



SUSTAINABILITY CORPORATE POLICY AND ENVIRONMENTAL IMPACT ASSESSMENT : A WAY TO FOSTER CORPORATE SOCIAL RESPONSABILITY? THE CASE OF ALCAN

Christiane Gagnon, Ph.D. in Regional Planning,
Full Professor, christiane_gagnon@uqac.ca

MF Turcotte, Ph.D in Business Administration,
Associate Professor, [turcotte.marie-
france@uqam.ca](mailto:turcotte.marie-france@uqam.ca)

Université du Québec

VANCOUVER, IAIA, 28 AVRIL 04

PLAN

- Corporate Social Responsibility theories and corporations practices (CSR)
- Alcan's CSR and Sustainability Policy
- Discussion and conclusion

What is Corporate Social Responsibility (CSR)?

Neoliberalism Paradigm

- CSR should be about increasing profits
- Businesses are responsible toward stockholders only (Friedman, 1970)

What is CSR?

Stakeholder Theory

- Business is responsible to its many stakeholders
- Stakeholders are all who can affect the organization's activities or be affected by the organization's activities (Freeman, 1984)
- Stakeholders are those supporting some risk because of their investment in human or financial capital or because they are placed in a situation of risk due to the organization's activity (Clarkson, 1994)

What is CSR ?

Stakeholder Theory's Critics

- CSR is a voluntary measure, an attempt to avoid State regulation
- There exist potential conflicts between stakeholders' expectations: local community /shareholders/employees/environmentalists
- There are gaps between the discourse about CSR and corporations' behaviors
- CSR is also used as a management tool to obtain employees' devotion and political adhesion from local and host communities

How do Corporations talk about CSR?

- CSR refers to the relationships of the firms with all its stakeholders: clients, employees, shareholders, business partners but also communities, governments
- It includes economic and community (welfare) investment, the relationships with employees, job creation, environmental concerns, as biodiversity and financial performance
- Companies no longer gauge their performance by the economic variable alone, but include environmental and social considerations: corporate social strategy and stakeholders strategies

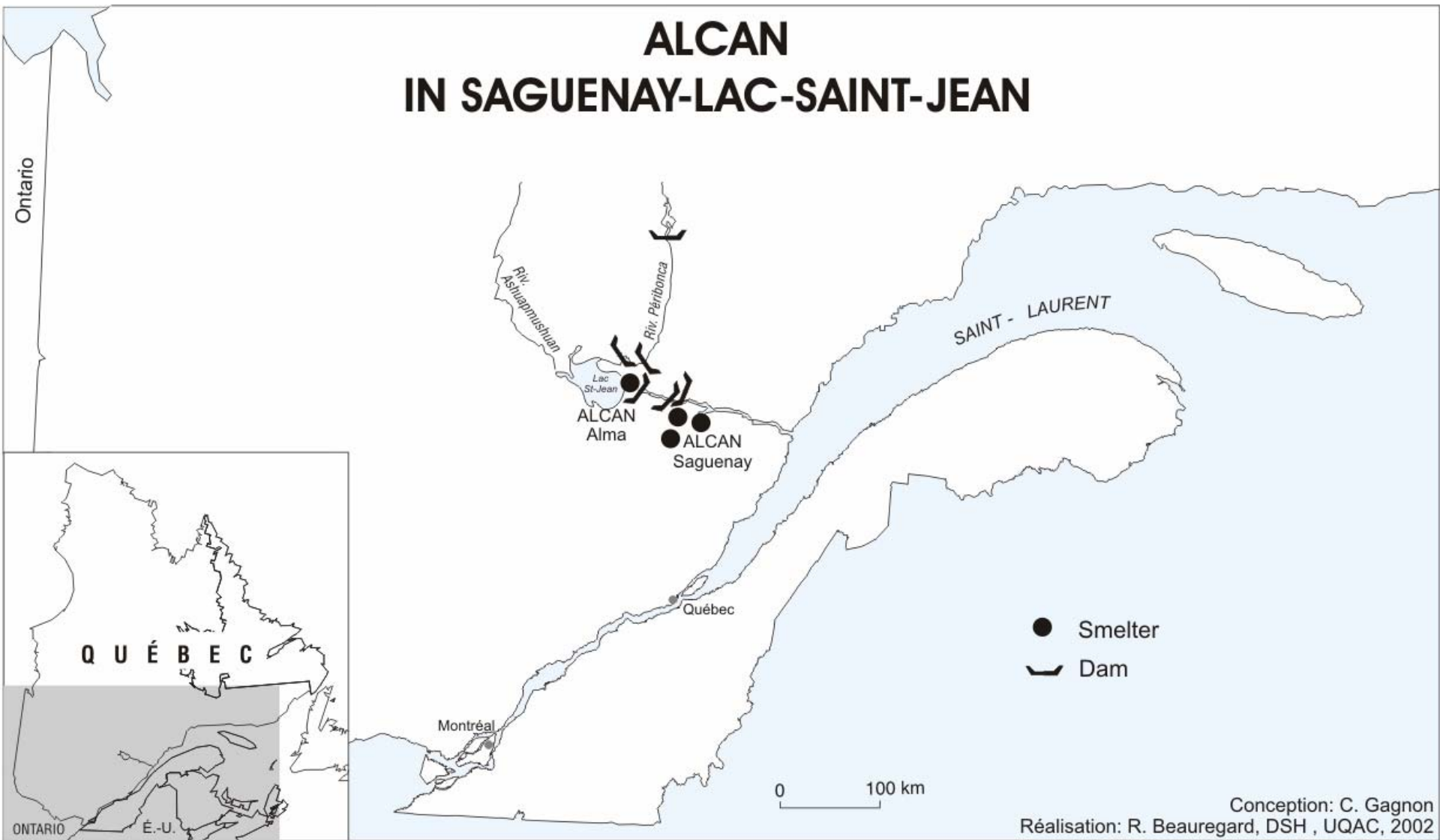
CSR and Sustainable Development (SD): a logical extension

- Environment is a stakeholder (Starik, 1994)
- Stakeholders include those who have an interest now as well as those who will have an interest in the future or those who can express themselves, as natural species or disenabled people or future generations

Alcan Case (Quebec, Canada)

- Alcan Inc. is a « multinational, market-driven company and a global leader in aluminium and packaging with 2002 revenues of US\$ 12.5 billion »
- Alcan is a « multilingual and multicultural organization where employees are guided by company-wide corporate policies including an *Environment Health and Safety Policy* and a *Worldwide Code of Employee and Business Conduct* »

ALCAN IN SAGUENAY-LAC-SAINT-JEAN



Conception: C. Gagnon
Réalisation: R. Beauregard, DSH, UQAC, 2002

EIA for the Alcan megaproject in Alma

1. Although it is usually the civil society that request a EIA in the Quebec's context, in this case it is the Company itself that requested it
2. The Company justified its position by explaining it would allow to control the time schedule of public audiences and consequently the construction phase

EIA for Alma megaproject...

3. Good stakeholders and public relations management:

- Stakeholders are referred to as “publics” and different communication strategies are developed for each of these publics
- Stakeholders include employees, neighbourhood (700), institutions, social groups, municipality, etc
- Pre-consultation phase: following governmental recommendations, Alcan’s communication service organised 45 meetings with its publics in order to obtain suggestions from stakeholders and understand their perceptions (about 2000 people)

EIA for Alma megaproject ...

- Agreements were signed with multistakeholders groups in order to control for contracts assignments, planning and follow-up; but some shorts strikes still happened
 - Public audiences: less participation from the civil society; no opposition from environmentalist than usually observed in such audiences
 - Financing environmental and community groups
4. No sustainability indicators were used in IS and no scenario proposed for smelter localization on an island, upstream Lake and basin, downstream Saguenay River

Aerial view of the Alma industrial megacomplex and part of the Grande-Décharge River and Lac Saint-Jean



Alcan Case: from a CSR to a sustainability strategy

- The *Sustainability Report*
 - Published in 2003, replacing the pre-existing *Corporate Social Responsibility Report*
 - Now, environmental concerns are integrated in the Health and Safety section of this Report
 - Sustainability = « *improving performance, increasing the social and economic benefits and reducing the environmental impacts of our activities over the short and long term, and becoming a more profitable and competitive organization* »
- Alcan proudly considers itself as a leader in the aluminium industry for its sustainability commitment. It was recognized by a prize

Brief discussion

- Alcan offered the example of a company applying the stakeholder theory while developing a « good neighbour » approach to their relationships, particularly with long term host region
- In this case, it improved their control over the EIA and contributed to decisions which were favourable to their project of all aspects
- The public relation department was responsible for the implementation of their stakeholder strategy, thus revealing a communication strategy to reduce uncertainty: « surprise level 0 »
- Sustainability principles are in the corporation's policy but not in the IS and follow-up. The IS failed to assess Social Impact.

CONCLUSION

SUSTAINABILITY CORPORATE POLICY
AND EIA:
A WAY TO FOSTER CORPORATE SOCIAL
RESPONSABILITY?

THEORETICALLY YES
IN CORPORATE PRACTICE NO



THANK YOU !

**Web Site :
www.uqac.ca/msiaa**