

## SUSTAINABILITY HIGHLIGHTS

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In addition to increasing shareholder value, driving economic growth and providing stable employment, businesses are being called on to help ensure the ongoing social and environmental sustainability of the Fraser Basin. Sustainable businesses create value for six stakeholder groups: customers, employees, investors, vendors, communities, and the environment. Companies frequently refer to these commitments as corporate social responsibility (CSR), and these commitments help differentiate them from competitors by building public trust, attracting and retaining the best employees, and reducing environmental impacts and liabilities. Sustainable purchasing is one approach to business that integrates social, ethical and environmental considerations in the purchasing process. The Conference Board of Canada has reported that corporations that voluntarily behave in a socially responsible manner stand to benefit from those actions.<sup>1</sup> Some of the benefits of CSR include improved reputation and brand management; enhanced employee recruitment, motivation and retention; greater access to capital; operational efficiency and cost savings; greater social licence to operate; and improved relations with regulators.

- 65% of British Columbians are likely to pay attention to CSR issues (2006).<sup>2</sup>

<b>Research and Development</b>		<b>GOOD</b> -Business expenditure on R&D was 3rd highest in Canada in 2004.
<b>Corporate Social Responsibility</b>		<b>GOOD</b> -Companies based in the Fraser Basin claimed 5 of the top 11 socially responsible Canadian corporations as ranked by Stratos Inc. in 2005.
<b>Environmental Management</b>		<b>FAIR/MIXED RESULTS</b> - BC was 4th in the country in the number of ISO 14001 certificates issued, but only 6th nationally in certificates per 1,000 enterprises (6.7).

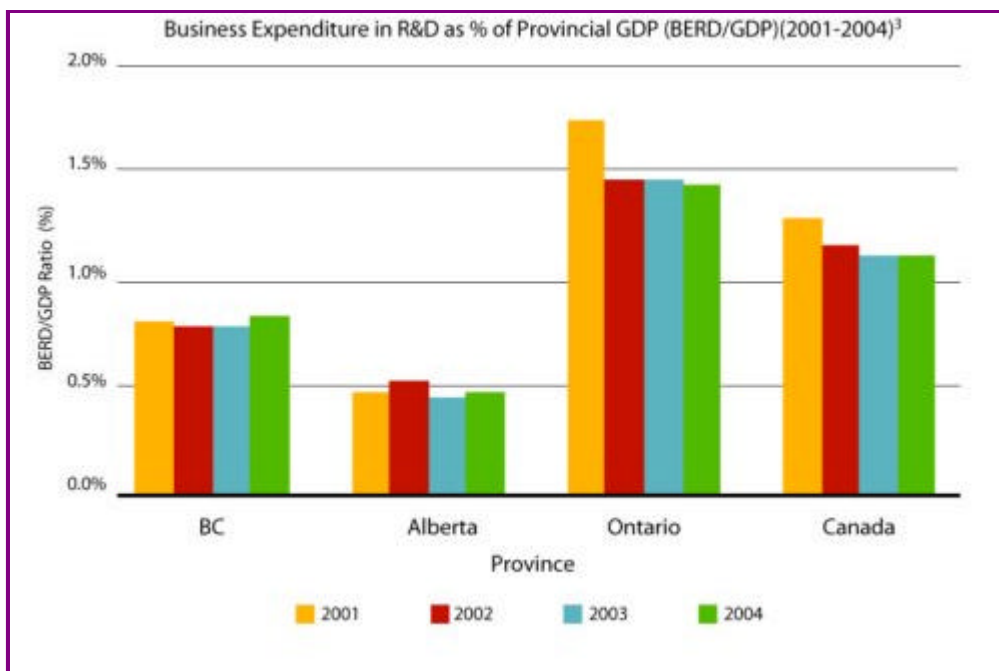
## ISSUES AND TRENDS

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### Research and Development (1984-2004)<sup>3</sup>

Investing in research and development (R&D) is a good indicator of the business sector's interest in improvement and innovation. A business can invest in R&D to strengthen its competitiveness, viability, productivity and resilience to ever-changing markets and regulatory environments. R&D can support the sustainability of the business itself as well as a sustainable economy. Between 1984 and 2005, the business

sector's participation in domestic Business Expenditure on R&D increased from 48% to 53%, peaking at 62% in 2001. Between 2001 and 2004, the BC business sector's contribution to R&D, as a percentage of provincial GDP, was 0.8% on average. By comparison in Alberta, the contribution was 0.4%, Ontario 1.53 % and the rest of Canada 1.18 %.

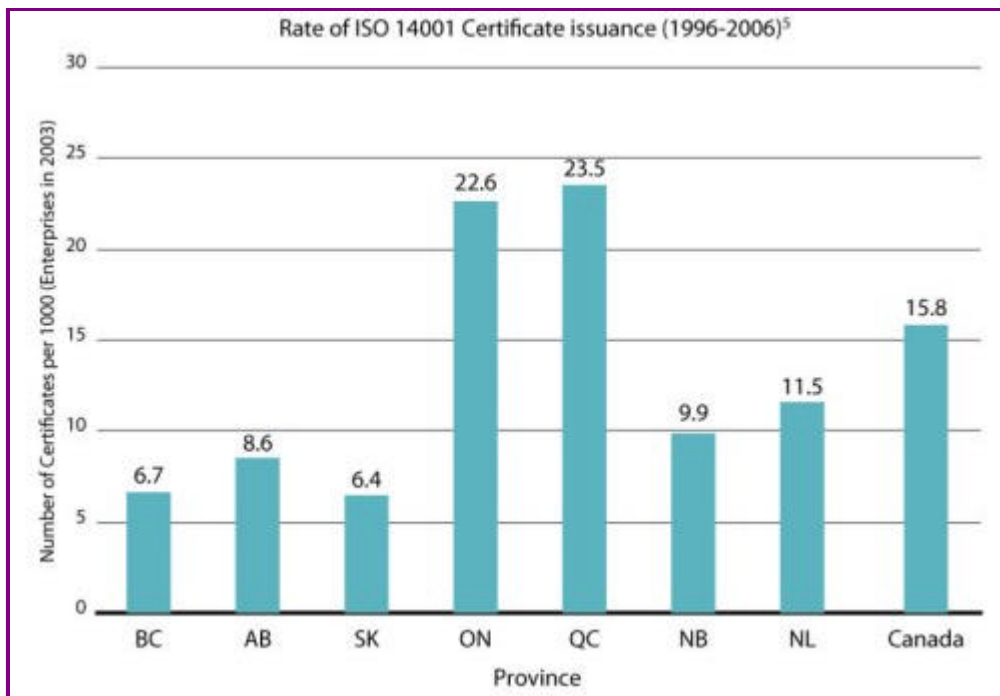


### Corporate Social Responsibility (CSR)<sup>1,4</sup>

CSR policies reflect a company's broader commitment to sustainability and "triple bottom line" performance (social, economic and environmental). The number of Canadian companies publishing reports on their environmental, social and economic performance continues to grow-114 companies in 2004 compared to 100 in 2002. In its 2005 national benchmark CSR survey, Stratos Inc. found that Vancity, TELUS and BC Hydro took the three top spots. Fraser Basin-based companies claimed five of the top 11 spots in the rankings, with Weyerhaeuser (7th) and Vancouver International Airport (11th) also ranking very high nationally.<sup>4</sup>

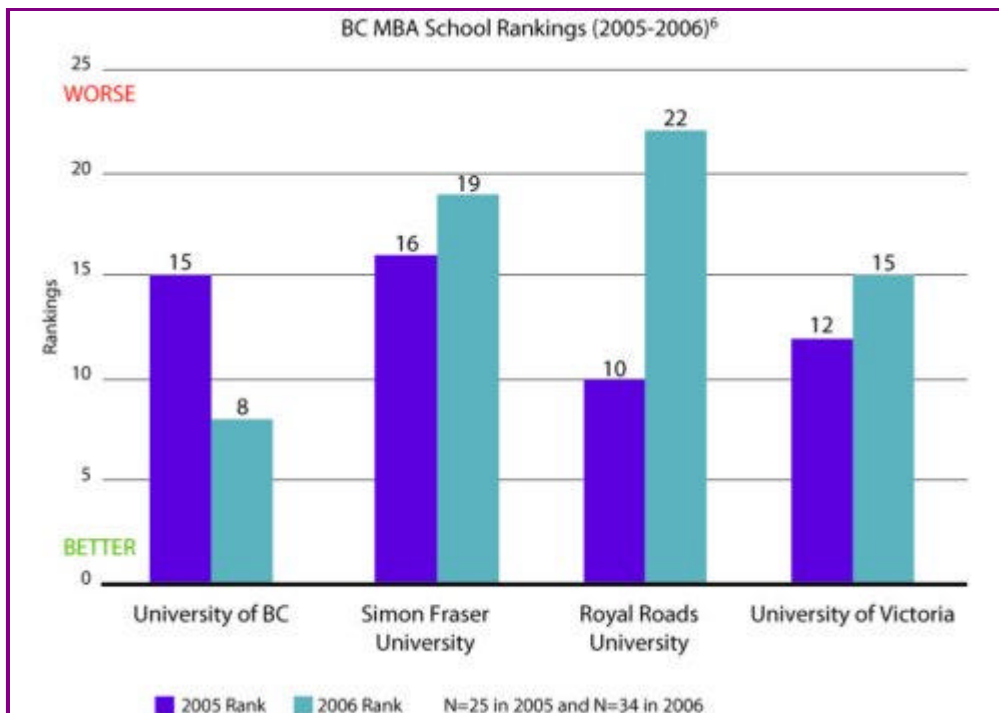
### Environmental Management-ISO 14001 Certification (1996-2006)<sup>5</sup>

ISO 14001 is among the most widely known of environmental certification systems. In practical terms, an organization that receives an ISO 14001 certificate has demonstrated that it has a system in place to consider and manage those aspects of its operations that could potentially affect the environment. In absolute numbers, 1,055 ISO 14001 certificates have been issued in BC-the fourth highest number in the country. 672 of these certificates were in the Fraser Basin (64% of the BC certificates). When the number of certificates is divided by the number of enterprises operating in the province in 2003, BC slips to sixth place in the country (6.7 certificates for every 1,000 enterprises), well behind Ontario (22.6) and Quebec (23.5).



### The Next Generation-Sustainable Business, Engineering and Law <sup>6</sup>

Sustainability is being included in the curricula of business, engineering and law schools across the province. The Corporate Knights Magazine annual survey of Canadian Universities ranks business schools, law programs and engineering schools in terms of how well they infuse social and environmental impact management into their curricula, considering institutional capacity, student-led initiatives, and course work. The UBC Engineering School (third out of 36) and the Law Schools of the University of Victoria and UBC had very favourable rankings in this survey (fourth and fifth out of 21 respectively). Four BC university MBA programs ranked in the middle of the pack across Canada, with rankings between 10 and 16 out of 25 schools in 2005 and between 8 and 22 out of 34 schools in 2006. Only UBC improved its MBA ranking in this time period.



## INSPIRED ACTION

### What is being done?

- The Sustainable Purchasing Network (SPN) helps organizations develop sustainable purchasing policies through training, case studies, tools, guides and networking sessions. 75 individual organizations participated in workshops and learning circles between October 2005 and June 2006: [www.buysmartbc.com](http://www.buysmartbc.com).
- Westport Innovations Inc. received the 2005 *Leadership in Social Responsibility Award at the Technology Impact Awards* in recognition of its performance in integrating CSR principles into its corporate culture and operations, and for contributions the company and its employees have made to their communities<sup>7</sup>. Westport develops environmental technologies to allow vehicles to operate on clean-burning alternative fuels.
- Natural Resources Canada's Industrial Energy Audit Incentive covers up to 50% of the cost of an on-site energy audit, to a maximum of \$5,000.

### What else can be done?

- Pay employees a living wage and provide work-life balance opportunities for employees, including flex-time and job-sharing.
- Join the Sustainable Purchasing Network to learn how to advance sustainability through purchasing decisions, such as post-consumer recycled paper, sustainable forest products, Fair Trade coffee, and sourcing goods and services from businesses that hire from vulnerable populations (e.g., youth-at-risk, Aboriginal people, people with disabilities).

→ Avoid use of toxic products and other "off-gassing" chemicals.

→ Invest in ethical funds and companies that are advancing sustainability through consultation and collaboration with local communities, partnerships with First Nations communities, and sustainable resource management.

### Investing in sustainability



PHOTO: Vancity CEO Dave Mowat hops on a Segway during Clean Air Day.

Vancity, through its *Shared Success Program*, has given back to its members and local communities more than \$69 million of profits since 1994. Among its various sustainability successes are the EnviroFund VISA, support for the SFU/UBC transit U-Pass program, low-interest loans for hybrid cars, financing for energy-efficient home renovations, achievements in energy efficiency certified by BC Hydro's Power Smart program, "extreme green" branches that maximize energy efficiency and minimize their environmental footprint, and the highest employee participation rate in the Commuter Challenge over several years.<sup>9</sup>

### REFERENCES

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