legal, and academic communities, students, and those who supply services and equipment to mineral industry

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *Both Sustainability and CSR; Sustainable Development / Sustainability and Corporate Social Responsibility are different policy areas within the association* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *Primarily focused on environmental management (e3 program); PDAC also addresses some social components of sustainability through programming around health and safety, aboriginal affairs, community engagement* o *Board has approved development of CSR Framework for Exploration* • What components does the vision cover? o *e3 (Environmental Excellence in Exploration) is main emphasis, online database outlining good practices and guidelines for PDAC members (and other stakeholders).* o *e3 addresses exploration activities, community engagement and environmental practices* • How long has the vision been in place? What were drivers for developing the CSR vision? o *e3 initiated in 1999 - A consortium of leading mining companies approached PDAC to coordinate project on behalf of global industry* o *Support for Mining, Minerals and Sustainable Development (MMSD) project secured in 2001-02; part of broad sector-wide initiative* • Is there recognition of business case e.g., market access and innovation? o *No formal documentation of the business case members*

Sustainability/ CSR Practice	Description
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee(s) *The five committees mentioned below serve as forum for discussion and development of policies, positions and initiatives to be submitted for approval by PDAC board; all made up of volunteer members and supported by full-time PDAC management* o *e3 Committee* o *Health and Safety Committee* o *Aboriginal Affairs Committee* o *Lands and Regulations Committee* o *International Affairs Committee*
Association staff have dedicated responsibility for overseeing and implementing sustainability/ CSR programs	• How many full time employees are assigned to manage program? o *One full time employee (Board committees named above are supported by additional employees)* • What are their positions and title(s), e.g. VP of environment? o *Director, Sustainability and e3 Project Manager*
Association forms linkages or partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)? o *PDAC participates in "Towards Sustainable Mining", a Mining Association of Canada strategy for improving industry's sustainability performance.* o *As association member of International Council on Mining and Metals (ICMM), participates in and endorses ICMM's Sustainable Development Principles, good practice guidance documents, the Global Reporting Initiative Mining Sector Supplement and work on indigenous peoples issues* o *PDAC is promoter (with the World Bank and the International Finance Corporation) of World Mines Ministries Forum which focuses industry attention on Sustainable Development and Corporate Social Responsibility issues*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations *Annual Mine Ministers Briefing (2006) contained the following recommendations to government (related to Sustainability/ CSR):* o *The Federal Government should, as part of long term strategy for mineral exploration, clarify, by legislative amendment if necessary, that Canadian Exploration Expense include costs of community consultations, environmental baseline studies and feasibility studies* o *Supports government and aboriginal peoples in efforts to speed up land claim resolution processes* o *Improve access to essential skills and industry training for remote, rural and aboriginal communities*

Sustainability/ CSR Practice	Description
	○ *Ensure a balance in focus on economic development and aboriginal and environmental affairs in Canada's North as current regulatory regime has negative impact on investment climate* • Identify leadership roles to promote industry role in sustainability to government ○ *PDAC participated in Canadian Government Roundtables on CSR (mandate to identify ways for Canadian extractive companies operating in developing countries to meet or exceed international CSR standards and best practices)*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria ○ *No minimum level of performance set; e3 is a voluntary set of guidelines / good practices* • Description of monitoring/ verification/ corrective action or remediation process ○ *Not applicable given above*
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. ○ *Board Committees (as noted above) identify issues* ○ *Participation in MAC's Environment Committee helps identify sustainability trends and issues in the industry* ○ *Member surveys also medium for identifying issues* • How are members involved in developing and evaluating strategy? ○ *All Committees (made up of member volunteers and supported by a full-time manager) meet regularly to review and recommend improvements (e3, H&S, Aboriginal Affairs, Lands and Regulations, International Affairs)* ○ *General membership surveyed at commencement of strategic planning cycles* • What issues have been documented? ○ *Environment* ○ *Aboriginal Affairs* ○ *Health / Safety* ○ *Land use / Access* ○ *Community Engagement*
Association establishes programs or activities to address these issues	• Describe programs/activities (refer to list of general CSR Program areas in *Sustainable Program Highlights* Section) ○ *e3 Program; internet-based toolkit offers guidelines and good practice examples of environmental and*

Sustainability/ CSR Practice	Description
	social responsibility in the minerals industry. Developed through contributions of industry representatives, managed by PDAC, e3 provides users with guidelines on exploration activities, community engagement and environmental practices o *Participation in National Orphaned/ Abandoned Mines Initiative (NOAMI), initiated March 2002 at request of Canadian Mines Ministers. NOAMI is multi-stakeholder advisory committee that studies various issues and initiatives relating to the development of partnerships in the implementation of remediation programs for abandoned mines across Canada* • **Note level of uptake for each area of programming if possible (e.g., High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *As of January 2007, there were over 1600 registered e3 users (including Canadian-based and international users; e3 users do not have to be PDAC members to register)* o *Canadian specific data on program uptake is unavailable* • Are the programs included in the Association's Business Plan? o *Yes; e3 operating budget and workplan are reviewed and approved annually by Board* • What is the annual budget for the sustainability/ CSR program? o *e3 Budget: $500 K to launch, $100K to maintain e3 program each year* • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.? o *e3 is funded Association's core budget* o *Additional funding solicited from companies in industry to cover initial development of specific projects (e.g., translation) and ongoing improvements to e3, sponsorship available at four levels (ranging from $10K contribution to $50K+)*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets o *No goals or targets for improvement are set* • How often is progress reviewed and assessed? o *Not applicable given above*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to	• What is the process? o *No formal process identified, however PDAC identifies key stakeholders informally through e3 Committee, other PDAC committees and general membership survey conducted at commencement of*

Sustainability/ CSR Practice	Description
engage	*each strategic planning cycle* • Who are the key stakeholders? o *Communities / general public, Aboriginal groups and communities, government*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.) o *No engagement activities led by PDAC*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures o *Not applicable given above* • Describe how stakeholder engagement activities have influenced policy or program development o *Not applicable given above*
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant o *Community Engagement Course; qualifies for professional development credits from EduMine Certification* o *Short courses on CSR and Sustainability are offered at annual PDAC conference (e.g., 2007 course entitled, "From theory to practice: Corporate social responsibility and sustainable development in mineral exploration")* **Note level of uptake for training and education programming (e.g. High/Medium/Low level of participation, or % of companies that participate if numbers are available, etc.) o *Participation in short courses offered at PDAC convention and in technical sessions (e.g., aboriginal session) could be considered 'medium'*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *e3 online database; Internet-based toolkit offers leading examples of environmental and social responsibility in minerals industry. Provides users with guidelines and best practice case studies on exploration activities, community engagement and environmental practices* o *PDAC was co-sponsor of AME BC Guidebook on Mineral Exploration, Mining and Aboriginal Community Engagement*

Sustainability/ CSR Practice	Description
	o *PDAC collaborated with ICMM on development of GRI Mining Sector Supplement, Biodiversity Good Practice Guidance, Community Development Toolkit and position statement on mining and indigenous peoples issues*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *Publishes occasional communiqués on social and environmental topics for its members* o *CSR is included regularly as a topic in quarterly generic newsletter; provides updates on sustainability topics, government documents and other resources*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *e3 Environmental Excellence in Exploration Award - honours individuals or organizations demonstrating outstanding initiative, leadership and accomplishment in protecting and preserving natural environment during exploration program or mine operation. The award also recognizes efforts to establish and maintain good relations with local communities during exploration or mine operations*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the association's sustainability/ CSR programs for its members (distinct from the association's own organizational performance) o *Currently PDAC has no public reporting initiative* • What does the report cover? (e.g. performance goals and progress in implementing the sustainability/ CSR program) o *Not applicable given above* • What percent of the membership is represented by the report (i.e., how many members contribute data and information to report) o *Not applicable given above* • Does the association use other formats to communicate sustainability performance to the public? Describe. o *Not applicable given above*
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House	• What are these impacts?

Sustainability/ CSR Practice	Description
in Order" Program)	o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*

RETAIL COUNCIL OF CANADA (RCC)

RCC represents more than 40,000 stores of retail formats (including independent merchants, regional and national mass and specialty chains, and online merchants.

Sustainability/ CSR Practice	Description
Sustainability Vision and Position	
Association has developed an overall sustainability/ CSR vision for the sector/ membership	• Do they refer to it as CSR or Sustainability or other? o *CSR* • What is the scope, coverage and definition of CSR or Sustainability that is used (e.g., does it include commitment to environment, social, economic performance)? o *RCC's commitment is to serve its members in areas of environmental, social (domestic and international), human resources and economic performance* • What components does the vision cover? o *Environmental stewardship, ethical sourcing and responsible trading initiatives, human resource management, community engagement and corporate giving, diversity, product safety, economic sustainability of industry* • How long has the vision been in place? What were drivers for developing the CSR vision? o *CSR vision is under development - following first-ever CSR conference in October 2006, white papers are being developed which will lay foundation for the Association's CSR vision for its membership* • Is there recognition of business case e.g., market access and innovation? o *No formal documentation of the business case*
Board has a role in CSR strategy and oversight	• Name and mandate of Board Committee o Association has the following board committees dealing with aspects of Sustainability/ CSR: ▪ ***Environment Committee*** ▪ ***Canadian Retailers Advancing Responsible Trade (CRART)*** *(ethical sourcing/responsible trade)* o ***Product Safety Committee*** o ***Public Affairs Forum (****oversight and strategies related to retail CSR)*
Association staff have dedicated responsibility for overseeing and	• How many full time employees are assigned to manage program?

Sustainability/ CSR Practice	Description
implementing sustainability/ CSR programs	○ *2 Full Time Employees* • What are their positions and title(s), e.g. VP of environment? ○ *Vice President, National Affairs - oversees CSR work, RCC's CRART Committee, Product Safety Committee and Public Affairs Forum* ○ *National Manager, Government Relations (Environment) - oversees environmental issues and stewardship programs, liaises with RCC's Environment Committee*
Association forms linkages or partnerships with international standard bodies, other leading sector initiatives in sustainability / CSR	• Which partnerships, nature of linkage/ partnership (e.g., GRI, Global Compact, other international Code of Conduct)? ○ *Fair Factories Clearing House – collaborative international industry effort involving retail and consumer brands and retail trade associations to create system for managing and sharing social and environmental audit information for suppliers* ○ *Canadian Businesses for Social Responsibility (CBSR)* ○ *Actively participate in provincial stewardship organizations including Saskatchewan Scrap Tire Board, Used Oil Management Association, Product Care Association, Tire Stewardship British Columbia, Stewardship Ontario, Waste Diversion Ontario*
Association engages with government on sustainability issues	• Describe nature of issues, key recommendations *RCC currently working with Government on the following issues:* ○ *Seeking to limit products designated for diversion* ○ *Concerns regarding timetable and targets for waste diversion* ○ *Not supportive of mandated return to retail programs* ○ *Against restriction of delivery vehicles in Toronto core* ○ *Support Aboriginal, women, disabled, new Canadians and youth at risk participants in workforce* • Identify leadership roles to promote industry role in sustainability to government ○ *Active in stewardship program development in provinces and territories across the country*
A minimum level of sustainability / CSR performance has been set for members (e.g., mandatory performance criteria)	• Description of performance criteria ○ *No mandatory performance criteria – members are requested to adopt the Responsible Trading Guidelines developed by RCC* • Description of monitoring/ verification/ corrective action or remediation process ○ *Not applicable, given above*

Sustainability/ CSR Practice	Description
Identifying Key Sustainability Issues in the Sector	
Association has process for identifying key CSR/sustainability trends, issues, etc. in its sector	• Description of strategy/ process for identifying issues, e.g. trends reports, best practice scans, stakeholder engagement, etc. o *No formal process is in place, with the exception of the committees whose mandate is to identify issues for association consideration* • How are members involved in developing and evaluating strategy? o *RCC has several member-driven Committees that regularly offer advice on strategy direction, priorities and evaluate outcomes of Association pursuits* • What issues have been documented? o *Closed Door Initiative (energy efficiency)* o *Environmental Stewardship* o *Accessibility Working Group (Ontario)* o *Scanner Accuracy at the point-of-sale* o *Retail Workplace Health and Safety* o *Responsible Trade Working Group* o *Labour supply challenges (immediately in Alberta) and skills development in retail sector* o *Organized Retail Crime Task Force* o *Sale of violent videos to children* o *Community giving, Community engagement*
Association establishes programs or activities to address these issues	• Describe programs/activities o *Commitments to Parents Code* o *Responsible Trading Guidelines - members requested to adopt Responsible Trading Guidelines on ethical sourcing* o *Scanner Price Accuracy Voluntary Code – to demonstrate retailer commitment to scanner price accuracy and provide retailers with consistent national framework for dealing with scanner price accuracy issues* o *Retail Health and Safety Guides for British Columbia and Manitoba; Saskatchewan and Ontario in progress* o *Outreach with community agencies to assist new Canadians, Aboriginal Canadians, mature Canadians, disabled Canadians and youth-at-risk with skills development and employment opportunities* o *Additional member support programs to come based on new CSR Vision (being adopted Spring 2007)* • Are the programs included in the Association's Business Plan?

Sustainability/ CSR Practice	Description
	○ *Yes* • What is the annual budget for the sustainability/ CSR program? ○ *Approximately $40,000* • How is the program funded? Member dues for sustainability/ CSR program, core budget, member-fund-raising, etc.? ○ *All funding is through member dues*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing sustainability/ CSR issues in the sector	• Describe goals, targets ○ *No formal CSR targets have been set, will come as part of new CSR Vision*
Engaging Key Stakeholders	
Association has a process for identifying key stakeholders and determining which stakeholders to engage	• What is the process? ○ *No formal process for identifying stakeholders* • Who are the key stakeholders? ○ *Key stakeholders include government officials, academics, other associations, NGOs, field experts, researchers, and consumer groups*
Association operates programs to actively engage stakeholder groups for dialogue on the sector's economic, environmental and social performance	• Describe programs / activities used to engage key stakeholders (e.g. identification of issues, policy and/ or program development, etc.). ○ *Works with Consumers' Council of Canada on RCC's Scanner Price Accuracy Voluntary Code* ○ *Maquila Solidarity Network and Canadian Businesses for Social Responsibility were engaged in developing the agenda for RCC's CSR Conference in October 2006*
Association reports on types of engagements and the use of information resulting from stakeholder engagements	• Describe reporting procedures. ○ *No formal reporting of results of stakeholder engagement activity*

Sustainability/ CSR Practice	Description
Supporting Industry Association Members	
Association offers training and education programs for its members on sustainability/ CSR	• Describe training and education programs, including certification/accreditation, if relevant. o *Does not currently offer any training programs* o *Held first national CSR Workshop November 2006*
Association produces "how to" sustainability / CSR resource documents and tools to support its members in implementing Association's CSR program objectives	• Document any that pertain (e.g., documentation of the business case, electronic discussion groups, best practice guidance documents, case studies, benchmarking exercises) o *Responsible Trading Guidelines (discussed above)* o *Commitments to Parents Code - requires retailers across Canada to support and enforce the Entertainment Software Ratings Board (ESRB) ratings for computer and video games*
Association has an internal communications program to educate and inform members regarding CSR matters including progress updates on its CSR initiatives and developments and trends in sustainability (e.g., newsletters, webinars, etc.)	• Describe components of communications program o *CSR issues periodically included in weekly e-newsletter to members* o *CSR issues regularly featured in RCC's bi-monthly publication Canadian Retailer* o *CSR issues will be more prominently featured on RCC's website by the end of Q1 2007*
Association offers incentive programs to encourage member participation in sustainability / CSR Programs	• Describe any incentive programs and level of member engagement in these programs (e.g., awards, etc.) o *RCC offers awards for retailers who are leaders in CSR at annual conference*
Sustainability / CSR Reporting on Industry-Wide Initiatives	
Association reports publicly on the sustainability/ CSR performance of the sector (including impacts of its sector, initiatives the sector has in place to address those impacts, etc.)	• What is the method for reporting/ disclosing the performance of the association's sustainability/ CSR programs for its members (distinct from the association's own organizational performance) o *Currently RCC has no public reporting initiative* • Does the association use other formats to communicate sustainability performance to the public? o *Not applicable given above*

Sustainability/ CSR Practice	Description
Association's Sustainability / CSR performance	
Association has identified its own sustainability/ CSR impacts ("House in Order" Program)	• What are these impacts? o *Currently no formal house in order program in place*
Association develops and monitors measurable goals, objectives and targets (e.g., indicators) and timelines for specific programs addressing its sustainability/ CSR impacts	• Describe o *Not applicable given above*
Association establishes programs or activities to address its impacts, measures, monitors and reports	• List programs/activities o *Not applicable given above*