

**TOWARDS A SOCIALLY RESPONSIBLE  
CROWN CORPORATIONS SECTOR**

Prepared for the

**CROWN CORPORATIONS SECRETARIAT**  
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by

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## EXECUTIVE SUMMARY

Future-oriented corporations realize that their financial health and long-term success is ultimately linked to the health of the economies and communities in which they operate. Corporate social responsibility (CSR) as a concept is the continuing commitment by a corporation to behave ethically and to contribute to the broader social, economic, and environmental goals of society.

A corporation whose approach to CSR is organized, focused, and effectively managed will be much more likely to reap financial rewards than one that is not. Effectively managing a CSR agenda entails identifying those key CSR issues of concern to internal and external stakeholders; establishing CSR goals and objectives for the corporation; integrating these goals into strategic business objectives and day-to-day decision making; monitoring performance; and finally, reporting on performance.

Although Crown corporations in British Columbia face many different strategic challenges than private corporations, CSR still has tremendous value for them. Recognized as a leader in the practice of CSR, BC Hydro demonstrates the potential. By adhering to sound management principles, BC Hydro makes a clear and definitive link between its success as a corporation and its ability to maintain healthy social, economic, and environmental bottom lines.

Across the Crown corporations sector, however, results are a little more varied. Overall, Crown corporations are socially responsible entities. They engage in a variety of CSR activities that, amongst other things, promote public health and safety, arts and culture, aboriginal community development, and road

safety. These are components of good CSR strategies. Often, however, Crown corporations will lack one or two critical strategic aspects necessary to effectively maximize CSR performance.

As the central agency responsible for oversight of Crown corporations, the Crown Corporations Secretariat (CCS) can use its position to facilitate addressing the collective needs of Crown corporations in this area.

First, CCS can bring together representatives from Crown corporations to a forum where Crown corporation leaders in this area can share information and advice on how to effectively develop, manage, and report on CSR agendas.

Second, CCS can demonstrate opportunities on how to best integrate CSR into the existing planning and reporting framework of Crown corporations.

Third, Crown corporations can collectively report on their CSR performance on the CCS web site. Such a step would promote public transparency, and provide an incentive for Crowns who do not currently engage in CSR to do more in this area.

Finally, Crown corporations can incorporate CSR into their internal auditing and management review functions. Such a step would help them determine how to best modify their CSR agendas and approaches to get the most value and utility from them.

Such small steps ultimately lead to increased performance and consistency across the Crown corporations sector, increased value to the shareholder, and above all, the advancement of the social, economic, and environmental well being of British Columbians.

## I. INTRODUCTION

### Background

In today's social and commercial environment, future oriented corporations of all sectors and sizes realize that the overall performance of their corporation is inextricably linked to the best interests of their customers, employees, neighbours, shareholders, and other groups affected directly or indirectly by their operations. Public expectations of corporations are more explicit than ever: corporations are expected to go beyond their historical role of making a profit, paying taxes, employing people and obeying all laws. They are also expected to contribute to broader societal goals as well. In fact, a recent survey found that the public perceptions of Canadians towards corporations are formed based on the corporation's social responsibility – ahead of its financial success and the quality of its product or service. (Environics, 2000).

Public expectations are not the only driver for corporations to engage in the pursuit of society's well being. Research indicates an almost unwavering link between corporate performance and corporate social responsibility. The social, economic, environmental and workplace policies of corporations can have significant operational impacts including increased sales, increased shareholder value, reduced turnover and retraining costs, overall increased efficiency, and reduced wastes. Moreover, a corporation whose business philosophy encompasses employee well being, environmental stewardship and social welfare as central to its success is much more likely to succeed over the long term.

One corporation that is recognized as a leader in the practice of corporate social responsibility (CSR) is BC Hydro. Beyond the traditional philosophy of using sound business practices to ensure financial and fiscal responsibility, BC Hydro places equal emphasis on ethical business conduct, fair treatment of its employees, positive business and personal partnerships with communities, and partnerships that foster economic growth. BC Hydro has integrated these philosophies into all aspects of its activities. What sets BC Hydro apart from so many corporations, is its organized, systematic and focused approach to social responsibility. By setting priorities and incorporating CSR into its planning and reporting framework, BC Hydro is able to make a clear and definitive link between its success as a corporation and its ability to maintain healthy environmental, social and economic bottom lines.

In standard discussion on CSR, corporations are presumed to be private sector entities accountable to private investors for financial performance. BC Hydro, however, is not a private corporation. It is a Crown corporation whose sole shareholder is the Minister responsible, an elected official accountable to the Legislative Assembly. Notable amongst Crown corporations is that BC Hydro pursues CSR activities beneficial to British Columbians in addition to the public policy expectations agreed upon with its Minister responsible and formalized through the annual Shareholder's Letter of Expectations<sup>1</sup>. The success of BC Hydro attributed to multiple bottom line planning and reporting clearly indicates that the philosophy and practice of CSR has much broader applications than

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<sup>1</sup> The Shareholder's Letter of Expectations is an annual Memorandum of Understanding between the Minister responsible and the Chair of the corporation where public policy and financial expectations are made explicit.

strictly to private sector corporations. Most critical, the success demonstrates the vast potential of CSR across the Crown corporations sector.

In British Columbia, Crown corporations make significant contributions to economic and social well being. They are involved in most sectors of the economy including the transportation, energy, real estate, and insurance sectors. Collectively, they control \$30 billion in assets and have an accumulated debt of \$16 billion. Their financial health has a direct impact on that of Government, their shareholder. The more money a Crown corporation can provide in the form of a dividend – or the less it requires in the form of a subsidy, means that the Government is better able to advance its public policy agenda be it health care and education and/or tax cuts and debt reduction. For Government, measures that both improve the financial performance of Crown corporations in an accountable manner while advancing the well being of British Columbians should be explored to the fullest extent possible.

### **The Issue**

Recognizing the potential of CSR across the Crown corporations sector and the bottom line benefits to the Shareholder, the Crown Corporations Secretariat (CCS) offered an information forum on CSR to representatives of Crown corporations in March 1999. As the central agency responsible for oversight of Crown corporations (as listed in Appendix A), CCS provides strategic direction and corporate services to those Crowns in need. The session showcased the efforts of a couple Crown corporations in this area, specifically outlined what might be considered good and bad CSR practices, and offered

encouragement to Crown corporations to pursue such agendas. Since this session, many Crown corporations have begun new CSR strategies, or have enhanced existing ones. The Insurance Corporation of British Columbia (ICBC), the British Columbia Lottery Corporation (BCLC), and the BC Rail Group of Companies (BC Rail) amongst others, all engage in some form of CSR. Two years after this session, however, few of these corporations focus as much attention on effectively managing CSR strategies and reporting on performance to the extent of BC Hydro. In fact, many of these Crown corporations do not report on CSR performance whatsoever.

With an interest in financial performance and effectiveness, CCS can assist Crown corporations by offering more advanced corporate services and strategic advice on how to enhance the value and utility they receive from CSR. To do this, CCS must first determine how far CSR has come in the Crown corporations sector, and the disconnects between this status and optimal CSR practice. Therefore, the purpose of this Management Report is to determine how the effectiveness and accountability of Crown corporation CSR can be enhanced, and what steps if any can be taken by CCS to maximize performance in this area.

### **Scope**

An appropriate Management Report on CSR in the Crown corporations sector must acknowledge important realities by staying within a defined set of parameters:

- *The Report must consider Crown corporation governance*



First, the stewardship of Crown corporations is the responsibility of a Board of directors, appointed by the Minister responsible for the corporation. The Board sets management priorities and ensures that their management team is properly implementing and achieving strategic objectives. Central Government is not responsible for the day to day management of the corporation, but does require the regular reporting by Crown corporations on financial performance and their ability to execute certain public policy goals of Government.

It is not the intent of this report to dictate if, how, when, and what types of CSR initiatives Crown corporations can undertake, or what types of CSR are and are not appropriate. CSR is a voluntary initiative of a Crown corporation.

- *Crown corporations have both private and public sector characteristics*

As public sector organizations operating in a commercial manner, Crown corporations face many unique challenges. Government owns them for reasons of public policy. Yet as commercial ventures, they are given much more autonomy than regular Government ministries. Both CCS and Crown corporations when considering a strategic direction for CSR in the Crown corporations sector must account for such unique challenges.

- *The Report will offer reasonable advice on planning and reporting*

Government currently requires extensive reporting by Crown corporations in a number of functional areas. This is done through a series of reports including performance plans, capital plans, performance measurement reports, financial reports, and annual reports. This Management Report will outline

opportunities for Crown corporations to plan for and report on CSR initiatives within this existing planning and reporting framework.

- *The Report will include practical tools for those Crown corporations lacking resources and expertise*

The management control section of the Report will cover a set of objective tools offered to promote the use of best practices and maximize effectiveness. It could serve as a starting point for many Crown corporations who currently do not have the resources or expertise to implement an effective and accountable CSR agenda. It will not serve as replacement for such systems already implemented by those corporations who engage in and adequately report on CSR.

### **Objectives**

Within the scope of these parameters, the objectives of this Management Report are:

1. To clarify the moral and financial rationales of corporate social responsibility for the Crown corporations sector;
2. To compare the existing corporate social responsibility practices of Crown corporations with best practices in managing and reporting on such agendas;
3. To identify a strategic direction for corporate services and policy that can be offered by CCS to Crown corporations to appropriately maximize the value, utility and benefits they receive from corporate social responsibility.

### **Deliverable and Outcome**

By delivering on these objectives, CCS can provide informed corporate services to Crown corporations, facilitating their ability to become leaders in the

area of CSR. Social responsibility is a critical component of success. Although it is clearly an issue of internal management within each Crown corporation, an opportunity exists to identify their needs in this area, to share information, and to collectively address these needs. CCS is in an appropriate position to facilitate this.

The eventual outcomes for CCS, as the representative of the Shareholder, would be improved financial and social performance, increased shareholder value, and above all, the advancement of the social, economic and environmental well being of British Columbians. This advancement can be done in such a way that does not compromise the mandates of these corporations, or the public policy agenda of the Government of British Columbia.

## II. METHODOLOGY

To adequately provide for each objective of this Management Report, a qualitative research design was used.

The first research task involved a review of the literature on the principles and concepts of CSR. Resources included numerous books, published research studies, and Internet sites. Several think tank groups offer practical management tools, facilitate discussion amongst corporate leaders, and share information on innovative approaches and recent developments. The review focused on defining CSR, behaviours indicative of good practice, and the rationales behind advancing such agendas.

The review of the literature also included an examination of management frameworks offered for managing and implementing CSR strategies. The frameworks were synthesized into one management framework indicative of best practices. Both aspects of the literature review provided a guiding framework within which the analysis portion of this report was conducted and the recommendations were based.

The major limitation for this portion of the research is the lack of resources available on CSR as it relates specifically to Crown corporations. The analysis mitigated this limitation by applying the results of the literature review to strategic issues specific to the Crown corporation sector.

The second research task was to determine the extent to which CSR is practised by Crown corporations in British Columbia and beyond, and the approaches used in such instances. This task was accomplished by scanning the

most recent annual reports of those Crown corporations who have regular interaction with CCS. A sample of annual reports of Crown corporations from other jurisdictions was also included to provide some perspective on the results found across the BC Crown corporations sector. The annual report scan was conducted using a set of criteria stemming from the review of the literature.

A weakness of the review of annual reports is that Crown corporations may not be reporting on their CSR agenda through this mechanism. Annual reports, however, present the most comprehensive overview of the corporation's activities and overall performance. For the purposes of this management report, an assumption is that if CSR has any significant importance to the corporation, it would be reported on through this document. If it is not, then it must be assumed that the corporation engages in little or no CSR activity.

Another possibility is that Crown corporations report on significant CSR activity through other corporate documents. In such instances, other documents like environmental reviews, and reports specific to CSR will be included. The purpose of this research task is more about getting a sense of the extent to which Crown corporations engage in, manage, and report on CSR. The results of the annual report scan were analyzed according to the principles, concepts and best practices of CSR as outlined in the review of the literature.

To reach each stated objective of this report, the results of the research were synthesized and analyzed into an informed set of findings that can be promoted by CCS and Crown corporations to maximize the value they receive from CSR, both financially, economically, socially and environmentally.

### III. RESEARCH

#### Definition

To assess the rationale for the participation of Crown corporations in CSR initiatives, it is important to first define exactly what it is and to establish what represents good practice. Literature on this topic is extensive. As the power of corporations around the world increases with the liberalization of trade markets, there is growing recognition and discussion that corporations themselves are citizens of sorts in the global arena. CSR is therefore also synonymous with 'corporate citizenship'.

The extensive body of literature, however, lacks real consensus on the technicalities that define CSR. Wood defines it as "a business organization's configuration of principles of social responsibility, process of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships." (Wood, 1991). A more simplistic definition is offered by Maignan who defines CSR as "a set of activities undertaken by business to concretely meet social demands responsibly." (Maignan, 1999).

For the purposes of this Management Report, CSR will assume the definition offered by Holme and Watts. They define it as 'the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.' (Holme and Watts, 2000).

## Practice and Concepts

A continuing commitment to socially responsible behaviour implies a proactive approach on the part of corporations, as opposed to reactive, hesitant, or even unwilling. This proactive approach is demonstrated through behaviour. In her research on behaviours indicative of socially responsible corporations, Davenport asks “what common criteria do employees, communities, suppliers, customers, and shareholders hold for corporations?” Through qualitative and quantitative research, she found five groups of principles that characterize such behaviour. (Davenport, 2000). For the purposes of this Management Report, these groups will serve as a basis for designing a good CSR agenda.

The five categories of socially responsible behaviour are as follows:

<b>Behaviour</b>	<b>Corporations:</b>
Ethical	<ul style="list-style-type: none"> <li>▪ Engage in fair and honest business practices in its relationships with stakeholders</li> <li>▪ Set high standards of behaviour for all employees</li> <li>▪ Exercise ethical oversight at the executive and board levels</li> <li>▪ Provide information that is truthful and useful</li> </ul>
Social	<ul style="list-style-type: none"> <li>▪ Are well managed for all stakeholders</li> <li>▪ Initiate and engage in genuine dialogue with stakeholders</li> <li>▪ Value and implement disclosure</li> <li>▪ Foster a reciprocal relationship between the corporation and community</li> </ul>
Economic	<ul style="list-style-type: none"> <li>▪ Invest in the communities in which it operates</li> <li>▪ Respect the rights of customers</li> <li>▪ Offer quality products and services</li> <li>▪ Strive for a competitive return on investment</li> <li>▪ Engage in fair trading practices with suppliers</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>▪ Demonstrate a commitment to the environment</li> <li>▪ Demonstrate a commitment to sustainable development</li> </ul>

Workplace	<ul style="list-style-type: none"> <li>▪ Provide an equitable reward and wage system for employees</li> <li>▪ Engage in open and flexible communications with employees</li> <li>▪ Invest in employee development</li> </ul>
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Davenport's findings are supported by articles and other research studies on socially responsible behaviours of corporations including those by Makower (1994), and Reder (1994).

The literature also stresses that CSR is as much a philosophy as it is a practice. Corporations themselves must set their own social, economic, environmental and workplace priorities. Socially responsible behaviours, as outlined by Davenport, are the result of choices made by corporations. As Reder states "the real issue is commitment, intent, and then progress towards achieving intent. Socially responsible corporations are those that make it their business to engage themselves in that process – unrelentingly." (Reder, 1994).

### **Financial Rationale**

Many corporations might legitimately ask whether the financial expenditures associated with CSR yield results significant enough to warrant engagement. Beyond the moral and ethical rationale, what is the business case rationale and ultimate impact on the bottom line?

As either a sign of weakness in current discussion, or as a sign of strength of CSR, there are no recent studies that associate negative financial consequences with socially responsible behaviour. The literature is quite conclusive: in today's competitive global economy, a coherent CSR strategy, based on integrity, sound values and a long-term approach, offers clear benefits



to the financial bottom line. Broadly speaking, financial benefits include a better alignment of corporate goals with those of society; a more committed and productive workforce; customer loyalty; a good reputation; securing a continued license to operate in communities; and reducing risks and associated costs.

A broadly conceived notion of financial benefit could also include the opportunity for a corporation to show its human face. Society is more often than not willing to accept negative externalities of a corporation's operations depending on their perception of this human face.

Empirical research supports these conceptual financial benefits. Erfle and Fratantuono (Reder, 1994) found a positive correlation between financial performance and several dimensions of social responsibility. They compared eight standard measures of a sample of corporations' economic performance with ratings given to them on eight CSR topics by the Council on Economic Priorities. Such areas included: environmental performance, advancement of women, promotion of visible minorities, charitable contribution, community outreach programs, ethical research practices and disclosure of information.

The results of the study found that being socially responsible at worst had no financial impact and in some cases had a strong positive payoff. For example, in the environmental performance category, the top rated corporations were found to have:

- 16.7% higher operating income growth
- 13.3% higher sales to asset ratio
- 9.3% higher sales growth
- 4.9% higher return on equity
- 4.4% higher earnings to asset ratio
- 3.9% higher return on investment
- 2.2% higher return on assets
- 1.9% higher asset growth

This relationship between social performance and financial performance is consistent with other comparable studies. A 1994 study by the Gordon Group concluded, “a large portion of companies with the worst reputations on workplace issues are either taken over or experience bankruptcy.” (Riahi-Blekaoui, 1999) Another 1994 study at Florida International University (Reder, 1994) found a significant positive relationship between socially responsible corporations and growth in sales, return on assets, and asset age.

For corporations of all types and sizes, giving a high priority to CSR is no longer seen as an unproductive cost or resource burden, but rather a means of enhancing reputation and credibility among stakeholders. The literature on CSR is so conclusive of its positive net benefit to corporations, both financially and non-financially, that current discussion now focuses on issues of strategic management and implementation, particularly in the areas of performance measurement and accountability.

### **Implementation Tools**

A corporation might be thoroughly convinced of the merits of CSR, yet lost as to how to methodically implement such an agenda. Resources are plentiful on just how to do this ranging from web sites and conferences to computer software and consulting services. (Please see Appendix B for a list of such resources). Corporations, however, can simply turn to good management practices and controls already applied to other parts of their affairs to implement a CSR agenda.

CSR management frameworks cited as good examples include those by *Business for Social Responsibility*, the *Corporate Citizenship Company of the United Kingdom*, and the *World Business Council for Sustainable Development* (WBSCD). These three management frameworks are somewhat consistent and are outlined, along with a synthesized version of all three, in Appendix C. What follows are the highlights of this synthesized version.

### **1. *Introducing CSR to the Organization***

Before embarking on the development of a CSR agenda, a good idea is to conduct a self-assessment to identify existing corporate activities constituting good CSR, and potential gaps that need to be 'filled in'. (An example of a self-assessment is found in Appendix D). Key areas like vision, commitment, values, impact assessment and support systems can be translated into action oriented processes much easier.

### **2. *Review Mission, Values and Principles***

Usually, a corporation makes its business principles clear. They contain statements about goals, codes of conduct, and corporate values. Reviewing these statements in the context of ethical behaviour and social responsibility will promote discussion on how the corporation views its impact and contributions to society, both economically and socially, in an environmentally sustainable way. What is the corporation's vision for society, and what does it see as its contribution to it? Using its resources, how can it advance society's well being?

### **3. Identify Key CSR Issues**

The essence of CSR is to recognize the value of stakeholder dialogue. CSR means more than promoting a corporation's own values and principles, it also depends on understanding the values and principles of those who have a stake in its operations. To identify the key CSR issues that link with the corporation's vision, mission and corporate values, it is good to compile a list not only of those issues of importance to management, but to employees and stakeholders as well.

To identify stakeholder groups, two good questions to ask are 'to whom should we talk' and 'why should we talk to them'? Answers usually include employees, clients/customers, governments and regulators, shareholder(s), business partners, communities (including First Nations), and society. To prioritize stakeholder groups, it is good to determine if a particular stakeholder group is relevant to business and is the corporation accountable to these groups for the way it does business. Can the stakeholder group impact the success of the corporation? Is the engagement likely to result in a productive outcome in the long term? Once stakeholder groups have been identified, key issues of concern to these groups can be determined through numerous ways including focus groups, surveys, informal discussions, and even a good brainstorming session.

By making constructive use of the expressed expectations of stakeholder groups and employees, management can devise informed CSR strategies that

enhance their reputation with stakeholders as they demonstrate their concern for the social impact of their business activities.

#### **4. Develop CSR Goals and Action Plan**

Having identified issues of concern to both the corporation and to stakeholders, it is then appropriate to link these key issues to the vision and corporate values of the corporation. Narrow the list of key CSR issues to a manageable number and categorize them into such groups as social, economic, environmental and workplace. For each category of key issues, develop some broad CSR objectives that encompass all of these issues. These CSR objectives are comparable to strategic business objectives. Ideally, these CSR strategies could even be integrated into these business objectives.

The CSR strategy is an opportunity to tell people what the corporation stands for and on what it is prepared to be judged. Each key issue should have a set of action steps that can be integrated into the corporation's ongoing activities with the goal of achieving CSR strategic objectives. How can business processes be changed? How do CSR priorities impact day-to-day decision-making?

For each key issue, the strategy should also include a set of one to three performance measures (please see *Monitoring Performance* for more information). Performance measures are critical to determine how such action plans are succeeding in achieving CSR goals.

## **5. Implement CSR Strategy**

The CSR strategy must be effectively communicated throughout the organization to ensure the advancement of CSR goals are given high level commitment from the corporation's leadership. Such leadership is crucial.

Ensure adequate support systems and information systems are in place and that all managers and work units know their responsibilities for advancing the CSR agenda.

## **Performance and Reporting**

Literature on CSR makes clear the importance of performance reporting if a CSR strategy is to be considered legitimate. Performance reporting is the accountability component where the corporation presents its CSR performance against its CSR objectives. "Companies need to be able to demonstrate, more quickly and with increasing levels of detail, that their operations enhance economic development, ensure environmental protection and promote social equity. Gone are the days of 'trust me'. People want proof in the 'show me' world." (Holme and Watts, 2000). To underscore the importance of performance measurement and reporting on performance, the last two elements of the synthesized CSR management framework are described in-depth.

## **6. Monitoring Performance**

To be able to demonstrate progress, a corporation needs a process for determining suitable indicators and a means of measuring performance.

Indicators are specific measurements of CSR issues that can be used to track and demonstrate performance. These measures are usually, but not always,

quantitative. Each CSR issue should be measured using numerous indicators as opposed to just one. It is unlikely that a single indicator will tell the whole story on a particular social, economic, environmental or workplace issue. A set of indicators is more likely to communicate this more effectively.

As indicators are developed and selected for each key issue identified in the CSR strategy, diligence and careful thought must be exercised. Useful indicators show what the corporation is doing; are capable of demonstrating trends; and are communicable to a range of stakeholders. Taken together, the indicators shed light on overall CSR performance.

### **Selecting Indicators**

Good CSR indicators often present performance information in ratios. Ratio indicators allow information to be easily interpreted and understood. Such indicators include productivity and efficiency ratios, input/output ratios, recycling percentages (fraction of waste recycled per total waste), quotas (percentage of women in upper management positions), and finally, financial performance ratios (return on equity, return on operating assets).

CSR indicators do not strictly measure environmental, social, economic and workplace performance in isolation from each other. Advanced indicators include *systemic indicators*, which integrate performance at the micro level (organizational level) with economic, environmental or social conditions at the macro level (regional, national or global level.) Examples include wages and benefits, or investments in research and development, expressed in relation to sectoral or national totals.

Another advanced form of indicator is the *cross-cutting indicator* which links performance information across two or more of the four identified CSR categories. An example would be the effects of production emissions per discharge on human health (environmental-social).

Although it would be ideal, there is no one set of indicators that can measure the social, economic, environmental and workplace performance of every corporation. Generally, they can be broken down into generally applicable indicators and organization specific indicators. Generally applicable indicators are those that are relevant to all corporations and are useful for comparability regardless of sector, location, or other organization specific attributes. For example, generally applicable environmental indicators would include total energy use, total water use, and total waste for disposal. Most CSR performance measures, however, are corporation specific and must be developed by the corporation itself.

To select appropriate indicators, corporations must conceptualize how progress of the CSR issues can be measured. A poorly selected indicator is one that does not actually measure performance against objectives. To ensure quality, measures should be chosen that could be tested to determine if it is useful to both decision-makers and to stakeholders. Such indicators should be comprehensible, comparable, timely and verifiable. Where possible, indicators should be chosen that can be compared to industry wide benchmarks, or national and international targets. This might involve some research. Failing the



availability of benchmarks, a corporation should set its own performance targets with the intent of improving against them each reporting period.

To view an example of a CSR framework with performance indicators identified for a sample of key CSR issues, please see appendix E.

## **7. CSR Reporting**

Reporting on CSR is a way for a corporation to convey how it is being managed effectively and responsibly. Benefits from CSR reporting include raising the awareness of the issues inside the company and alerting employees to the company's performance. CSR reports signal to managers and employees that their corporation takes CSR values and policies seriously. Reporting should focus on such topics as the CSR strategy, values, goals, actions, and performance measurement.

Similar approaches to CSR reporting are not suitable for all corporations. Some corporations produce a stand alone CSR report, while others refer to them as community reports or sustainability reports. Many corporations incorporate CSR into existing corporate communications documents such as annual reports. The size of a corporation, resources available to produce such reports and reporting cycles are all determinants. Regardless of the mechanism selected to report on CSR, it should present information:

- In a way that presents a clear picture of the social, economic, environmental and workplace impacts of business, and how it facilitates informed decisions about investments, purchases and partnerships.
- In a consistent manner from one reporting period to the next.
- In a way that provides a management tool to help the corporation evaluate and continuously improve its performance and progress.

- In a format that is easy to understand and that facilitates comparison with reports by other organizations.
- In a way that complements, not replaces, other reporting standards including financial.
- In a way that links the relationship between financial performance and social, economic, environmental and workplace performance.

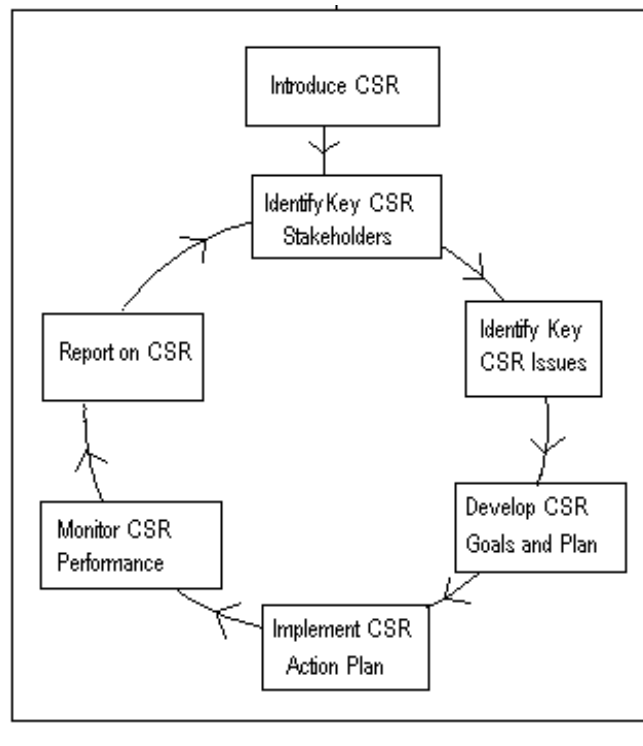
Stand alone CSR reports that display these characteristics often include the following components:

<b>Section</b>	<b>Information</b>
<b>1 CEO/ Senior Management Statement</b>	<ul style="list-style-type: none"> <li>▪ Highlights of report content and commitment to targets</li> <li>▪ Declaration of commitment to social, economic, environmental and workplace goals</li> <li>▪ Acknowledgement of successes and failures</li> <li>▪ Comments on performance against benchmarks, previous years' performance, targets, and industry sector norms</li> <li>▪ Major challenges for the corporation in integrating responsibilities for financial performance with CSR performance</li> </ul>
<b>2 Profile of Corporation</b>	<ul style="list-style-type: none"> <li>▪ Overview of the corporation and scope of the report. This overview provides readers with a context for understanding and evaluating information in the rest of the report.</li> </ul>
<b>3 Executive Summary and Key Indicators</b>	<ul style="list-style-type: none"> <li>▪ Broad overview of key CSR performance indicators</li> <li>▪ Summary of performance information for current reporting period compared to historical trends for at least the previous two reporting periods and a target period.</li> </ul>
<b>4 Vision and Strategy</b>	<ul style="list-style-type: none"> <li>▪ Present a vision for the future, particularly with regard to managing CSR performance.</li> <li>▪ Make linkages between CSR strategy and business making processes</li> <li>▪ Draw directly from performance information provided in content of report, including indicators.</li> </ul>
<b>5 Policies, Organization and Management Systems</b>	<ul style="list-style-type: none"> <li>▪ Principal industry and business association memberships, including those which advocate CSR.</li> <li>▪ Parts of the organization responsible for CSR policies.</li> <li>▪ Policies and procedures pertaining to CSR performance (e.g. social auditing and reporting, environmental risk assessment, stakeholder consultation practices)</li> <li>▪ Performance measurement methodology</li> <li>▪ Performance measurement information systems</li> <li>▪ Approaches to measuring and improving management quality</li> <li>▪ Basis for definition and selection of major stakeholders</li> </ul>
<b>6 Performance</b>	<ul style="list-style-type: none"> <li>▪ Reporting on social, economic, environmental, workplace and integrated indicators</li> </ul>
<b>7 Verifier's Statement</b>	<ul style="list-style-type: none"> <li>▪ Certification by an external verification of the accuracy and credibility of the CSR report.</li> </ul>

As in financial reporting, a good CSR report offers some assurance that the information reported is reliable. As alluded to in the preceding table, comments by independent social, economic and environmental auditors can enhance the reliability and completeness of a CSR report.

### Integration

The synthesized management framework outlines the process by which a corporation can implement a CSR strategy. It is important to underscore the cyclical nature of the CSR management framework. It is a succession of activities, beginning with the simple introduction of CSR into the corporation and progressing towards monitoring and reporting. A good corporation will identify weaknesses and identify steps to retool the CSR strategy to make it more effective, as demonstrated by the graph below. CSR strategies can become increasingly sophisticated over time.



## **CSR in the BC Crown Corporations Sector**

To determine the extent to which Crown corporations in British Columbia engage in CSR, the annual reports of 15 such corporations were scanned. This sample was selected based on its significant interaction with CCS and each corporation's position within the Crown corporation community. Annual reports of seven other Crown corporations from other jurisdictions were also scanned using the same criteria to provide some perspective on the British Columbia experience.

The criteria used to scan the reports included six components derived from the literature that outline good and effective CSR practice. The first criterion used was evidence of high level commitment to CSR within the corporation. To assess this, the introductory letter (s) from the Chair and/or the CEO were reviewed for any reference to the corporation's commitment to social, economic, environmental and workplace well being.

The second criterion used to assess the annual reports was a scan of the corporation's mission, vision and corporate value statements. The vision and values of a corporation are its 'guiding light' of sorts and genuine commitment to CSR would ideally be reflected here.

Third, annual reports were scanned for any evidence of CSR key issues on which the corporation has chosen to focus. Isolating those CSR issues that are important to the corporation and its stakeholders, ideally accompanied by a rationale for choosing such issues, represents that some thought has gone into planning the corporation's CSR goals.

Fourth, the strategic objectives and action plans were scanned for evidence of CSR to assess how the corporation integrates CSR principles and concepts into its activities and against which it can measure performance.

Finally, the annual reports were scanned for CSR performance information. Such information included both quantitative indicators and qualitative narratives of specifically accomplished activities that demonstrated the corporation's commitment to CSR. The presence of performance information also demonstrates a corporation's willingness to account for its CSR strategies.

Taken together, the criteria begin to present a broad picture as to how each corporation plans, manages, performs, and accounts for CSR strategies. Effective and integrated practice entails CSR cascading downwards from high level commitment within the organization to specific and published performance information. Detailed results from the scan of the 15 selected BC Crown corporations are found in Appendix F.

### **Key findings**

Overall, it is concluded that Crown corporations in BC are socially responsible in their operations. All 15 corporations in the sample were found to have pursued at least two of the four CSR bottom lines. In the realm of social well being, they collectively pursued a wide range of goals ranging from public health and safety, Aboriginal community development, the enhancement of mobility for persons with disabilities, the promotion of BC arts and culture, road safety, and reduced crime. They also pursued a wide range of philanthropic activities in support of not-for-profit organizations and other groups in need.

In the pursuit of economic well being, they supported tourism, business lines that maximize net financial benefit to local communities, and forged partnerships with Aboriginal businesses.

As stewards of the environment, Crown corporations invested in environmental technologies, reduced waste and emissions, and promoted sustainable transportation alternatives.

As employers, Crown corporations invested heavily in training and development, offered healthy and harassment free working environments, pursued employment equity and youth employment initiatives, and even offered healthy lifestyle programs. All these activities are pursued with the goal of becoming employers of choice.

Not all Crown corporations, however, pursue such goals as aggressively as others. Striking contrasts exist between the level of organization and commitment each one presents their CSR agendas. Some report as few as one initiative, while others list dozens. Even more striking is the inability or oversight of most Crowns to link their CSR performance with their bottom line financial performance. Often, the result is CSR activities that do not always appear to have any strategic value to ultimately benefit the bottom line.

The results of each criterion applied to the Crown corporation annual reports demonstrate these general findings. In the introductory letters from the chairs/CEOs, only 10 of the 15 Crown corporations made an explicit statement about their corporation's commitment to CSR even though all 15 went on to report on some aspect of it. PavCo not only affirmed its commitment to CSR in

its opening statements, but also even provided performance information against indicators. Similarly, there was no evidence of a commitment to any aspect of CSR in 7 of the 15 Crown corporation's vision, mission statement or corporate values.

Assessing each corporation's strategic objectives and goals for evidence of CSR was a difficult task, particularly because many corporations do not explicitly state what they were. Many corporations such as PNE provided a narrative of activities and major developments over the preceding year, but did not link those activities and developments to any specific objectives they had set for themselves. In such cases, the report content had to be interpreted to determine exactly what the strategic objectives were. Corporations like BCAA, BCBC, BC Hydro and FRBC, however, all made explicit and firm statements about strategic objectives specifically related to CSR.

Similar difficulties arose in attempting to identify key CSR issues identified by Crown corporations as critical to internal and external stakeholders. In many instances, a corporation will list a series of initiatives related to a CSR key issue such as Aboriginal community development, but does not explain why they chose this topic, why it is important to their corporation, and how it relates to their broader vision of their role in society.

Collectively, Crown corporations do best at reporting, to varying degrees, some form of CSR performance information. Most crowns display such information qualitatively, describing socially responsible programs and initiatives, and those stakeholder groups who are involved or impacted. There is often little

information about the outcomes of such programs or evidence of the use of performance indicators. Of the few Crown corporations who report quantitative performance information, even fewer of them compare their performance to benchmarks, specified targets or previous year's performance. Those Crowns particularly strong in this area include BC Hydro, ICBC, and BCBC. BCAA reported that it is in the process of developing a set of key CSR indicators to be included in future annual reports.

Below is a table summarizing which criteria were met by Crown corporations in the scan of their annual reports for evidence of CSR practice.

Crown corporation	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
BCAA	✓	✓	✓	✓	✓
BCBC	✓	✓	✓	✓	✓
BCFC			✓	✓	
BC Hydro	✓	✓	✓	✓	✓
BCLC			✓	✓	✓
PavCo	✓		✓		✓
BC Rail			✓	✓	✓
BC Transit	✓		✓	✓	✓
BCTFA	✓		✓	✓	
CPC	✓	✓	✓	✓	✓
FRBC		✓	✓	✓	✓
ICBC	✓	✓	✓	✓	✓
LDB	✓	✓	✓	✓	✓
PNE	✓	✓	✓	✓	✓
RPT 2000		✓			✓
SaskPower	✓	✓	✓	✓	✓
MB Hydro	✓	✓	✓		
Ont. Realty				✓	
NB Power		✓		✓	✓
Lotto Que.		✓	✓	✓	✓
EDC	✓	✓	✓	✓	✓
FCCC	✓	✓	✓	✓	✓



Meeting three or four criteria does not necessarily mean that a Crown corporation reports extensively on CSR. Many have multifaceted strategies that entail numerous CSR issues that have been identified by the corporation as key to its social performance. Others focus one or two CSR issues and provide little depth or detail. The following table outlines the extent to which the sample of Crown corporations reports on CSR.

Extensive	High	Moderate	Low
<ul style="list-style-type: none"> <li>▪ BC Hydro</li> </ul>	<ul style="list-style-type: none"> <li>▪ BCBC</li> <li>▪ FRBC</li> <li>▪ ICBC</li> <li>▪ BCAA</li> </ul>	<ul style="list-style-type: none"> <li>▪ BCLC</li> <li>▪ PavCo</li> <li>▪ BC Transit</li> <li>▪ BCTFA</li> <li>▪ CPC</li> <li>▪ LDB</li> <li>▪ RTP 2000</li> </ul>	<ul style="list-style-type: none"> <li>▪ BC Ferries</li> <li>▪ BC Lotteries</li> <li>▪ BC Rail</li> <li>▪ PNE</li> </ul>
	<ul style="list-style-type: none"> <li>▪ SaskPower</li> <li>▪ Export Development Corporation</li> <li>▪ Farm Credit Corporation</li> <li>▪ Lotto Quebec</li> </ul>	<ul style="list-style-type: none"> <li>▪ Manitoba Hydro</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ontario Realty Corporation</li> <li>▪ NB Power</li> </ul>

### Standout CSR Practice

A few Crown corporations in particular have proven to be leaders in the practice of CSR.

#### ***BCAA: A Smaller Crown's Approach***

As a smaller Crown corporation, the BC Assessment Authority proves that good CSR practice is not just for the large Crown corporations. They clearly demonstrate their ability to perform their operations and fulfil their mandate in a responsible manner without compromising core functions. A specific strategic objective was titled "Social and Environmental Responsibility", and stated: "To help strengthen the communities we serve and to protect the natural environment of British Columbia." They go on to outline opportunities to form strategic

partnerships to use their resources to the benefit of communities. They proudly describe a corporate culture where employees proactively pursue community and environmental involvement with the support of the organization. With the forthcoming development of performance indicators, BCAA will successfully integrate CSR into all levels of its planning and reporting framework.

***ICBC: Linking CSR to Financial Performance***

ICBC is a standout in the Crown corporations community in its selection of CSR initiatives that have direct positive impacts to its financial bottom line. As a break-even corporation, ICBC's mandate is to provide the most affordable auto insurance possible for British Columbians. It does not seek to earn a profit and does not remit a dividend to its shareholder, the Government.

To support its goal of providing affordable auto insurance, ICBC invests heavily in efforts to reduce auto crashes and the number of injuries and deaths associated with accidents, to fight auto crime and fraud and drinking and driving. ICBC has financial incentives to promote such efforts because it will lead to a reduction in claims and ultimately, lower insurance premiums for customers. At the same time, such efforts ultimately lead to increased social stability, reduced healthcare costs associated with accidents, fewer business disruptions due to workers injured in auto accidents, and fewer traffic fatalities.

***BC Hydro: Full Integration***

BC Hydro is the standout Crown corporation for the focus and attention it pays to CSR. It is the only one to produce a comprehensive, detailed stand-alone report on CSR. The latest version of its report is entitled *BC Hydro Triple*

*Bottom Line Report Two Thousand.* The report details how BC Hydro has begun to integrate social (which includes workplace), economic, and environmental bottom lines into its decision-making. As the second such report released by BC Hydro, it represents an ideal example of evidence of the best practices described earlier in this Report for planning, managing, and reporting on CSR.

The report begins with a high level commitment by the Chair of the corporation and proceeds with five CSR-specific strategic objectives:

1. *Building a strong and capable organization*
2. *Developing our public support*
3. *Initiating strategic environmental initiatives program*
4. *Creating water use plans; and*
5. *Supporting business partnerships with First Nations*

For each of these strategic objectives, a number of key issues and components are identified. Progress on implementing programs associated with each objective is explained in-depth, and peppered throughout the report is quantitative performance information such as BC Hydro's performance with respect to Aboriginal Peoples, and public awareness of the safety campaigns promoted by the corporation.

Specifically, the corporation has selected a key set of advanced indicators to measure overall CSR performance. These indicators include:

1. *Environmental Performance Index (under development)*
2. *Public opinion Index on the Corporation's performance*
3. *Shareholder value-added*
4. *Customer Satisfaction*
5. *COMA (Capital, operations, maintenance and administration) expenses per customer.*

By clearly articulating CSR strategic objectives and reporting qualitatively and quantitatively on performance, BC Hydro presents a legitimate CSR agenda and

is accountable to its stakeholders for performance and to its shareholder for the financial expenditures associated with CSR.

***Other Jurisdictions: Some Perspective***

For Crown corporations in British Columbia wishing to look outside of the Province for examples of CSR in a Crown corporations sector environment, five such examples were included in the annual report scan. Much like BC Hydro, BCBC, ICBC and BCAA, The Farm Credit Corporation of Canada (FCCC), the Export Development Corporation of Canada (EDC), Lotto Quebec and Sask Power all provide examples of integrated and accountable CSR practices. At the federal level, EDC has won awards for the quality and comprehensiveness of its annual report. No exceptional CSR agendas like that of BC Hydro, however, were found in other jurisdictions.

The spectrum also included those that make little or not attempt to convey good CSR practice. Such examples include the Ontario Realty Corporation (ORC) and NB Power. In fact, the annual reports of these corporations had less information on CSR than any of the 15 BC Crown corporation annual reports included in the scan.

All of these corporations were reviewed using the same criteria as BC Crown corporations and detailed results are found in Appendix G.

## IV. ANALYSIS

### A Crown Corporations Sector Rationale

Many issues of strategic importance arise when discussing CSR in the context of the Crown corporations sector. Is CSR even relevant to them?

Crown corporations are each created under their own legislation or under *the Company Act*, which is the governing legislation for private corporations.

They are separate legal entities from Government with broad mandates to deliver goods and services using commercial practices. They can own and sell property in their own names and initiate their own legal actions. They often control large amounts of capital and infrastructure, and have frequent transactions with the public. The Crown corporation as an organizational model is used when there is a need for the use of sound commercial practices and a clear separation of the government from day-to-day management activities.

### Public Policy and CSR

Ultimately as public sector entities, Crown corporations are held for reasons of public policy. Without such a rationale, Government would disassemble or privatize them. Governments create Crown corporations specifically to pursue large policy goals such as managing the forest sector (FRBC), or as vehicles to support broader policy goals such as supporting the mining sector in northern regions (BC Rail). Although CSR and Government public policy are not mutually exclusive, one does not necessarily substitute the other. Ideally, the public policy goals of Government can be integrated into the Crown corporation's overall CSR goals and strategy, as presently demonstrated

by the Youth Employment Initiative, employment equity, or the Green Economy Initiative. The fundamental principles and concepts of CSR, however, are to make day-to-day decisions that consider the social, economic and environmental impacts of business and to consider the unique needs of stakeholders. This requires specific knowledge and direction that is not provided by Government.

### **Natural Monopolies**

A key characteristic of many Crown corporations is that they are often natural monopolies in sectors that logically should be regulated or controlled by Government. The intent of having state-owned corporations is not to adversely affect the health of the private sector, but rather because it makes good sense to maintain public control over such activities.

Although Crown corporations operating as monopolies face no competition, CSR clearly presents benefits for them. By engaging in reciprocal relationships with communities, Crown corporations in essence, receive a continuing 'license' to operate. Nothing is guaranteed for a corporation, even Crown corporations. Earned trust might allow Crown corporations to face fewer hurdles for example when building dams, increasing fares or premiums, or opening a casino. The rewards of CSR go beyond increased sales: it facilitates new business opportunities even for a monopoly. Similarly, offering healthy workplaces and maintaining fair relationships with employees might lead to increased productivity, and reduced costs. Ultimately, the rationale for maintaining the monopoly status of a Crown corporation can be enhanced if it is ethical in its operations and considers the needs of stakeholders when making

decisions. Good CSR is multifaceted, and it is up to a Crown corporation to strategically determine what types of CSR is most suitable for it: competition or no competition.

### **Crown Corporation Categories**

Crown corporations differ from each other in terms of size, organization, and business environment. They are currently classified as either commercial, economic development, or social and government services. Commercial Crowns include BC Hydro, BC Rail, ICBC and BC Lotteries. Typically, they operate on a self-sufficient basis in commercial, even competitive markets and often pay dividends if there is a profit, or in the case of ICBC, offer rebates to customers. Government does not subsidize these corporations. The rationale for CSR in these corporations is similar to that for private sectors: it makes good business sense.

Economic development Crown corporations include BC Transit and BC Ferries. These Crown corporations generate significant revenues, but still require subsidies to fully carry out their operations. BC Ferries, for example, services remote communities, operating routes that logistically are unprofitable. As compensation, Government provides them with a subsidy so that these routes can be maintained. Taking into consideration the subsidy that these corporations receive to compensate for unprofitable aspects of business, the CSR rationale for such corporations is the same as that for commercial Crown corporations and private sector corporations.

Finally, social and government services Crown corporations depend to a large extent on government funding to meet operating or debt servicing needs. Most often, they provide services to Government such as BCBC, or on behalf of Government such as the BC Assessment Authority. The impacts of these corporations' operations, however, still impact the communities and environments in which they operate. Stakeholders still have expectations that must be addressed, and such corporations must still exercise some discretion to demonstrate socially responsible behaviour to these stakeholders.

### **Public Attitudes and Expectations**

Although Crown corporations are created as autonomous organizations at arm's length from Government, the public holds seemingly contradictory expectations of them. They often see Crown corporations as they do Ministries and will voice concerns about them to Government rather than to the Crown corporation itself who is actually responsible for day to day decisions and management issues. On the other hand, the public is convinced that Crown corporations are inefficient and could contribute more to the social, economic and environmental well being of the province if they were privatized.

A survey conducted in July 2000 found that fully 74% of British Columbians believe Crown corporations should follow the same management and business principles as privately owned corporations. (BC Reid Report, 2000). The main reasons cited by British Columbians for this were:

- *Equal/Level playing field/standardized (36% total mentions)*
- *Better control (25%)*
- *Better fiscal responsibility/accountability (15%)*
- *Ability to make profit/not operate in the red (10%)*



- *Greater efficiency (9%)*
- *Greater accountability (9%)*
- *Less expensive/reduce cost (6%)*
- *Improved labour controls (5%)*
- *Less bureaucracy/red tape (5%)*
- *Improved/maintain service levels (5%)*

Most surprising were the following results of the survey where respondents compared private corporations in British Columbia to Crown corporations on CSR issues:

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ <i>Provides best value for dollar:</i> <ul style="list-style-type: none"> <li>- <i>Crown corporations (19%)</i></li> <li>- <b>Private corporations (75%)</b></li> </ul> </li> <li>▪ <i>Contributes most to the local economy:</i> <ul style="list-style-type: none"> <li>- <i>Crown corporations (21%)</i></li> <li>- <b>Private corporations (72%)</b></li> </ul> </li> <li>▪ <i>Has the best interests of the public at heart:</i> <ul style="list-style-type: none"> <li>- <b>Crown corporations (50%)</b></li> <li>- <i>Private corporations (40%)</i></li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ <i>Contributes most to the local community:</i> <ul style="list-style-type: none"> <li>- <i>Crown corporations (26%)</i></li> <li>- <b>Private corporations (67%)</b></li> </ul> </li> <li>▪ <i>Provides best quality products or services:</i> <ul style="list-style-type: none"> <li>- <i>Crown corporations (19%)</i></li> <li>- <b>Private corporations (73%)</b></li> </ul> </li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

If the public is right in its general perceptions of the effectiveness and contributions of Crown corporations, then the principles and concepts of CSR clearly present an opportunity for Crown corporations to do better with the public. Citizens are not only the ultimate shareholders of Crown corporations, but also have a relationship with them that bypasses the Government completely. They are customers, neighbours, employees, and people impacted by business operations. Enhancing the practice of CSR activities, and the corporation's continuing commitment to social well being, efficiency and accountability is a positive step towards earning legitimacy as corporations.

Similarly, if the general public is wrong in its perceptions of Crown corporations, then the disconnect may be related to reporting and

communication. Steps towards effectively reporting on CSR strategies would also be a positive step towards improved stakeholder relations if the stakeholders were made aware of the impact they have on the decision making of Crown corporations.

In today's political environment, the future of Crown corporations both as instruments of public policy and as the most effective organizational model for service delivery is a source of constant debate. So long as they exist, however, CSR has relevancy for them. Corporations take innumerable forms, as demonstrated throughout the private sector, and the Crown corporations sector is no exception. Carefully planned, managed and reported on, CSR has strategic benefit to all corporations regardless of ownership, competition, mandate, or regulatory environment.

### **Identifying the Disconnects**

Based on information contained in annual reports, many Crown corporations present sound, well thought out CSR agendas that reasonably compare to the principles, concepts and best practices found in current literature and discussion. For just as many, however, CSR is a set of patchwork initiatives that appear to have been randomly selected and are not linked to a broader strategic goal that the corporation hopes to accomplish. Such Crown corporations can convey the impression, knowingly or unknowingly, that they are good 'corporate citizens', but it does not necessarily represent effective CSR practice. It creates difficulties for such corporations to relate such initiatives to overall corporate performance as was demonstrated by the annual reports.

Based on the findings of the review of the literature, the scan of the 15 Crown corporation annual reports, and discussing CSR in a Crown corporations context, the following disconnects have been identified between good CSR practice and existing Crown corporation CSR practice.

### ***1. Fully Integrating CSR into Planning and Reporting***

The most significant disconnect is the ability of Crown corporations to present themselves as socially responsible corporations, making high level commitments to CSR and demonstrating how it has been incorporated into day-to-day decision making. The essence of CSR is the impact it has on the day-to-day as opposed to large-scale CSR initiatives. Better linkages need to be made between CSR and strategic business objectives. Only 6 of the 15 Crown corporations successfully met all of the criteria in the scan of the annual reports which, taken together, demonstrates a complete and integrated CSR agenda.

### ***2. Linking CSR to Stakeholder Considerations***

Every Crown corporation, big or small, commercial or taxpayer-supported, has numerous stakeholder groups. Crown corporations would be well served to articulate how it has identified their concerns and the CSR issues that it is pursuing in response.

### ***3. CSR Performance Measurement***

Although Crown corporations do well in reporting on CSR activities, many of them would be much better served to use even a small set of CSR indicators to measure their performance. Currently, Crowns are required to report on a couple such indicators in quarterly performance measurement reports to CCS.

Such indicators and any others they may already be tracking should be built upon and reported on. As mentioned earlier, we no longer live in the 'trust me' world, we now live in the 'show me' world. To truly promote accountability, Crown corporations must be prepared to demonstrate to their stakeholders how they are prepared to be judged. Such steps are crucial if the corporation wants to legitimately be deemed a socially responsible corporation.

#### ***4. Towards Meaningful CSR Reporting***

Few of the annual reports contained the components of a good CSR report. An assumption of this Management Report was that if Crown corporations place any significant importance on CSR, than they would most likely report on it through their annual reports. If by chance a corporation has fully integrated CSR into all aspects of its operations, and monitors CSR performance, but does not relay this through its annual report, than the most significant disconnect for such a Crown corporation would be CSR reporting.

Only BC Hydro produces a stand-alone CSR report, although other Crowns such as BCAA provide information on CSR on their web site. Although such practices are logistically impossible for every Crown corporation, each can still take proactive steps towards reporting on CSR performance in a more meaningful way. Specifically, providing glimpses of policies, organization and management systems in place that support CSR goals and actions, performance information, and if appropriate a verifier's statement. Such steps would go a long way to bring strategies together and help the corporation focus efforts to take

appropriate actions to improve upon such strategies, and ultimately lead to greater social and financial performance.

### **5. *Linking CSR Performance to Financial Performance***

CSR initiatives cost money. Ultimately, the social, economic, environmental, and workplace bottom lines of a corporation should feed directly into its financial bottom line. CSR is about balance – building capacity for the future. Crown corporations can better account to its shareholder for the financial expenditures associated with CSR if it can communicate the business case analysis and show how such activities not only benefit communities but also the long term sustainability of their corporation, and the ultimate investment for the shareholder.

## V. DISCUSSION

### Opportunities

The moral and financial rationales for CSR in the Crown corporations sector are now clear. The disconnects between best practices in planning, managing, and reporting on CSR, and the practices demonstrated across the Crown corporations sector have been identified. A direction for corporate services and policy that can be offered by CCS begins to emerge. Opportunities to appropriately maximize the value, utility, and benefits that Crown corporations receive from CSR exist specifically in the areas of selecting CSR goals that impact the financial bottom line; integrating CSR goals into strategic business objectives; using appropriate CSR performance indicators; and better reporting on CSR results to stakeholders.

Assuming its position as the central agency responsible for providing policy advice and strategic direction to both Crown corporations and to Ministers Responsible, CCS can facilitate the shift towards enhancing social responsibility across the Crown corporations sector. To do this, it must select initiatives that address these disconnects, facilitate dialogue, and ultimately increase overall performance.

#### ⇒ ***Recommendation # 1: Host a Forum on Effectively Managing CSR***

Much like its forum in March 1999, CCS could host a follow up session where Crown corporations could discuss the challenges they have faced, and take advantage of the expertise within the Crown corporations community. Crown corporations who have proven ability in the areas above could be

recruited to lead discussion. Based on the scan of the annual reports, BCBC would be an appropriate Crown corporation to discuss the integration of CSR goals into business objectives and having them cascade downward throughout the organization, impacting day-to-day decision-making.

Second, ICBC would be an appropriate Crown corporation to discuss linking CSR goals to financial performance. ICBC uses its monopoly status to the benefit of stakeholders and to itself. It presents a solid case that the two are inevitable linked.

Third, BC Hydro clearly possesses a wealth of knowledge in the area of measuring CSR performance and reporting. For other Crowns to see the demonstrated enthusiasm and resources committed by BC Hydro may inspire them to re-evaluate their existing CSR performance reporting practices.

By bringing Crown corporations together again on this topic, CCS is within its mandate and provides a good service with great potential outcomes.

⇒ ***Recommendation # 2: Performance Indicators and Annual Reporting***

CCS currently hosts workshops for Crown corporations on developing performance measures, and developing CSR indicators could be included into these workshops. Some attention is paid to CSR indicators such as employment equity, youth hires, and even an environmental performance index to report performance on Government policy initiatives. As clarified earlier, CSR is separate from such Government policy initiatives, and the use of CSR indicators is an accountability tool first and foremost to stakeholder groups, and not to

central Government. Once again, an example of a CSR performance measurement framework is included in Appendix E.

Similarly, the guidelines for the preparation of Crown corporation annual reports provide a minimum standard for content. Crowns can still, however, elaborate on CSR within these existing reports. Disclosing more information, and highlighting the corporation's CSR efforts in accordance with good practice on CSR reporting would enhance the value they receive from CSR.

⇒ ***Recommendation # 3: The Internet and Sector Wide Reporting***

The BC Reid Report demonstrated that Crown corporations face challenges in communicating their effectiveness and overall contributions to communities and economies. CCS is currently in the process of developing a web site. It can be assumed that the stakeholders of Crown corporations will look to this site for information on sector-wide performance information. A fabulous opportunity exists to display the collective CSR achievements of Crown corporations. Such forms of reporting are known as horizontal reporting. By rolling all of the CSR goals and performance information into one framework that reflects best CSR practices, the public could be better informed about the CSR efforts of all Crown corporations combined.

Similarly, Crown corporations will be presented with an additional incentive to engage in CSR and to track performance in an effective way if they would like their corporations to be reflected in the horizontal report. For CCS, the approach is relatively easy and supports Government's initiatives to be transparent and to use information technology to better connect with citizens.



⇒ **Recommendation # 4: Governance and Management Reviews**

Like all public sector entities, Crown corporations are periodically audited. Audits can be requested and/or directed by the Board of Directors of a Crown corporation, the Minister Responsible, or the Auditor General. Although the Auditor General selects his/her own criteria when conducting audits, Crowns themselves would be well-served to include a CSR review as part of an internal, board-led audit or management review to assess the relevancy, timeliness, effectiveness and efficiency of their CSR goals and initiatives.

A CSR management review would be beneficial for a Crown corporation for two reasons. First, it would give them an indication of how to best retool their CSR strategies and agendas to ensure that they are adequately achieving objectives.

Second, fulfilling CSR obligations might require one-time expenditures, or changes to the financial forecast. Cleaning up an environmental leak might mean a reduction in net income, and hence, a reduction in the dividend submitted to Government. Crown corporations and their Ministers responsible could acknowledge the Crown's ongoing commitment to corporate social responsibility, and the recognition that in such instances, social responsibility takes precedence over dividend targets if it can be accounted for.

**Conclusion**

By taking these small steps focusing on performance and accountability, Crown corporations can maximize the value and utility they receive from CSR, the shareholder value can ultimately be increased, and the realms of society, the

economy, the environment, and the workplace can be better off. By making a few linkages in managing CSR, many Crown corporations can join BC Hydro as leaders in the practice of CSR. Crown corporations must begin to work more closely with each other and share their expertise to continually improve and sharpen their business practices. CCS can serve as facilitator.

Whether a corporation is publicly or privately held, the traits defining true excellence and commitment are the same, encompassing an agenda that extends beyond 'just business' and simply meeting minimum expectations.

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## APPENDIX A

### Crown Corporations in British Columbia

CCS Crown corporation clients are:

#### Health Sector

B.C. Health Care Risk Management Society  
British Columbia Health Research Foundation  
Canadian Blood Services<sup>1</sup>  
Forensic Psychiatric Services Commission<sup>2</sup>  
Health Facilities Association of British Columbia

#### Education

Industry Training and Apprenticeship Commission  
Private Post Secondary Education Commission<sup>6</sup>

#### Financial Services and Investment Management

577315 BC Ltd<sup>2, 4</sup>  
580440 BC Ltd<sup>3</sup>  
British Columbia Enterprise Corporation  
B.C. Community Financial Services Corporation  
British Columbia Investment Management Corporation<sup>2</sup>  
BC Pension Corporation  
British Columbia Securities Commission  
BCIF Management Ltd  
Discovery Enterprises Inc

#### Real Estate

British Columbia Assessment Authority  
British Columbia Buildings Corporation

#### Social Services

British Columbia Housing Management Commission  
Homeowner Protection Office  
Provincial Rental Housing Corporation  
B.C. Society for the Distribution of Gaming Revenue to Charities

#### Transportation Sector

BC Transportation Financing Authority  
British Columbia Ferry Corporation  
British Columbia Railway Company\*  
British Columbia Transit  
Rapid Transit Project 2000 Ltd  
Victoria Line Ltd

#### Economic Development

B.C. Games Society  
British Columbia Hydro and Power Authority\*  
B.C. Pavilion Corporation  
British Columbia Assets and Land Corporation  
British Columbia Trade Development Corporation  
Duke Point Development Limited  
Pacific National Exhibition  
Science Council of British Columbia  
Tourism British Columbia  
Vancouver Trade and Convention Centre Authority

#### Natural Resources

552513 British Columbia Ltd<sup>5</sup>  
Columbia Basin Trust  
Columbia Power Corporation  
Creston Valley Wildlife Management Authority Trust Fund  
Fisheries Renewal BC  
Forest Renewal BC  
Okanagan Valley Tree Fruit Authority  
Oil and Gas Commission

#### Social Services

British Columbia Housing Management Commission  
Homeowner Protection Office  
Provincial Rental Housing Corporation  
B.C. Society for the Distribution of Gaming Revenue to Charities

#### Other

British Columbia Lottery Corporation\*  
Provincial Capital Commission  
B.C. Festival of the Arts Society  
British Columbia Arts Council  
British Columbia Heritage Trust  
British Columbia Liquor Distribution Branch\*  
British Columbia Systems Corporation  
Insurance Corporation of British Columbia\*  
First Peoples' Heritage, Language and Culture Council  
Legal Services Society  
Organized Crime Agency of British Columbia Society<sup>2</sup>

\*self-supported

<sup>1</sup>This organization reflects a government partnership amongst Canadian provinces and is proportionally consolidated based upon the province's share ( %) of the total provincial contributions to the partnership.

<sup>2</sup>These organizations were established during the current year.

<sup>3</sup>This company provides funding to the Vancouver Trade and Convention Centre Authority which, in turn, constructs the Vancouver Trade and Convention Centre.

<sup>4</sup>This company has investments in Western Star Trucks Holdings Ltd.

<sup>5</sup>This company owns shares in Skeena Cellulose Inc.

<sup>6</sup>This organization is included in the Summary Financial Statements starting in the current year because it meets the definition of a fully consolidated entity.

## APPENDIX B

### Selected Resources on CSR Principles and Practice

Business for Social Responsibility  
[www.bsr.org](http://www.bsr.org)

Canadian Centre for Business in the Community (CCBC)  
[www2.conferenceboard.ca/ccbc](http://www2.conferenceboard.ca/ccbc)

Canadian Centre for Philanthropy  
[www.ccp.ca](http://www.ccp.ca)

Canadian Round Table on the Environment and the Economy  
[www.nrtee-trnee.ca](http://www.nrtee-trnee.ca)

Centre for Innovation in Corporate Responsibility  
[www.cicr.net](http://www.cicr.net)

Corporate Citizenship Company  
[www.corporate-citizenship.co.uk](http://www.corporate-citizenship.co.uk)

Canadian Business for Social Responsibility  
[www.cbsr.bc.ca](http://www.cbsr.bc.ca)

Ethics in Action  
[www.ethicsinaction.com](http://www.ethicsinaction.com)

Global Reporting Initiative  
[www.globalreporting.org](http://www.globalreporting.org)

IMAGINE: Canada's national initiative to promote corporate and individual citizenship and support for community  
<http://www.ccp.ca/imagine/>

Institute of Social and Ethical Accountability  
[www.accountability.org.uk](http://www.accountability.org.uk)

International Organization for Standardization (ISO)  
[www.iso.ch](http://www.iso.ch)

Kyoto Protocol  
<http://www.kyotoprotocol.org/kprotocol.html>

Organization for Economic Cooperation and Development (OECD)  
[www.oecd.org/ehs/prtr](http://www.oecd.org/ehs/prtr)

Multistakeholder, Co-convened by World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBSCD)  
[www.ghgprotocol.org](http://www.ghgprotocol.org)

World Business Council for Sustainable Development  
[www.wbcsd.ch](http://www.wbcsd.ch)

## APPENDIX C

### Comparison of CSR Management Frameworks

Step	Synthesized Version	WBCSD	The Corporate Citizenship Company	Business for Social Responsibility
1	<b>Introduce CSR</b> <ul style="list-style-type: none"> <li>▪ Conduct Self-assessment</li> <li>▪ Identify existing CSR strengths and weaknesses</li> </ul>	<b>Introduce CSR to corporation</b> <ul style="list-style-type: none"> <li>▪ Conduct self-assessment</li> <li>▪ Review business impacts on economy, society, environment, workplace</li> </ul>	<b>Identify CSR values and Principles</b> <ul style="list-style-type: none"> <li>▪ Review Values and Policy Statements</li> <li>▪ Draft additional ethics and Value Statements</li> <li>▪ Consult Employees</li> </ul>	<b>Assess Mission, Vision and Value Statements</b> <ul style="list-style-type: none"> <li>▪ Integrate Values into Organizational Structure</li> <li>▪ Demonstrate and Communicate Organizational Commitment</li> </ul>
2	<b>Review Mission, Values, Principles</b> <ul style="list-style-type: none"> <li>▪ Review statements in context of CSR</li> <li>▪ Articulate CSR Vision</li> </ul>	<b>Build CSR Strategy</b> <ul style="list-style-type: none"> <li>▪ Consult internal and external stakeholders for important CSR issues</li> </ul>	<b>Identify Stakeholder Groups</b> <ul style="list-style-type: none"> <li>▪ Identify and Rank Stakeholder Groups</li> </ul>	<b>Business Initiatives</b> <ul style="list-style-type: none"> <li>▪ Develop CSR strategy and integrate into management framework</li> </ul>
3	<b>Identify Stakeholder Groups and Key Issues</b> <ul style="list-style-type: none"> <li>▪ Identify Stakeholders</li> <li>▪ Consult Stakeholders</li> <li>▪ Refine Key Issues</li> </ul>	<b>Position the Organization</b> <ul style="list-style-type: none"> <li>▪ Establish position on CSR issues and assess relation to comparable corporations</li> </ul>	<b>Identify Key CSR issues</b> <ul style="list-style-type: none"> <li>▪ Conduct consultations with stakeholders</li> <li>▪ Consolidate and prioritize CSR goals</li> </ul>	<b>Monitor CSR initiatives</b> <ul style="list-style-type: none"> <li>▪ Report to Management and Board</li> <li>▪</li> </ul>
4	<b>Develop CSR Strategy and Action Plan</b> <ul style="list-style-type: none"> <li>▪ Identify action steps in response to key issues</li> <li>▪ Identify performance measures for each key issue</li> </ul>	<b>Development management action plan</b> <ul style="list-style-type: none"> <li>▪ Select actions to attain CSR goals and ways to integrate to modify business activities</li> <li>▪ Update information systems to track performance indicators</li> </ul>	<b>Identify Measures and Benchmarks of Performance</b> <ul style="list-style-type: none"> <li>▪ Identify one to three indicators for each key issue</li> <li>▪ Compare performance against an internal or external benchmarks to judge performance</li> </ul>	<b>Report on CSR</b> <ul style="list-style-type: none"> <li>▪ Establish Audit Principles</li> <li>▪ Independent Audit</li> </ul>
5	<b>Implement Action Plan</b> <ul style="list-style-type: none"> <li>▪ Update information systems</li> <li>▪ Modify activities</li> </ul>	<b>Implement Management action plan</b>	<b>Assess and Report Performance</b> <ul style="list-style-type: none"> <li>▪ Obtain external evaluation of CSR performance</li> </ul>	
6	<b>Monitor Performance</b> <ul style="list-style-type: none"> <li>▪ Track performance indicators</li> <li>▪ Take appropriate steps to improve performance</li> </ul>	<b>Monitor Performance</b> <ul style="list-style-type: none"> <li>▪ Track performance indicators</li> </ul>	<b>Follow up</b> <ul style="list-style-type: none"> <li>▪ With unsatisfactory areas of performance identified, identify new measures and modifications to strategy</li> </ul>	
7	<b>CSR Reporting</b> <ul style="list-style-type: none"> <li>▪ Reporting format and content</li> </ul>	<b>Report Performance</b> <ul style="list-style-type: none"> <li>▪ Reporting format and content</li> </ul>		

## APPENDIX D

### CSR Self Assessment: How well is your Company doing? World Business Council for Sustainable Development

**VISION:** The Statement of a Company's long term goals and aspirations

- The company has a written vision
- Yes, we have a vision approved by the board
- It is promulgated throughout the company
- It is available to the public
- It was prepared in consultation with stakeholders
- There is a process for reviewing the vision

**COMMITMENT:** A formal expression of a company's intentions in the area of CSR

- There is a board minute recording the company's commitment to CSR
- There is a board member with specific responsibility for CSR policy
- Each director has responsibilities for implementing the CSR policy
- CSR performance is included in the Board agenda
- There is a strategy for implementing CSR

**VALUES:** The fundamental principles to which a company declares adherence

- Corporate values have been approved by the Board
- The values are defined and explained
- The values were formulated in consultation with stakeholders
- The values have been communicated to employees
- The values have been communicated to the public

**VALUES IMPLEMENTATION:** The processes for ensuring adherence to corporate values

- There is a code of conduct
- The values are included as part of employee training
- The values are included in the reward process
- The business objectives and processes are checked for alignment with Values

**STAKEHOLDER ISSUES:** Those matters which stakeholders believe a company influences

- The company has identified its stakeholder groups
- The company has determined the nature of it's relationship with the stakeholder groups
- The issues relevant to the company and it's stakeholder groups have been identified
- The issues have been modified/confirmed through dialogue with stakeholder groups

**IMPACT ASSESSMENT:** Assessment of the direct and indirect consequences of corporate activities

- The company has assessed the impacts of its activities:
  - Past
  - Present
  - planned

**POLICY:** Set of principles which inform and guide the implementation of a CSR strategy

- The company has formulated a CSR policy?
  - Yes
  - The policy was formulated in consultation with stakeholder groups
  - The policy has been communicated to employees
  - The policy is published and available to the public

**PROGRAMS AND TARGETS: Implementation Plan**

- A program for monitoring CSR policy has been established
- Targets and time scales for CSR improvement have been identified and set
- The program and targets cover all of the issues identified through stakeholder dialogue

**PERFORMANCE MEASUREMENT: Processes and measures by which performance is assessed**

- Indicators have been identified which measure performance against targets
- Indicators have been defined in consultation with stakeholder groups
- Indicators have been checked to ensure that they are appropriate to the issues
- CSR performance is monitored by management and the Board

**REPORTING AND COMMUNICATIONS: Methods for conveying CSR and its performance to stakeholders**

- Published values, issues and targets?
- As a hard copy report
- On the Internet

**INDEPENDENT VERIFICATION: Independent review to provide assurance that CSR reports are fair**

- Verification assures completeness, accuracy and the rigor of support systems

**REASSESSMENT: Process to continuously review and update CSR strategy taking into account stakeholder's changing expectations**

- The Company reviews and re-assesses:
  - Vision, values, issues, programs and targets in light of performance
  - Review is undertaken with stakeholders
  - Programs and targets are modified as result of the process

**SUPPORT SYSTEMS: Processes for supporting the management, measurement and auditing of CSR performance**

There is a system for:

- Collecting stakeholder input
- Analysis
- There is a system for collecting and analyzing data relevant to CSR programs and targets



## APPENDIX E

### Performance Measurement Information (example)

Category	Key Issue	Performance Indicator
Social	Human Rights	<ul style="list-style-type: none"> <li>▪ Demonstrated application of human rights screens in investment</li> <li>▪ Number and types of violations</li> <li>▪ Evidence of First Nations representations in decisions that affect their communities</li> <li>▪ Number and cause of protests</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>▪ Frequency of monitoring of contractors regarding social responsibility</li> </ul>
	Products and Services	<ul style="list-style-type: none"> <li>▪ Major social issues and impacts associated with the use of products and services</li> <li>▪ Customer Satisfaction levels</li> </ul>
Economic	Profit	<ul style="list-style-type: none"> <li>▪ Net profit/earnings/income</li> <li>▪ Gross margin</li> <li>▪ Return on average capital employed</li> </ul>
	Investments	<ul style="list-style-type: none"> <li>▪ Research and development</li> <li>▪ Debt/equity ratio</li> <li>▪ Capital investments</li> </ul>
	Taxes	<ul style="list-style-type: none"> <li>▪ Taxes paid to all taxing authorities</li> </ul>
	Community Development	<ul style="list-style-type: none"> <li>▪ Jobs, by type and community, absolute and net change</li> <li>▪ Philanthropy/charitable donations</li> </ul>
	Labour Productivity	<ul style="list-style-type: none"> <li>▪ Labour productivity levels and changes, by job category</li> </ul>
	Suppliers	<ul style="list-style-type: none"> <li>▪ Nature and location of outsourced operations</li> <li>▪ Value of goods and services that are outsourced</li> <li>▪ Percentage of honoured contracts, payment schedules met</li> </ul>
Environment	Energy (joules)	<ul style="list-style-type: none"> <li>▪ Total energy/fuel use</li> <li>▪ Amount of electricity purchased (describe source)</li> <li>▪ Initiatives to move towards renewable energy sources and efficiency</li> </ul>
	Materials	<ul style="list-style-type: none"> <li>▪ Total materials use (other than fuel and water)</li> <li>▪ Use of recycled materials</li> <li>▪ Use of packaging materials</li> <li>▪ Use of hazardous chemicals/materials</li> </ul>
	Water	<ul style="list-style-type: none"> <li>▪ Total water use</li> <li>▪ Water sources significantly affected by the organizations' use of water</li> </ul>
	Emissions, Effluents, and Waste	<ul style="list-style-type: none"> <li>▪ Greenhouse gas emissions in tonnes of CO<sub>2</sub></li> <li>▪ Quantity of waste returned to process or market</li> <li>▪ Emissions to air by type</li> <li>▪ Discharges to water by type</li> </ul>
	Products and Services	<ul style="list-style-type: none"> <li>▪ Major environmental issues and impacts associated with the use of products and services, including disposal</li> <li>▪ Programmes or procedures to prevent or minimize the adverse impacts of products</li> </ul>
	Compliance	<ul style="list-style-type: none"> <li>▪ Magnitude and nature of penalties for non-compliance with environmental laws and regulations</li> </ul>

	<b>LandUse and Biodiversity</b>	<ul style="list-style-type: none"> <li>▪ Amount of land owned, leased, managed, or otherwise affected by the organization. (Amount of impermeable surface as percentage of land owned).</li> <li>▪ Habitat changes due to operations. Amount of habitat protected or restored</li> <li>▪ Impacts on protected areas (e.g. national parks).</li> </ul>
<b>Workplace</b>	<b>Quality of Management</b>	<ul style="list-style-type: none"> <li>▪ Employee retention rates</li> <li>▪ Ratio of jobs offered to jobs accepted</li> <li>▪ Job satisfaction levels</li> <li>▪ Evidence of employee involvement in shaping management decision-making</li> </ul>
	<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>▪ Reportable cases</li> <li>▪ Standard injury, lost day, and absentee rates</li> <li>▪ Investment per worker in illness and injury prevention</li> </ul>
	<b>Wages and Benefits</b>	<ul style="list-style-type: none"> <li>▪ Ratio of lowest wage to national legal minimum</li> <li>▪ Ratio of lowest wage to local cost of living</li> <li>▪ Health and pension benefits provided to employees</li> </ul>
	<b>Non-Discrimination</b>	<ul style="list-style-type: none"> <li>▪ Percentage of women in senior executive and senior management ranks</li> <li>▪ Diversity policies</li> <li>▪ Discrimination-related litigation – frequency and type</li> </ul>
	<b>Training/Education</b>	<ul style="list-style-type: none"> <li>▪ Ratio of training budget to annual operating costs</li> <li>▪ Changes in average years of education of workforce</li> </ul>
	<b>Freedom of Association</b>	<ul style="list-style-type: none"> <li>▪ Percentage of employees with grievance procedures in place</li> <li>▪ Number and types of legal actions concerning anti-union practices</li> </ul>
<b>Integrated</b>	<b>Systemic</b>	<ul style="list-style-type: none"> <li>▪ Wages and benefits in relation to national totals</li> <li>▪ Workplace accident cases in relation to sectoral totals</li> </ul>
	<b>Cross-Cutting</b>	<ul style="list-style-type: none"> <li>▪ Composite measure of diversity</li> <li>▪ Eco-efficiency</li> <li>▪ Externalized costs of emissions</li> </ul>



## APPENDIX F

### Corporate Social Responsibility Reporting in the Crown Corporations Sector

#### **BRITISH COLUMBIA CROWN CORPORATION SECTOR:**

<b>BC ASSESSMENT AUTHORITY</b>			Source: Annual Report 1999-2000		
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>	“We also serve our communities through a combined commitment to cost efficiencies and development initiatives”.		Social and Environmental Responsibility: To help strengthen the communities we serve and to protect the natural environment of British Columbia  To reduce the average cost of assessment per folio  Partnership Opportunities: To develop strategic alliances that use our unique information, skills, systems and data for the benefit of the communities we serve, while enhancing our core function	Charity, volunteer and commendable activities of employees that benefit community and environment  Absorb project parcel growth of folios under existing staff levels by increasing efficiency	In the process of developing indicators, social audit techniques and target areas.
<b>Economic</b>					
<b>Environmental</b>					
<b>Workplace</b>	“We are working on on succession planning and diversity initiatives which will ensure that, as impending retirements occur, we will be able to diversify our workforce to more fully reflect the population of our province.”		Human Resource Leadership: To foster a climate that encourages personal growth, continuing corporate success, workforce diversity and commitment to our shared vision	Training that supports the needs of major work groups	Number of youths hired

<b>BRITISH COLUMBIA BUILDINGS CORPORATION</b>			Source: Strategic Plan 2000-2003; Annual Report 2000		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	"Corporate decision making that considers social, economic and environmental factors will ensure that wise stewardship of the real estate assets entrusted to us will continue" p. 2	Mission: "Contribute to the sustainability of communities and our environment".  Core Values: "We are socially responsible in our business operations"	Stewardship – Adjust the planning process to enhance the participation of communities and the general public by ensuring that the emerging needs of communities and environmental considerations are incorporated.  BCBC environmental policy and management plan  Youth Employment Return on Investment Environmental Stewardship	Generation Y: work experience for at-risk youth	Target: Hiring 70 or more youth
<b>Economic</b>					return on investment for owned market comparable properties
<b>Environmental</b>				Reduce environmental risks and manage liabilities associated with contaminated properties ISO 14001 certification Green Buildings Program Retrofit Program Pollution Prevention Program	<ul style="list-style-type: none"> <li>▪ Maximize savings realized by our energy management program</li> </ul>
<b>Workplace</b>		Mission achieved by our motivated, highly skilled and dedicated team of employees	Strategic Objective # 3 High Performance Culture – "We will invest in our people so that they acquire the competencies and leadership/ management skills required to support the business" p. 8	Employee Satisfaction  Promote CSR Values	Target: increase overall satisfaction survey to 66%  Increase rating to 85% for understanding of our corporate values and perceptions of practising our values. P. 12

<b>BC FERRIES</b>		Source: Annual Report 1999-2000			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>			Public Consultation  British Columbia arts and culture	Listening and responding to the suggestions and concerns of communities is crucial to ensuring a quality transportation service. Community partnerships  BC Ferries and the Association of Book Publishers of British Columbia work in partnership to ensure that the British Columbia book section of the gift shops profiles and showcases the province's authors and publishers.	Assess the effectiveness of the public consultation process and recommend improvements.
<b>Economic</b>			Economic development	Community partnerships Increase BC Tourism Trial partnership with White Spot, a British Columbia business Implement partnerships with Tourism BC, and private travel corporations	
<b>Environmental</b>					
<b>Workplace</b>					

<b>BC HYDRO</b>					
Source: Triple Bottom Line Report 2000					
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/Mission/Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>			Wellness and Safety Strategy	Public Safety and Health	<ul style="list-style-type: none"> <li>▪ School Age programs (Louie the Lightning Bug, ElectroJuice)</li> <li>▪ Electrical safety programming for fire-fighters, police and ambulance paramedics, construction and industrial workers.</li> <li>▪ Total spent on dam safety improvements</li> <li>▪ Compliance with Dam Safety regulations</li> <li>▪ Readily provide up to date EMF information</li> <li>▪ Loans EMF measurement devices to public</li> </ul>
				Dam Safety	
				Electric and Magnetic Fields (EMF)	
			Support Community	Community Relations Corporate Donations and Scholarships Employee Participation Youth Employment Multiculturalism Recreation	<ul style="list-style-type: none"> <li>▪ Public Attitude toward BC Hydro</li> <li>▪ Total Corporate and Regional Donations towards: the environment, United Way, Aboriginal, Arts and Culture, Community Investment, Education)</li> <li>▪ Total \$ raised by BC Hydro Employees' Community Services (HYDRECS)</li> <li>▪ Programs to employ youth (Total youth employed)</li> <li>▪ Multiculturalism program offers a range of training on historical and cultural information of First Nations</li> <li>▪ Operates 17 popular public recreation areas on reservoirs and rivers</li> </ul>
			Aboriginal Relations	Culture Business Development	

<p><b>Economic</b></p>			<p>Financial Efficiency and productivity</p> <p>Customer Value</p> <p>New Business Opportunities</p>	<p>Financial Overview Dividend to Government Electricity Rates Rate Stabilization Account Integrated Electricity Plan Electricity Trade</p> <p>Power Smart Customer Service Reliability of Service</p> <p>Business Diversity E-Business Economic Development Regional Transmission Organization</p>	<ul style="list-style-type: none"> <li>▪ Net income, compared to previous years, costs, Sources and expenses of revenue</li> <li>▪ Total payment to the Government in the form of a dividend payment</li> <li>▪ Cost of electricity to customers</li> <li>▪ Total transfer to Rate Stabilization Account</li> <li>▪ Plan to acquire new resources to supply existing and new domestic electricity requirements over the next 10 years.</li> <li>▪ Total buying and selling of electricity outside of British Columbia</li> <li>▪ New services include Quality Lighting Solutions, Power Quality Solutions, Smart Bill, and the Building Performance Program</li> <li>▪ Call Centre amalgamations, Power Smart Centres, Real time pricing, BillingExpert</li> <li>▪ Reliability Management System to ensure reliability of the bulk power system</li> <li>▪ National Accounts Strategy</li> <li>▪ Strategic Research and Development</li> <li>▪ Electrotechnologies</li> <li>▪ E-business strategy</li> <li>▪ BusinessCare</li> <li>▪ Whistler/Blackcomb award of a block of discontinued power to create jobs</li> <li>▪ Electricity trade with Alberta and USA</li> </ul>
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<p><b>Environmental</b></p>			<p>Manage Impacts (Key Indicator: Environmental Performance Index/Interim Environmental Performance Measure)</p> <p>Eco-efficiency</p> <p>Green Energy</p>	<p>Environmental Management Standardization/ Accountability Waste and Materials Management Compensation</p> <p>Greenhouse Gas emissions Biodiversity Vegetation Management Rights of Way</p> <p>Green Power Energy Futures Hydrogen Economy</p>	<ul style="list-style-type: none"> <li>▪ Developed an environmental management system which manage day-to-day environmental considerations of business</li> <li>▪ Environmental management systems based on internationally accepted standards (ISO 14001)</li> <li>▪ Environmental Audits (completed 25 since 1991)</li> <li>▪ Identification, review and remediation of contaminated sites</li> <li>▪ Prevention efforts to prevent oil leaks, spills, etc.</li> <li>▪ Recycling of power poles (Total tonnage of recycled materials)</li> <li>▪ Total tonnes of PCB waste destroyed (Total PCB Inventory)</li> <li>▪ Compensation Programs</li>   <li>▪ Internal and Customer efficiencies</li> <li>▪ Emission offsets (total emissions reduced from offsets)</li> <li>▪ Statement of Strategic Intent for Fish / Birds and Wildlife (programs and activities associated with this initiative)</li> <li>▪ Pest Management Plan (managing vegetation for wildlife)</li> <li>▪ Creating natural habitat for declining species</li>   <li>▪ Investments in “green” and renewable technologies.</li> <li>▪ Partner in various committees to study and develop sustainable resource strategies</li> <li>▪ Research into wind energy and woodwaste energy potential</li> <li>▪ Research into fuel cells for the vehicle transportation market</li> </ul>
<p><b>Workplace</b></p>			<p>Wellness and Safety Strategy</p>	<p>Employee Health</p> <p>Lifestyle</p> <p>Employee Safety</p>	<ul style="list-style-type: none"> <li>▪ Employee and Family Assistance Program</li> <li>▪ Respectful Workplace Program to ensure employees enjoy a harassment-free workplace (Healthy Workplace Environmental Index)</li> <li>▪ Care Management Program (return to work process)</li>   <li>▪ Lifestyle Program – fitness centres, workshops, wellness events (Total Participation in Lifestyle Programs)</li>   <li>▪ Total Costs on Treatment vs. Total Costs on Prevention</li> <li>▪ Various resources and training programs to help employees work safely.</li> </ul>

<b>BC LOTTERY CORPORATION</b>			Source: Annual Report 1998-99		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>			To be recognized as a responsible, trustworthy and progressive corporation, and to achieve strong and broad-based public support of the Corporation's mandate	Public attitudes towards the corporation  Youth employment	<ul style="list-style-type: none"> <li>▪ Public acceptance rating</li> <li>▪ Number of part time and full time employment opportunities for youth under the age of 25</li> </ul>
<b>Economic</b>			To operate the corporation in the most effective and efficient manner possible	Efficiency	<ul style="list-style-type: none"> <li>▪ Dividend to shareholder</li> <li>▪ Revenues to expenses ratio</li> </ul>
<b>Environmental</b>					
<b>Workplace</b>			To seek to ensure that every employee is valued, professionally fulfilled and feels that they play an integral role in the success of the corporation  To foster an organizational climate that welcomes and values diversity through the services it provides to the public and its retailers	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee turnover rate of permanent full time employees leaving the corporation</li> <li>▪ Absenteeism rate</li> <li>▪ Number of applicants from designated equity groups</li> <li>▪ Number of new employees from designated equity groups</li> <li>▪ Turnover</li> <li>▪ Productivity</li> <li>▪ Attraction of corporation to employment equity groups as employer of choice</li> <li>▪ Equity recruitment</li> </ul>

<b>BC PAVILION CORPORATION</b>			Source: 1999-2000 Annual Report		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	<p>"In fiscal 2000, PavCo generated more than \$588 million in economic benefit to the community and \$195 million in tax revenue</p> <p>"VCEC turns away lucrative trade show business in favour of convention business, which has a substantially higher yield for the community".</p> <p>"Outside the Lower Mainland, PavCo has been directing increasing effort at providing economic opportunity to the regions."</p>		To provide the highest levels of service and value		<ul style="list-style-type: none"> <li>▪ Percentage of Repeat clients</li> <li>▪ Score on customer satisfaction surveys</li> </ul>
<b>Economic</b>			To broaden and increase economic benefit to the people of British Columbia		<ul style="list-style-type: none"> <li>▪ Net economic benefit to the community</li> <li>▪ Total tax revenue</li> </ul>
<b>Environmental</b>			To be environmentally responsible in conducting our business		<p>Measure</p> <ul style="list-style-type: none"> <li>▪ Garbage recycled</li> <li>▪ Energy Consumption</li> <li>▪ Test soils for leachates</li> </ul>
<b>Workplace</b>			To create healthy and supportive work environments for personal and organizational success		<p>Measure:</p> <ul style="list-style-type: none"> <li>▪ Employee Diversity</li> <li>▪ Equity of pay internally and externally</li> <li>▪ Employee turnover</li> <li>▪ Employee satisfaction</li> <li>▪ Number of training hours</li> <li>▪ Absenteeism</li> </ul>

<b>BC RAIL</b>			Source: 1999 Annual Report		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>			Aboriginal Relations Protocol	Aboriginal Employment and Development  Aboriginal Consultation	Aboriginal Workforce Participation Initiative <ul style="list-style-type: none"> <li>▪ Total visits to Aboriginal communities and First Nations Summits</li> <li>▪ Number of annual scholarships to aboriginal artists</li> <li>▪ Number of Aboriginal post-secondary education scholarships and internships</li> <li>▪ Contributions to Aboriginal communities</li> </ul>
<b>Economic</b>				Aboriginal Economic Development	Number of joint ventures with First Nations
<b>Environmental</b>			Environmental Stewardship	Environmental Enclosures at Vancouver Wharves	
<b>Workplace</b>					

<b>BC Transit</b>		Source: Annual Report 2000			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and +/- or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	"BC Transit continued to work with municipal partners throughout the province on a number of regional and local community planning initiatives, supporting the development of improved transportation systems and increasing environmental protection."			Route Expansion	<ul style="list-style-type: none"> <li>▪ Number of new routes introduced</li> <li>▪ Number of new and/or expanded Municipal Transit Systems</li> <li>▪ Number of long-range transit plans completed</li> <li>▪ Number of free tickets given to clients with low income</li> <li>▪ Percentage increase of HandyDart Service</li> </ul>
<b>Economic</b>				Fare Subsidies McGruff Safe House Program; Bike Racks Installed on all buses in Victoria; Greenways Bus Passes Persons with Disabilities Community Partnerships	
<b>Environmental</b>			Environmental Initiatives Plan	Support of Local Transportation Initiatives Travel Options Program for Employees Off Ramp Program in Secondary Schools Environmental Upgrading	
<b>Workplace</b>				Respect in the Workplace: A new Code of Conduct for Respect in the Workplace was developed A process for resolving conflict was established	<ul style="list-style-type: none"> <li>▪</li> </ul>

<b>BC TRANSPORTATION FINANCING AUTHORITY</b> Source: Annual Report 1999-2000					
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>	"Capital investment in roads supports community development		Highway Safety	Accidents Air Transport Assistance Program Cycling Network Program	
<b>Economic</b>			BCTFA Grants Program	Newly Incorporated Territories Program Grant programs that assist local governments or non profit agencies in providing transportation infrastructure	
<b>Environmental</b>			Economic Development Program	Infrastructure that facilitates economic Mt. Washington Ski Hill Road Barge facilities Road upgrades for Golden Peaks Resort activity	
<b>Workplace</b>				Sponsored Bike to Work Week activities in Vancouver and Victoria	

<b>COLUMBIA POWER CORPORATION</b> Source: Annual Report 1999-2000					
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>	"Through its Community Sponsorships Program, CPC provided funds to a number of local organizations in support of programs and events that provide community benefits to residents of the Columbia Basin. "	Make power project investments to support the employment, economic development and resource management objectives of the Province and the Columbia Basin Trust,..	Community Sponsorship	Community Services	Number of sponsorships provided to community services (fish and wildlife enhancement projects to community celebrations and recreational projects) Total Sponsorship of Regional Events (Kootenay Value Added Wood Forum held in Golden) # of scholarships provided to graduating classes of all 23 secondary schools in the Columbia Basin, as well as to students at the College of the Rockies, the Kootenay School of the Arts, and Selkirk College
<b>Economic</b>				Regional Events	
<b>Environmental</b>				Scholarships and Bursaries	
<b>Workplace</b>					

<b>FOREST RENEWAL BRITISH COLUMBIA</b>			Source: Annual Report 99/00		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>		Mission: British Columbia is the world leader in enhanced, sustainable forest management for a full range of uses, with vibrant forest communities and a globally competitive forest sector.  Values: <ul style="list-style-type: none"> <li>• Collaboration and partnership</li> <li>• Ecological integrity</li> <li>• Innovation</li> <li>• Local needs</li> <li>• Adaptability</li> </ul>	Support Forest Workers/ Communities Through Transition	Investments in training: Sectoral Training Initiatives Program, JUMP Program	
<b>Economic</b>			Strengthen and expand the value-added sector	Regional equity First Nations Involvement Stakeholder Consultation Employment Creation: investments in forest dependent Aboriginal Communities	
<b>Environmental</b>			Enhance Environmental Values	Sustainable Harvest	Improving Water quality and Habitat
			Strengthen Sustainable forest management	Increasing the productivity and value of second-growth forests: Educating forest sector on how to better provide reliable information	Total investments in such activities as Tree improvement, forestry research
				Increasing Land Area for Biodiversity	Total investment in such activities as Resource inventory, Crown use planning
				Forest Management Pilot Projects	
<b>Workplace</b>					

<b>INSURANCE CORPORATION OF BC</b>		<b>Source: Annual Report 1999</b>			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>		Vision: ICBC's excellence in taking the risk out of road transportation will result in the best record in North America for saving lives and saving money  ICBC's partnerships will add value for customers, BC communities and road safety	Investing in our Communities "Our desire to be socially responsible is reflected in the corporation's efforts to reduce crashes, save lives, fight auto crime and fraud and keep auto insurance rates affordable.	Road Sense Provides resources in partnership with organizations to reduce vehicle crashes. Contributions to community groups to implement anti-theft programs Road Improvement Auto Crime Counter-Link Auto Crime Prevention Program  Counter Attack Prevention Community Donations	Total Number of Vehicle crashes  Number of Road checks Health Research contributions Number of First Nations communities in Youth Employment Initiative program Number of youth employment positions
<b>Economic</b>					
<b>Environmental</b>					
<b>Workplace</b>		ICBC will be an organization of highly capable and engaged people who excel in achieving this vision of success.	Strategic Objective: ICBC will be an organization of highly capable and engaged people.	Workforce Planning Platform for new pay and performance system Recruitment, Selection and placement processes Employee retention Completion of Collective Bargaining Efficiency	Frequency and duration of absences due to illness or injury  Reach collective agreement with no work stoppages 5% increase in staff development satisfaction



LIQUOR DISTRIBUTION BRANCH			Source: Annual Report 99/00		
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>	The four pillars of excellence continue to guide the LDB's efforts in realizing its vision.	The Vision of the LDB is to be consistently recognized as a truly superior retailer in each of the communities it serves through excellent products, services and relationships with customers and stakeholders.	Social Responsibility – Achieve Recognition in the industry and community in the promotion of responsible drinking and as an organization that is reducing its impact on the environment	Philanthropy	<ul style="list-style-type: none"> <li>▪ Donations to Provincial Employees' community services fund, 24 Hour Relay for the Kids, food banks, United Way</li> <li>▪ Number of taxi vouchers and transit tickets distributed to promote drinking and driving awareness</li> </ul>
<b>Economic</b>					
<b>Environmental</b>					
<b>Workplace</b>			Workplace Quality – Employ a workforce of motivated and satisfied employees who pull together effectively in groups and teams and who are confident that their work environment is safe.	Violence in the Workplace <ul style="list-style-type: none"> <li>▪ Violence Prevention Training provided to employees</li> <li>▪ Training of Fleet operators</li> </ul> Drive Smart Progressive Retailing Supervisor / Assistant Manager Training Equity and Diversity	<ul style="list-style-type: none"> <li>▪ Number of employees received product knowledge training</li> <li>▪ Number of employees who received training</li> <li>▪ Advisory Committee proactively reviews employment/ advancement opportunities for equity groups</li> </ul>

PACIFIC NATIONAL EXHIBITION			Source: Annual Report 1999		
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>		“...By providing entertainment, recreational, cultural and educational opportunities, creating accessible green spaces and landscaped areas, and showcasing the accomplishments of British Columbians, we strive to enhance the regional economy and generate economic benefits			Revenue from PNE prize lottery used to sponsor youth, kids and seniors talent contests, as well as PNE agricultural programs
<b>Economic</b>					Number of trade and consumer shows held on the PNE site Estimated economic impact throughout Vancouver and British Columbia of PNE events
<b>Environmental</b>					
<b>Workplace</b>					

<b>RAPID TRANSIT PROJECT 2000</b>		Source: Annual Report 1999/2000			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	"Stations will be friendlier, safer places and will be part of the communities they serve."			Safety New SkyTrain stations offer clear sightlines and use glass to create brighter, friendlier stations. Held "Ideas Forum" to stimulate creative ideas from the public about the design of stations for their neighbourhoods.	
<b>Economic</b>	"[Bombardier research, development and manufacturing] centre, located in Burnaby will enhance the economic benefit of SkyTrain for British Columbia and will also serve future markets for SkyTrain around the world."			Economic Development	
<b>Environmental</b>	"The Millennium Line will serve more communities and provide a better, faster and more efficient commuting alternative to the car."		Environmental Management – Avoid adverse environmental effects during construction and minimize and mitigate impacts where they cannot be avoided	Protection plans and monitoring personnel to ensure no significant environmental impacts during construction Received environmental approval under the Canadian Environmental Assessment Act Provide regular monitoring reports to DFO	
<b>Workplace</b>					

## APPENDIX G

### CROWN CORPORATIONS SECTOR – OTHER JURISDICTIONS

<b>SASK POWER</b>		Source: Annual Report 1999-2000			
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>	We also support hundreds of community initiatives annually through our corporate contributions program.		Safety	Safety at home Customer Satisfaction	<ul style="list-style-type: none"> <li>▪ Customer Satisfaction Index</li> </ul>
<b>Economic</b>	In 1999, we spent more than \$500 million in salaries, grants in lieu of taxes to municipalities, corporate tax and royalties, and the purchase of goods, services and fuel.				<ul style="list-style-type: none"> <li>▪ Total Salary Costs</li> <li>▪ Total Grants in lieu of taxes</li> <li>▪ Total taxes</li> </ul>
<b>Environmental</b>	Our priorities include environmental commitment		Sustainable Development  Shand Greenhouse	Environmental Planning Compliance  Research	<ul style="list-style-type: none"> <li>▪ Number of power stations retrofitted per year</li> <li>▪ research into greenhouse gas emission reduction.</li> <li>▪ Number of seedlings planted</li> </ul>
<b>Workplace</b>	Employee Safety - employees are using the results of a recent independent audit to develop action plans that will strengthen our performance in this critical area	<b>Mission</b> We provide value-added electrical energy and related services. We achieve this through employee innovation, a competitive spirit and pursuing opportunity for our customers and shareholders.	Safety  Human Resources Strategy	Safety Action Plans in development Sask Power Contractor Safety Award Program Safe Electricity Program on Saskatchewan Farms Finalized a business case and strategy	<ul style="list-style-type: none"> <li>▪ Percentage of employees who have received briefing of harassment in the workplace policy</li> <li>▪ Leadership succession</li> <li>▪ Employee Learning Database and Resource Centre</li> </ul>

<b>MANITOBA HYDRO</b>		Source: Annual Report 1999-2000			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	Environmental, financial, economic and jobs issues will be priority issues in our deliberations with the First Nations.  Manitoba Hydro, through its Power Smart Programs, has encouraged customers to choose energy efficient electric products and lifestyles, ultimately saving on their hydro bills. Reduced consumption allows customers to save on their energy bills while Manitoba Hydro is able to sell the power conserved on the export market and defer the cost of new facilities.	Mission - To be recognized as the best utility in North America with respect to safety, rates, reliability, and customer satisfaction, and to be considerate of all people with whom we have contact.  Goals: Be an outstanding corporate citizen	Enhance aboriginal relations.		
<b>Economic</b>			Support business development in Manitoba.		
<b>Environmental</b>			Be a recognized leader in protecting the environment.		
<b>Workplace</b>			Continuously improve safety in the work environment.  Have highly skilled effective innovative employees.		

<b>ONTARIO REALTY CORPORATION</b>			Source: Annual Report 1998-1999		
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>					
<b>Economic</b>					
<b>Environmental</b>				Environmental Impact of asset dispositions: Annual Summary Reports of Asset Disposition impacts	
<b>Workplace</b>					

<b>NB POWER</b>			Source: Annual Report 1998-1999		
Bottom Line	CEO/Board Commitment to CSR	CSR Vision/ Mission/ Values	CSR Goals and/or Key Issues	Qualitative Performance Information	Quantitative Performance Information
<b>Social</b>				Customer Service	<ul style="list-style-type: none"> <li>▪ Customer Service Index</li> </ul>
<b>Economic</b>					
<b>Environmental</b>		Ensure Environmental Regulatory Compliance			
<b>Workplace</b>		Communicate a vision of competitiveness and the vital employee contribution to business unit development.			<ul style="list-style-type: none"> <li>▪ The Number of Days lost due to injury. Targeted at an average 1/10 day per employee each year or 10 days per year.</li> <li>▪ The number of days lost due to injury per 200,000 hours worked..</li> </ul>

<b>LOTTO QUEBEC</b>		<b>Source: Annual Report 1998-1999</b>			
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>		strong sense of responsibility and of its role as a corporate citizen	increases its activities in the areas of scientific research and the prevention and treatment of compulsive gambling  offers partnership agreements to non-profit organizations  shares the fruit of its operations with the different communities and regions  favours partnerships with the private sector  Generates tourist spin-offs in Québec.	Problem Gaming: New programs to raise awareness of problem gaming  Donations	<ul style="list-style-type: none"> <li>▪ Percentage of net profits towards problem gaming treatment</li> <li>▪ Percentage of net income devoted to problem gaming research</li> <li>▪ Percentage of net income devoted to local charities (5%)</li> <li>▪ Percentage of net income devoted to international development projects (1%)</li> </ul>
<b>Economic</b>				Partnerships that foster economic growth: Manoir Richelieu, Hull Casino expansions	<ul style="list-style-type: none"> <li>▪ Total Number of jobs created</li> </ul>
<b>Environmental</b>					<ul style="list-style-type: none"> <li>▪</li> </ul>
<b>Workplace</b>		respect for employees.	- improving its induction and integration programs - optimizing its employees' knowledge and expertise - succession planning - increasing the number of internal corporate communication tools - developing means and tools designed to build employee loyalty.	Training  Support for Families  Succession	<ul style="list-style-type: none"> <li>▪ Number of days devoted to training per employee</li> <li>▪ Number of day-care positions offered to employees</li> <li>▪ Number of paid internships awarded to university graduates</li> </ul>

<b>EXPORT DEVELOPMENT CORPORATION*AUDITOR</b>			<b>Source: Annual Report 1999</b>		
<b>GENERAL AWARD OF EXCELLENCE IN REPORTING</b>					
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	"Support for Canada's talented and energetic students and young entrepreneurs"		Establish a Strong reputation for corporate responsibility:	Better define and implement the Education and Youth Employment initiatives: Establish a disclosure framework Develop a plan to incorporate human rights into our country risk assessments  Human Rights	▪
<b>Economic</b>	"EDC is committed to finding the right balance that meets both Canada's long-term economic interests and the environmental expectations of its citizens..."	Vision: "...create enduring prosperity for Canada."	Entrepreneurship	Support for Small Business  Support for small businesses of youth, women, Aboriginal	▪ Number of emerging exporters who began insuring their export receivables with EDC ▪ Total Sponsorships (Junior Team Canada, Women's Trade Mission, NEXUS 99)
<b>Environmental</b>			Environmental Review Framework	Environmental Protection  Sustainable Development Training engineers and financial analysts to assess environmental sustainability of proposed projects	▪ Total Number of projects refused due to inadherence with environmental standards
<b>Workplace</b>	[we strive] to ensure that we are not just the largest pool of trade finance skills under one roof in Canada – but also the employer of choice in our field"	Values: "We believe that learning is an invigorating and continuous process. We seek out and embrace personal and professional development, and the invaluable lessons that come from experience."	Creating a Learning and Innovation Culture	Training and development  Training to managers to facilitate "generation of ideas" from employees	▪ Total \$ spent per employee toward training and development ▪ Employee opinion survey/satisfaction survey.

<b>FARM CREDIT CORPORATION OF CANADA</b>			<b>Source: Annual Report 1999-2000</b>		
<b>Bottom Line</b>	<b>CEO/Board Commitment to CSR</b>	<b>CSR Vision/ Mission/ Values</b>	<b>CSR Goals and/or Key Issues</b>	<b>Qualitative Performance Information</b>	<b>Quantitative Performance Information</b>
<b>Social</b>	“We pursue our goals by integrating economic, environmental and social growth opportunities into our day-to-day business practices and long-term strategies. Community involvement is a key expression of the value we place on corporate social responsibility.”	Vision: “...putting the power of specialized knowledge and innovation to work for farm families and agribusinesses across Canada.”	Philanthropy  Disabled Farmers Farm Safety  Water Safety	Membership in Imagine Canada Support to disabled farmers Support for Canadian Young Farmers Forum Sponsorship of National Farm Safety Week Partnership with the Safe Drinking Water Foundation to highlight the importance of the integrity of water quality in rural communities; Canadian Coalition for Agricultural Safety and Rural Health; Agriculture in the Classroom project	<ul style="list-style-type: none"> <li>▪ Total contributions of pre-tax income to charitable and not-for-profit organizations</li> <li>▪ Total \$ contributed by employees to United Way campaign</li> </ul>
<b>Economic</b>					▪
<b>Environmental</b>					
<b>Workplace</b>			Retain and attract high calibre employees  Improve productivity through a work environment that fosters innovation and knowledge  Assist in career development  Provide learning opportunities	New pension and compensation plans  Formed a National Diversity Advisory Committee to ensure consideration of employment equity in new policies and programs; provided diversity awareness training  Introduced a Leadership development Program  Implemente4d Managing Local Markets training to all field staff	<ul style="list-style-type: none"> <li>▪ Percentage of successful hires over the past year</li> <li>▪ Voluntary Staff Turnover rate</li> <li>▪ Employee satisfaction</li> <li>▪ Percentage of the annual salary budget devoted to training costs</li> <li>▪ Percentage of managers who participated leadership training</li> </ul>