

Extended Producer Responsibility in the Context of Sustainable Development

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Sustainable Development in the private sector : Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a different way of doing business, a way which considers **economic growth** in the context of **social development** and **environmental protection**

CSR is a journey to take into account demands of stakeholders on a number of issues



Those demands evolve quickly : **Supply Chain Pressures**

- **Walmart Sustainability Index Version 1.0 Supplier Questions :**

Version 1.0 and Business Value



Energy & Climate



Material Efficiency



Natural Resources



People & Community



Those demands evolve quickly : **Investors Pressure**

- **Carbon Disclosure Project : Climate Change Disclosure**
 - Annual survey request on behalf of **475 international institutional investors** with \$55 trillion in assets under management
 - Sent out to more than **3,700 companies** worldwide
- Indices focused on **environmental, social and economic** performance
 - **DJSI** (Dow Jones Sustainability Index) (World)
 - **FTSE4Good** (World)
 - **Jantzi Social Index** (Canada)
 - **Domini Social Equity**
 - **Ethibel Sustainability Index**
- **Principles for Responsible Investment (PRI)**
 - 75% of asset owners that are signatories to PRI disclose how **Corporate Responsibility (CR) issues are integrated into their investment practices** (2009).

Those demands evolve quickly : **Government Pressure**

CR issues in the Consumer Business Sector

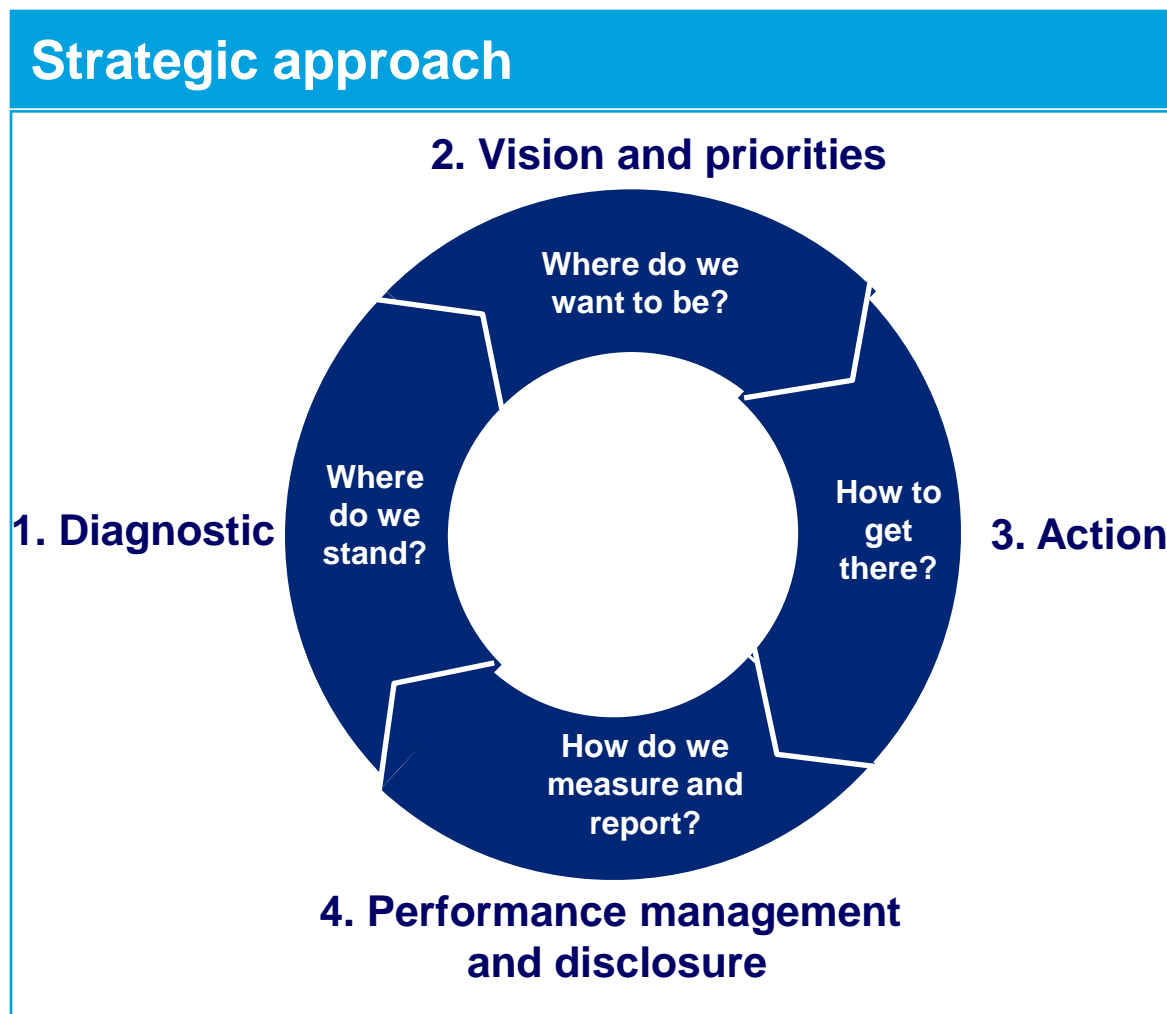
- Waste Management
- Customer information : Product Labeling - Environmental Product Declaration
- Environmental protection
- Climate change

Examples of Government responses

- **Sustainable development strategies and programs** (Canada, Quebec)
- Climate Change : **Turning the Corner** plan, Environment Canada
- **Procurement policies** : Public Works Canada
- Green Labelling (Competition Bureau)
- CSR Reporting Requirements in Europe (UK, France)
- **Extended Producer Responsibility (EPR)** :
 - **Canada-wide principles for EPR** from the CCME
 - Quebec Regulations
- CSR Strategy for the Canadian International Extractive Industry Sector

A meaningful and productive CSR approach is structured, tailor-made and rigorously implemented...

- **Understanding key CR issues** relevant to their business / industry
- **Engaging stakeholders**
- Willing to develop **new business models**
- Strategically determining **key CR priorities**, executing implementation plan and reporting



And results into a coherent mix of complementary CSR initiatives : **Toyota**

Toyota CSR program components

- **Product Innovation** :
 - World's first hybrid car on the road in 1997
- **Sourcing/Distribution** – Green Supplier Guidelines ; Environmental Assistance Network
- **Process Green** – Ensure sustainability of products and practices of logistics and offices
- **Production wastes** – Zero landfill objective achieved in North American facilities
- **Keep IT Green** – Environmentally responsible disposal of computers

- **Education support** – Toyota Earth Day Scholarship Program

CSR Initiatives Categories

Product-related

Business Practices

Philanthropy

Product responsibility reaching new levels : Coffee

- **Sourcing**

- Organic Raw material
- Fair Trade

- **Production**

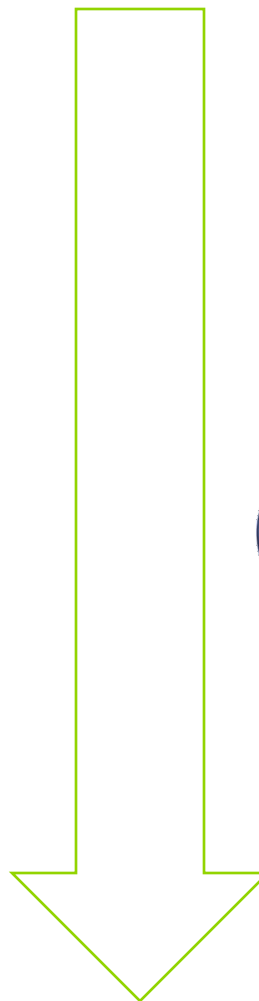
- Energy Saving Equipments
- Water Efficiency

- **Distribution**

- Smart Fleet

- **Product Development**

- Packaging
- Disposal



As a CSR initiative, Extended Producer Responsibility (EPR) contributes to Risk Management and Innovation

- By looking at product end of life management, EPR contributes to :

1. Risk Management

- EPR transform business practices to **tackle emerging demands** from society, consumers and governments

2. Innovation

- End of life management is an **opportunity to innovate on the product life cycle** and to discover economical and environmental beneficial options (e.g., waste recovery across the product lifecycle, re-use /alternative use of materials)

EPR as a CSR Initiative :

Business Practices
Take-back programs

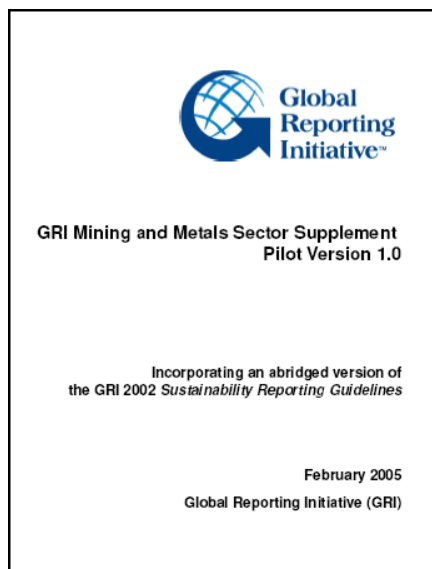


Product-related
Innovation on product attributes

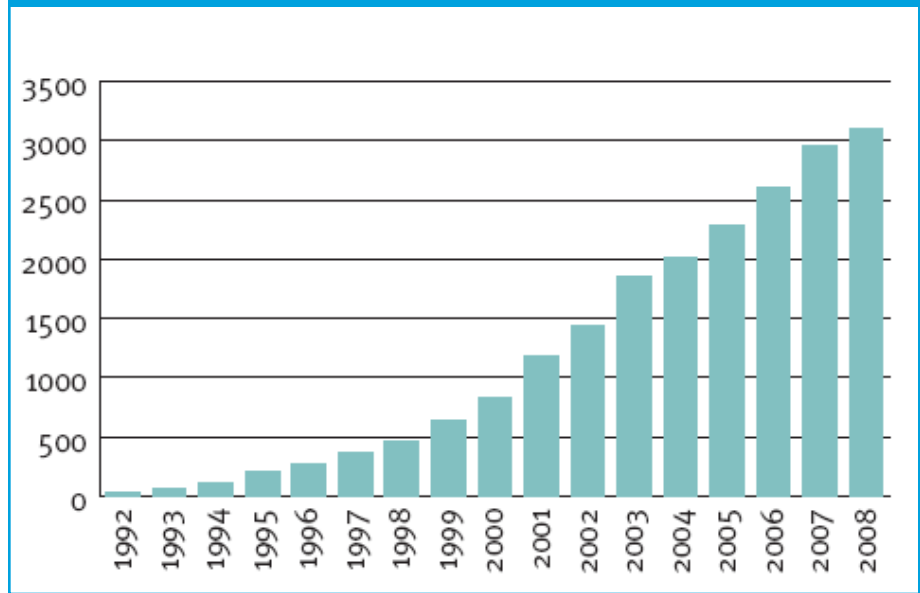
Proactive communications on EPR related CSR initiatives are necessary for companies to reap expected benefits

- **Proactive** : Corporate disclosure on sustainability issues : over **3,100 CSR reports** have been published worldwide in 2008
- **Credible** : Increasing **Third-Party verification** – Life Cycle Analysis Tool

Global Reporting Initiative



Global CR Report output per year



The CR Reporting Awards 2008, Global Winners & Reporting Trends, March 2009, CorporateRegister.com (voluntary and free database registering the sustainability reports of companies all over the world); globalreporting.org

In conclusion

- **EPR related initiatives for companies**
 - are a **component of a wider CSR** set of initiatives
 - can serve as a **risk management tool** to respond to increasing demands from stakeholders, particularly from government (regulatory pressures)
 - can also become an **innovation tool** for improved life cycle efficiencies within a company and/or across industries
 - contribute to the **value proposed to a customer** get by bringing additional sustainability benefits to Business Practices and Products

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