



BSR Conference 2010
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CSR Management Systems: Applying Lessons Learned from Environment, Health, and Safety

Breakout Session Summary
Thursday, November 4, 2010 | 4-5 p.m.

Speakers

- » **Robert Dean Williams**, Vice President, Environmental Affairs, Kinross Gold Corporation
- » **Rick Petersen**, Executive Vice President, Corporate Citizenship, Gildan Activewear
- » **Julia Nelson**, Manager, Advisory Services, BSR (moderator)

Highlights

- » Employee engagement is a key component of a successful management strategy. Local cultural contexts and employee education levels must be taken into account to ensure successful engagement.
- » Innovation requires creating a structure that allows for employee input and local modification.
- » The best systems evolve from moving corporate responsibility from a single job function to broader company culture.

Memorable Quotes

"Throughout the life of our operation, the community will evolve and their needs will evolve. We need to change with them as a member of the community."—Robert Dean Williams, Kinross Gold Corporation

"By not thinking only about compliance, it frees you up to innovate and to create win-win situations for both employees and business. ... The idea that it's only about compliance is dangerous, and it's not a good business model."—Rick Petersen, Gildan Activewear

"Successful management systems come down to consistency, capacity, and culture."—Julia Nelson, BSR

Overview

Nelson opened the session by explaining its purpose: to explore how management systems around environment, health, and safety can be scaled to drive awareness, ownership, and commitment among employees across global operations.

Nelson began by asking the panelists about their respective management approaches. Williams explained that as a mining company their management approach is localized and evolutionary; Kinross responds to challenges and opportunities as operations grow and contexts change. Petersen also referenced an evolutionary approach—from compliance to employee-driven change via building an "ecosystem around corporate responsibility."

Nelson asked the panelists to describe lessons they have from historic environment, health, and safety (EHS) systems that they are applying to a broader CSR management system. Williams



shared a key lesson learned: “We need to give people a chance to feel like they are part of the process.” At the same time, he explained, you have to provide structure but allow for innovation within it.

The panelists next spoke about employee engagement as a management strategy. Petersen commented on communication challenges—from a digital divide to language barriers—that can frustrate these efforts. One way Gildan is addressing this is by making short videos about labor rights issues. Employees audition for roles and films are broadcasted in facility cafeterias. The program has developed into a highly successful engagement tool because it’s fun, but it also gets an important message out. Williams spoke about their efforts to recognize CSR staff at their different sites around the world. CSR team members are nominated and winners participate in the annual leadership conference where they get to meet senior management. The program serves as both an engagement tool as well as a mechanism to communicate the importance of CSR to site management. Finally, Petersen also discussed the importance of recognizing and respecting local languages and working to make some management system tools available in local languages.

Expanding on local challenges, Williams explained Kinross’ efforts to engage local communities and build—and keep—their trust. “The best way to start is to get out and start listening,” he explained. “They have more to share with us than we have to share with them.” Petersen discussed the challenges around recognizing local cultural contexts and the potential impacts on compliance. He then discussed Gildan’s efforts to maintain consistent global standards.

Next, the panelists discussed accountability. Petersen argued that accountability is directly related to ownership, so structures that create ownership also build accountability. He explained the cross-functional teams that Gildan has created to manage environment, labor compliance, and other traditional CSR issues that have proved highly effective at promoting accountability. Each team has a project sponsor, project charter, key indicators, budgets, and deliverables.

Williams explained Kinross’ objectives to promote local accountability systems. At Kinross, site management is ultimately accountable to both local and global teams. Petersen mentioned that board engagement is another accountability mechanism. Canada, for example, has implemented regulation to hold board’s accountable for social and environmental performance.

Finally, Nelson asked how the companies were moving or could move beyond compliance to systems that foster innovation while also ensuring consistency. Petersen said that many of their innovations are a result of employee engagement and empowerment programs, and the provision of social benefits like doctors and technical training. He explained that minimum compliance did not get Gildan what it needed: qualified and safe workers. Williams explained that a lot of the community investments they make already are not related to compliance, and rather depend on innovation and engagement.

During the Q&A session, one participant asked if any of their systems benefit from technology. Both panelists said that data management was integral to their efforts. Petersen added that social media is an effective tool. He said that Gildan is using a data system to monitor blogs in order to see what people are talking about and where so that they can anticipate key issues and communicate about them with the right people. Another question asked about the business case, which both Petersen and Williams said was clear to their management from both operational and reputational perspectives.

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