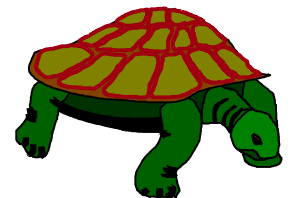
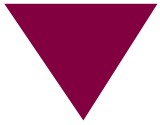


Industry: Beyond Compliance to Self-regulation and Stewardship (S2)

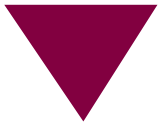
Presentation by: John Dauvergne
Environmental Affairs, Industry Canada
at C2P2 Roundtable in Calgary
June 11-12, 2003





Objectives

- **Identify "drivers" of self-regulation and stewardship**
- **Examine environmental performance, selected sectors**
- **Conclusions and Next Steps**



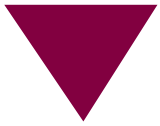
The Drivers

■ Private drivers

- ➔ communities
- ➔ NGOs
- ➔ employees
- ➔ customers
- ➔ science
- ➔ director's liability
- ➔ banks & insurance companies
- ➔ shareholders

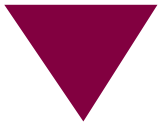
■ Public Policy Tools

- ➔ regulation
- ➔ information disclosure
- ➔ voluntary action
- ➔ economic instruments



Policy "mix" important

- An ideal "mix" would
 - ➔ use all available tools
 - ➔ have stewardship ethic become norm
 - ➔ engage SMEs
 - ➔ engage all relevant sectors
 - ➔ give attention to all "sustainability" issues
 - resource
 - environment
 - local communities
 - societal interest



Regulation's Role Evolving

- Extremely important in "early days"
- Today regulation alone cannot get the job done
- Challenges are more complex and integrated with social considerations beyond environment
- An environmental stewardship ethic can take companies and public beyond compliance
 - industry associations cultivate that ethic today
 - government must facilitate its spread
- Regulation remains important but more and more serves as backdrop to collaboratives



Stewardship

- ***Ethic*** of caring for the land, air and water, and sustaining natural processes on which life depends
 - ➔ grounded in sense of personal responsibility
 - ➔ impacts both goals and behaviour
 - ➔ regulation cannot achieve it -- goes beyond
- Mobilize stewardship with
 - industry association stewardship mobilization (IASM) programs
 - environmental management systems (EMS)
 - pollution prevention (P2) planning
 - environmental assessment (EA)
 - environmental effects monitoring (EEM)
 - committed individuals and collaboratives



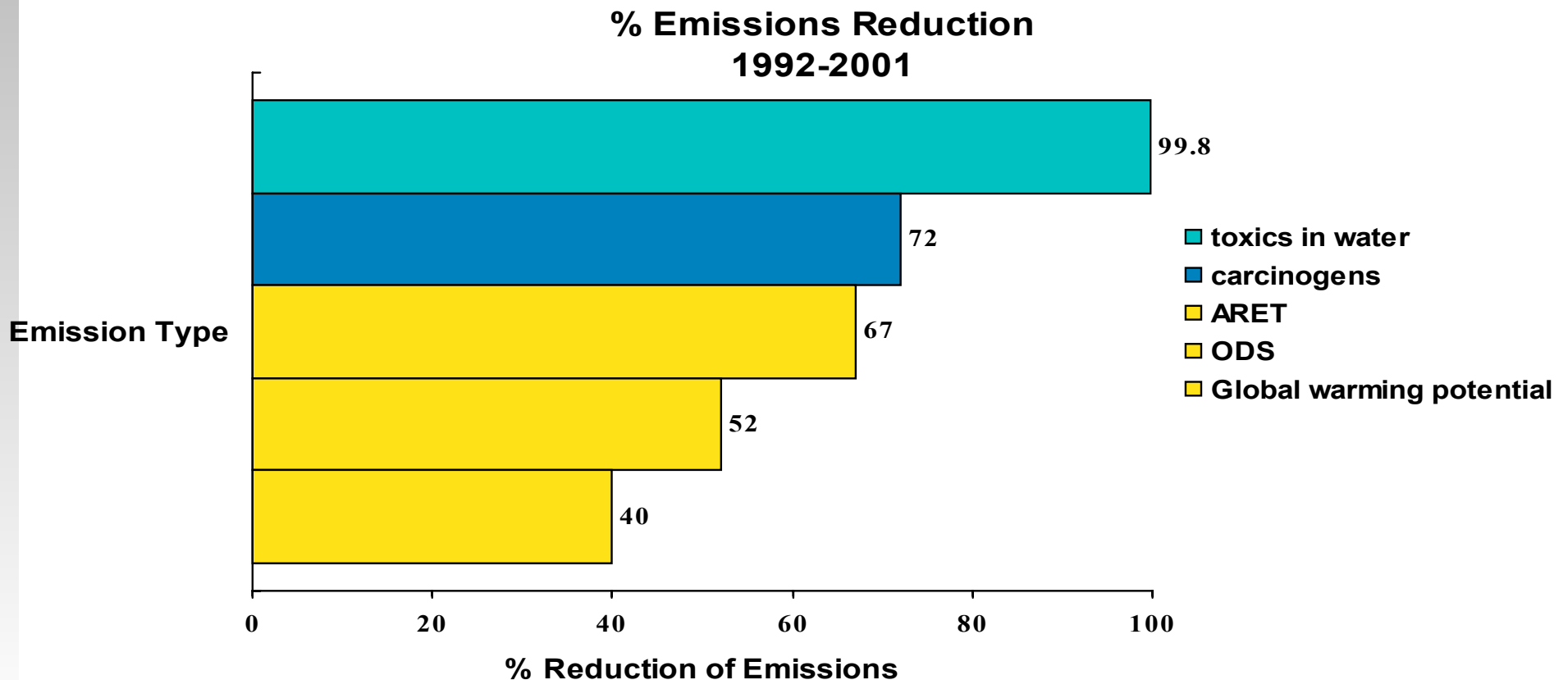
Sectors

- **Agriculture**
- **Chemicals**
- **Electricity**
- **Forest Products**
- **Mining and Smelting**
- **Municipal and Household**
- **Oil and Gas**
- **Aluminium**
- **Auto Manufacture**
- **Autoparts Manufacture**
- **Chemicals Specialties**
- **Information and Communications**
- **Plastics**
- **Steel**
- **Tourism**



Chemicals

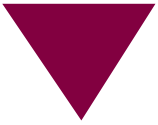
- Chemical emissions per unit of production are down 74% since 1992
 - toxic emissions to water virtually eliminated





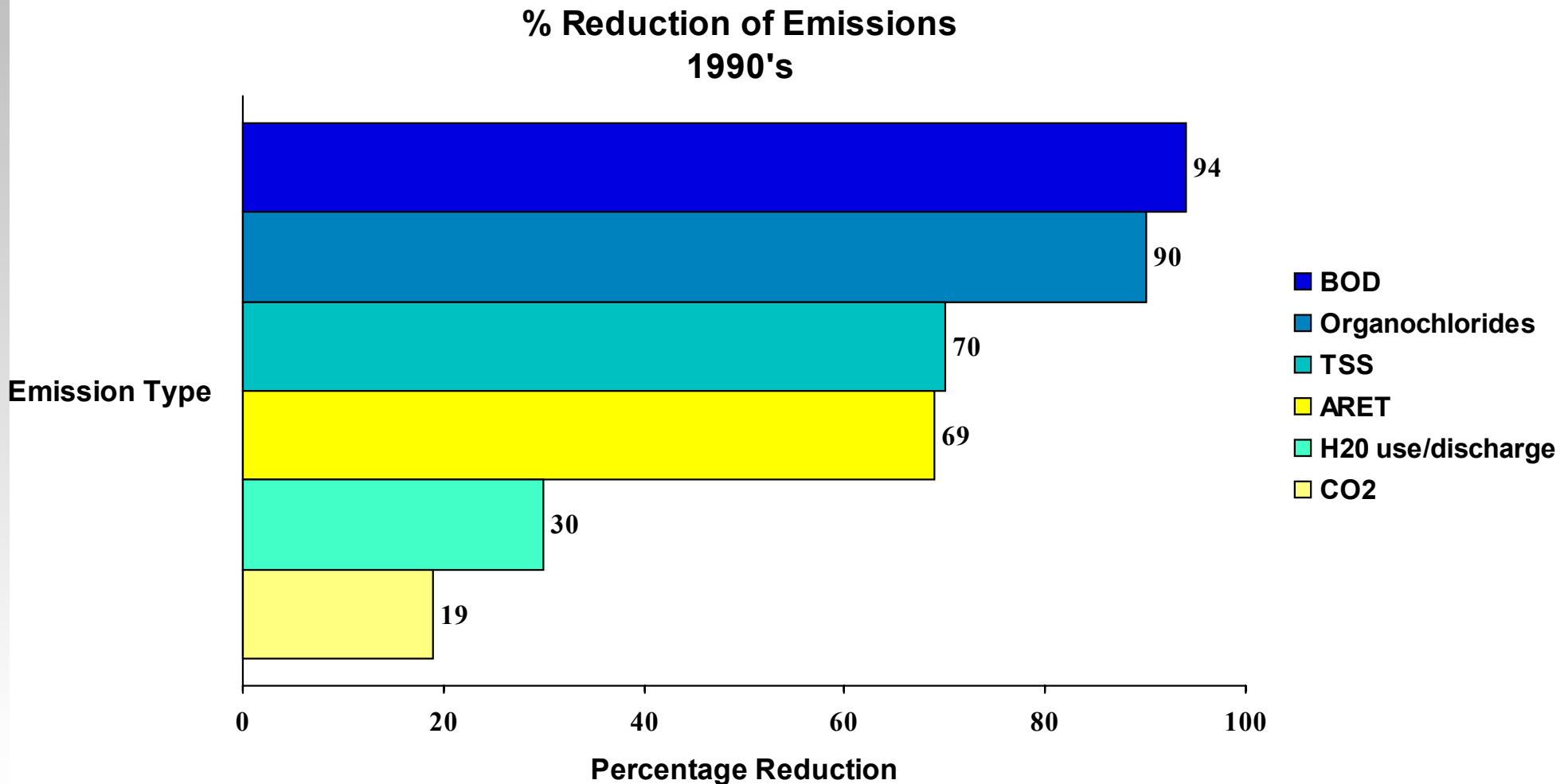
Chemicals (*cont'd*)

- **Responsible Care program launched in Canada in 1985**
 - a partnership between the chemicals industry, governments, communities and other stakeholders to set and meet goals
 - provides for cradle (R&D) to grave (disposal) product stewardship
 - Responsible Care sets standard for IASM
- **Adopted now in more than 40 other countries**
 - representing about 80% of chemical manufacturing



Forest Products

- In the 1990s, Canadian pulp and paper mills invested \$6 billion, expanded output 25% and cleaned up





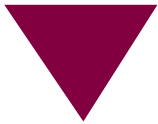
Forest Products (*cont'd*)

- **Forest practices**
 - **sustainable forest management (SFM) new norm**
 - **certification to ISO 14001 nearly complete**
 - **certification to CSA, SFI or FSC standard**
 - **by 2006 with 3rd party audits**
 - **condition of FPAC membership**
 - **partner in NRCan's Model Forest Program**
 - **public participates today in SFM planning**
- **Great improvement in waste utilization by**
 - **making newsprint from recycled paper**
 - **co-generating electricity**
 - **making paper from mill residues**
 - **new value-added products (e.g. CSB)**
- **Environmental Effects Monitoring (EEM)**



Municipal & Household

- **Common activities have large impacts**
 - SUVs; pets; salting roads; feeding wild birds; imported exotics; operating ATVs, etc. etc.
 - houses today: larger, more appliances; cottages
 - Wastewater effluent
 - largest pollution source, by volume, to water
 - wastewater treatment: population served
 - Canada = 78% USA = 71% OECD = 59%
- **Drinking water**
 - norm is very low or no charge for water supplied
 - population up 5% in 20 years, water use up 200%
 - % of population supplied metered water: 57%
- **Infrastructure Canada Program**



Conclusions

- **Industry needs to tell its story better**
- **Multinationals commitment is big**
 - reporting progress by sector and company
 - recognize social license to operate at issue
- **SMEs not nearly as engaged**
 - government has role here
- **Municipal and Household sector also lagging**
 - progress on municipal infrastructure but altering consumer preferences not easy
- **Canada a leader in information disclosure**
 - a laggard in using economic instruments
- **Supply chain pressure becoming huge driver**



Conclusions (*cont'd*)

- **Biodiversity stewardship is new frontier**
- **Need to consider economic rewards for "stewards"**
 - **improved land access, faster permitting, less frequent inspections**
 - **regulatory relief**
 - **accelerated depreciation of selected investments**
- **Develop Brand Canada for "stewards" and Canadian sustainability**

Next Steps

- **Work on public policy mix**
 - **automotive parts manufacturing**
 - **plastics**
- **Considering national IASM conference**
 - **have industry tell its story**
 - **share best practices**
- **Collaboration**
 - **in implementing ARET's replacement**
 - **in research**

