

The Sustainable Executive

CSR importance grows

Derek Sankey, Financial Post

Published: Wednesday, March 07, 2007

When Russell Buckland was vice-president at Kidd Creek Mines in Northern Ontario for Falconbridge Ltd. several years ago, he soon realized how readily apparent the company's operations were to those in the surrounding communities.

Mining operations are often spread out, physically obvious to those nearby and require vast regulatory and technical management skills.

Now, as an executive recruiter for the mining and resource industry, he realizes that grasping the relevance of sustainability has become one of the single most important skills required to make it as a senior executive in today's global mining industry.

"If senior executives don't demonstrate an understanding of sustainable development, they are probably not going to be final candidates for those roles, it's as simple as that," said Mr. Buckland, who is with Toronto-based Bedford Consulting Group.

Corporate social responsibility -- a term he uses interchangeably with sustainability -- has become one of the most sought after skills for leadership in all facets of the industry, from small nickel producers to gold mining giants.

"As you go further up the ladder it becomes even more important," Mr. Buckland said. "It also leads to career opportunities for others that are more professionally into the CSR discipline. "

CSR has been "elevated quite dramatically over the past few years" in the new regime of increased transparency, according to Jamie McIntyre, director of sustainable development for Saskatchewan-based Cameco Corp. "Every enlightened business leader I know of has this figured out," he said. "There's a whole array of stakeholders that have the ability to affect the outcome of your business, so it's just really good, rock-solid business sense."

CSR initiatives often involve such areas as the environment, employee and community relations, regulatory and regional issues, long-term sustainability and public consultations.

Mr. McIntyre cited the example of Cameco's Rabbit Lake uranium production facility in northern Saskatchewan. When uranium prices took a downturn, the operation became unviable, casting a shadow on the future of 250 workers.

Instead of laying them off, the company supplemented employment insurance benefits, allowing employees to earn 75% of their regular income even though just a handful were working minimal hours to keep the operation maintained until prices went back up and production resumed about a year later.

Of the 250 workers, only one left the company. "CSR and sustainable development really force you to understand how you're making decisions and the

implications of those decisions," Mr. McIntyre said.

Cameco prides itself on working closely with aboriginal populations instead of importing workers. "It's not just about employment and training, it's about building a business capacity and consultation. There's value in being a little bit ahead of the curve."

CSR takes many forms. Michael Jolliffe, senior vice-president of government relations for AMEC, one of the world's largest engineering and consulting firms to the mining and resource industry, cites dozens of ways the company pursues an aggressive CSR strategy.

"In the 21st century, responsible companies have to do their business differently," he said. AMEC launched the Great Shoreline Cleanup program in 2005 as one way to demonstrate its environmental commitment to the public. It involves extensive efforts to clean up stretches of the shores of the Great Lakes each year.

AMEC sponsored employees who volunteered to help with the reconstruction work in Indonesia after the 2004 tsunami; while more than 200 employees aided rebuilding efforts in the aftermath of Hurricane Katrina.

"Sustainability is part of our culture," Mr. Jolliffe said. "We see this as a long-term reality and one that we're embracing quite positively."

And in a tight labour market, attracting the best and brightest engineers and executive leadership means living those CSR policies every day, he said.

AMEC works closely with Engineers Without Borders by providing funding and collaborative opportunities. It also certifies more people each year under LEED -- an environmental certification structure set out by the Canada Green Building Council and recognized worldwide.

"We have 2,500 people in AMEC who only work on environmental issues" such as air quality, geotechnical work and water quality, Mr. Jolliffe said. "It's more than just profitability, it's the impact you have in your communities and the legacy you want to create for those communities."

In a global business with a global and diverse workforce, CSR has never been more important. Whether it is a major nickel project in Guatemala or a gold deposit in Mongolia, Mr. Buckland said the same issues apply across the board.

CSR is a critical skill set and a demonstration by business leaders of how to execute sustainability goals as part of the core business strategy.

"This has to be part of the agenda," Mr. Buckland said. "It's not a given, so you have to make it a given."