

In search of Responsible Excellence

How Corporate Social Responsibility stimulates innovation and creates value

In search of

Responsible Excellence

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10 modules in 4 days



1	2	3	4	5	6	7	8	9	10
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1. Sustainable Development – the political agenda
2. Corporate Social Responsibility – a business agenda
3. Sustainability and Innovation
4. Case study – A mobility breakthrough
5. A corporate case – Holcim
6. Stakeholders and boundaries
7. Case study – a mobility breakthrough
8. Value creation – difficulties and evidence
9. Responsible excellence – a performance model
10. Responsible Excellence and the real world

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sustainability ... sustainable development ...

Do not expect clear and sharp definitions!

Nachhaltigkeit

A Prussian forestry management principle in the 18th century – logging should not exceed growth (an economic principle).



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sustainability ... sustainable development ...

The Classic:

Sustainable Development
as the ability of humanity

... to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs.

1987 World Commission on Environment and Development
Brundtland report

OUR COMMON FUTURE

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sustainability ... sustainable development ...

The Modern:

Sustainable Development

... is ensuring a better quality of life for everyone, now and for generations to come.



1999 UK Government Strategy

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sustainability ... sustainable development ...

The dilemmas

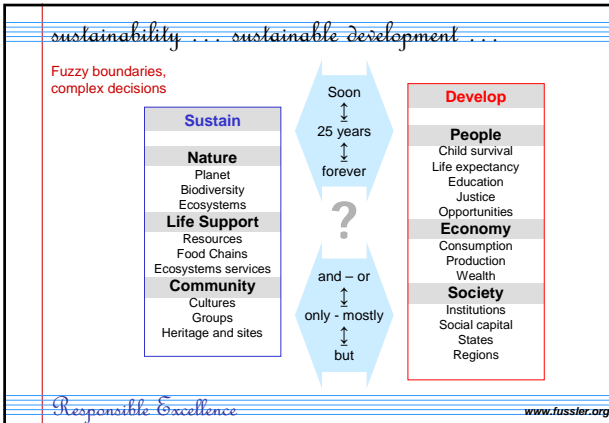
- « our souls are too long for this short life » – responsibility for posterity
- the anxious green conscience of the 60s-80s in rich countries - **limits**
- **Poverty** is the greatest polluter (Indira Ghandi) – aspiration to develop

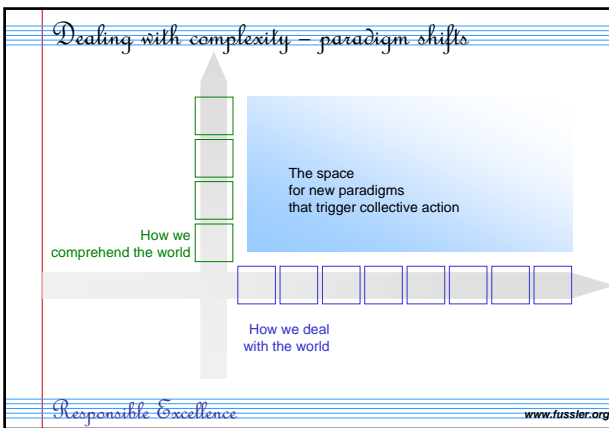
- A political compromise between developed and developing countries
- A commitment to Equity
- A commitment to Precaution
- A promise of international cooperation
- A multilateral process: Summits, Agenda 21, UN Commission for Sustainable Development,

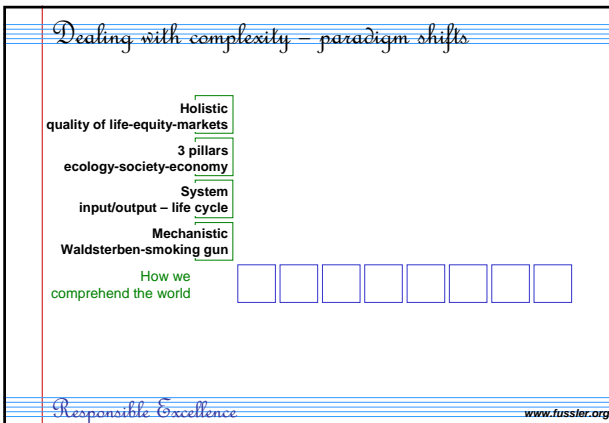
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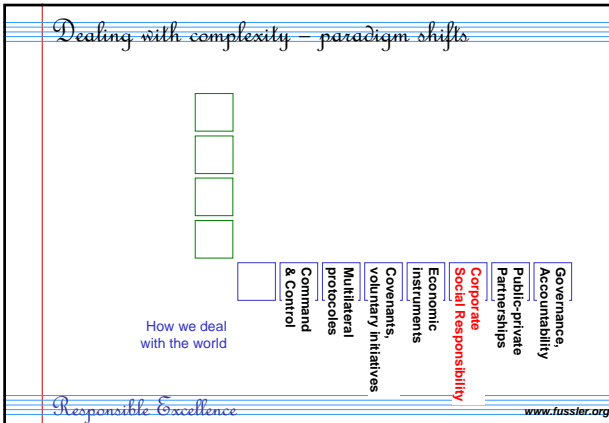


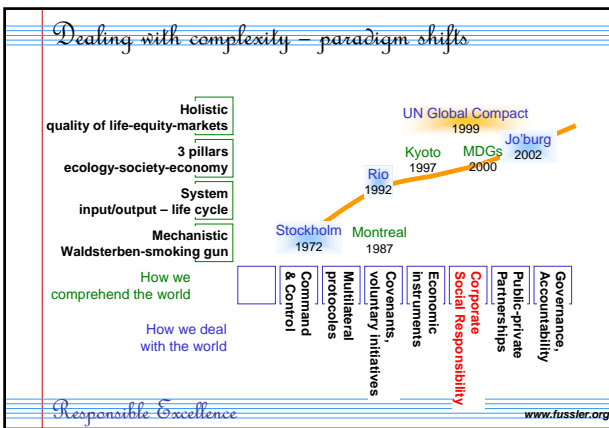




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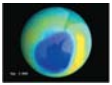
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The Montreal Protocol

- 1974 first studies link ozone depletion and chlorofluorocarbons
- 1977 US, Canada, Europe successively ban CFC aerosols



- 1985 dramatic discovery of the ozone hole
- 1985 28 countries sign the Vienna Convention to protect ozone layer
- 1987 46 countries adopt Montreal Protocol to reduce 5 CFCs by 50%
10 years grace for developing countries
Multilateral Fund to meet the phase out costs in developing countries

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The Montreal Protocol

1990 to 2000 six revisions to include finally 96 Ozone Depleting Substances – ODS

1995 Phase out of all Protocol chemicals achieved in developed countries.

2001 181 countries support the Montreal Protocol

2050 Stratospheric Ozone shield might be back to 1980 levels

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The Montreal Protocol - a success

- A relatively simple cause-effect hypothesis; a clear "smoking gun"
- Major developing countries in favour of action
- Cost of "no-action" not clear but a strong icon:
- DuPont, the leading CFC producer in favour of elimination and replacement
- A reasonable deal for developing countries
- Relatively easy compliance monitoring

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The Kyoto Protocol

1896 Basic understanding of earth's greenhouse effect: water vapour, methane, CO₂ keep the earth warmer

1979 World Climate Conference leads to more research under the World Climate Programme

1985 Villach meeting: scientific consensus on serious warming danger

1988 UN resolution on climate change concern

1989 IPCC – Intergovernmental Panel on Climate Change

1992 UN Framework Convention on Climate Change based on first IPCC assessment
a non-binding recommendation for developed countries to return CO₂ to 1990 levels by 2000

1994 UNFCCC ratified. 186 parties since 2001.

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The Kyoto Protocol

- 1997 Kyoto Protocol negotiated industrialised countries to reduce greenhouse gases by 5% between 1990 and 2008-2012, no targets for developing countries, collective implementation mechanisms
- 2001 6th Conference Of the Parties: USA will not implement domestically and ratify. But the Parties agree to strengthen UNFCCC
- 2005 Russia enables full ratification by 51 countries in February Discussions start on post Kyoto
- 2012 On current trends Kyoto targets will be largely missed

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Kyoto Protocol - the challenge

Carbon dioxide emissions by region, 1998 (million tonnes carbon/year)

World total	6 234
Asia and the Pacific	2 167
Europe	1 677
North America	1 614
Latin America and the Caribbean	365
Africa	223
West Asia	167

Source: UNEP Geo 3

Energy trends

How to keep carbon down but provides energy for development?!

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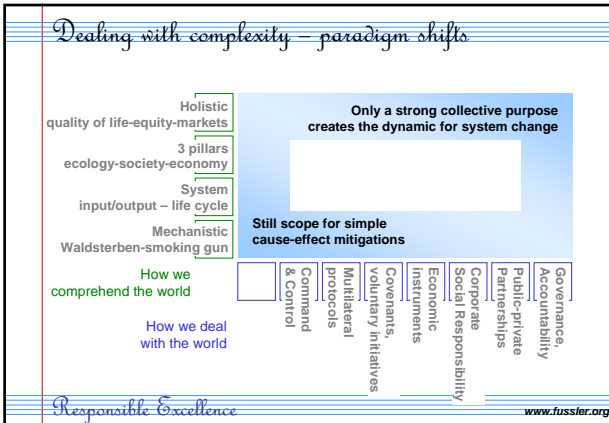
The Kyoto Protocol - too little, too late?

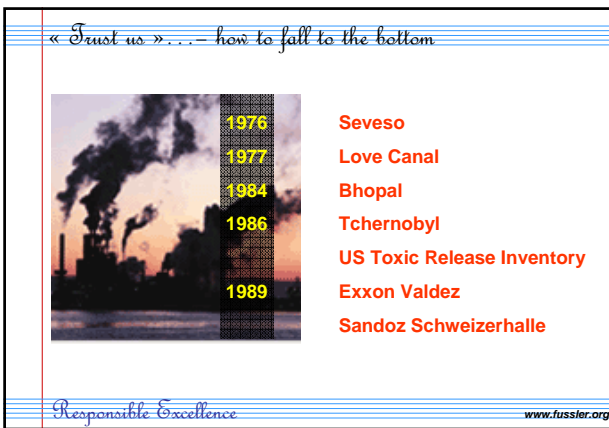
- ❖ A complex cause-effect hypothesis; **everybody a "smoking gun"**
- ❖ **USA opposed** the Protocol in 2001 but continues to influence the Conference Of Parties of UNFCCC
- ❖ Cost of "no-action" could be huge, but slow and weak signals do not mobilise public opinion
- ❖ Leading corporations support reduction targets and emission trading, but the problem is with **consumer trends and growth**
- ❖ Developing countries are off the hook, no incentive in Clean Development Mechanisms
- ❖ Poorly accepted compliance monitoring

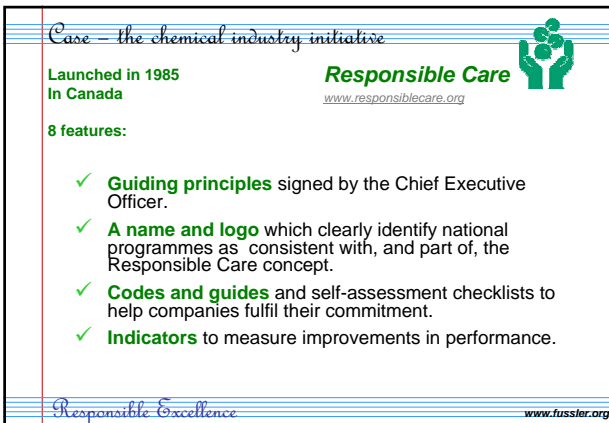
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Case – the chemical industry initiative


Responsible Care 

www.responsiblecare.org

8 features:

- ✓ **Communication** on health, safety and environmental matters with interested parties, both inside and outside the industry.
- ✓ **Encouragement** of all member companies to commit themselves to, and participate in, Responsible Care
- ✓ **Sharing** views and exchange experiences on implementing Responsible Care between participating companies.
- ✓ **Verification** that member companies have implemented the measurable or practical elements of Responsible Care.

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The strength of performance assessment 

International Council of Chemical Associations
Responsible Care Performance 2002

Indicator	Implementation in Europe			
	Yes	No	Not applicable	Not assessed
1. Leading Principles	45	13	0	0
1a. Leading Principles signed and published	45	13	0	0
1b. Leading Principles signed by all 100 companies	45	13	0	0
1c. Responsible Care is a condition of association membership	45	13	0	0
2. Name and Logo	45	13	0	0
2a. Responsible Care name and logo registered & used abroad	45	13	0	0
2b. Regular use in publications by the association and member companies	45	13	0	0
3. Code and Rules	45	13	0	0
3a. Code of Conduct	45	13	0	0
3b. Emergency Response	45	13	0	0
3c. Employee Health and Safety at Work	45	13	0	0
3d. Product Safety	45	13	0	0
3e. Reduction of the Environment/Climate Footprint	45	13	0	0
3f. Risk Management & Identification	45	13	0	0
3g. Product Stewardship	45	13	0	0
4. Indicators: Initial Reporting System and member reporting system for	45	13	0	0
4a. Safety	45	13	0	0
4b. Health	45	13	0	0
4c. Environment	45	13	0	0
4. Indicators: Made public and discussed with interested parties for	45	13	0	0
4a. Safety	45	13	0	0
4b. Health	45	13	0	0
4c. Environment	45	13	0	0
5. Communication with Interested Parties	45	13	0	0
5a. Mechanism established to obtain input on issues/concerns from interested external parties	45	13	0	0
5b. Local implementation teams developed by & with member companies. Clear roles	45	13	0	0
5c. International surveys of Responsible Care awareness conducted and made public	45	13	0	0

- progress on health, safety
 - Progress on waste
 - Indicators
 - Self assessment
- Peer encouragement
- Dealing with poor performers
- Public dialogue on indicators
- Communicating verification
- Product stewardship

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Still the strongest business initiative...

INTERNATIONAL RESPONSIBLE CARE IMPLEMENTATION STATUS
43 OF 48 COUNTRIES BASED ON MARCH 2002 ICCA SURVEY



After 20 years still room for progress and impact

Yet, more and more focus on process, less on results...

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In summary

- Sustainable development: an ambiguous political concept
- Continuously evolving and challenging our capacity to act collectively
- Outcomes are uncertain, most scenarios are pessimistic.
- In a world where no one is quite in charge, corporations are expected to make a major contribution

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