

How to Successfully Integrate Sustainability into Your Operations



Many EHS coordinators want their companies to not only comply with the environmental laws but also implement optional environmental initiatives, such as taking steps to make operations more sustainable. Management may balk at your attempts to include sustainability initiatives into operations'but it can be done. For example, show senior management this case study on how one company successfully integrated sustainability into its overall business operations from the top down.

THE SUNCOR CASE STUDY

Suncor Energy Inc. is an integrated energy company that's headquartered in Alberta and has operations in Canada and the US. The company is focused on

developing the Canadian oil sands located near Fort McMurray, AB; other operations throughout Western Canada produce natural gas. And it has a refining and marketing business in Ontario.

The driver behind Suncor's efforts on sustainability has been its CEO. In terms of corporate structure, executive accountability for integration of sustainability rests with the Chief Operating Officer, supported by the Vice President of Sustainable Development and the Sustainability Steering Committee.

The VP of Sustainable Development has three key areas of focus:

- > **Strategy:** developing strategy on a company-wide basis to ensure that social and environmental factors are being taken into account appropriately in a manner which adds value (top-down direction);
- > **Integration:** driving the social and environmental focus of sustainable development into the business units (bottom-up delivery and implementation); and
- > **Driving change:** engaging with stakeholders, interested communities and critics to ensure Suncor isn't complacent.

The Sustainability Steering Committee is responsible for the development of company-wide strategies and operational goals, as well as assessing sustainability progress across all areas. Suncor uses the committee to get broad input on key issues, such as climate change. But the committee doesn't perform a stewardship role. Stewardship for sustainable development is the direct responsibility of senior management. And stewardship processes for the EHS program are the responsibility of the Board-level EHS Committee.

Executives and line managers are held accountable for environmental and safety performance aspects relevant to their roles in the organization; in fact, their compensation is linked to achieving their targets. The assessment of whether employees have met these goals looks not only at performance against the goal, but also *how* the goal was achieved. For example, if a goal was met in a way that doesn't align with Suncor's key values, the appraisal will reflect this discrepancy.

Integration of Sustainability

Suncor's commitment to sustainability is illustrated by its inclusion in the company's 'Four Big Rocks':

- > Operations excellence;
- > Profitable growth;
- > High performance culture; and
- > Sustainability.

The Four Big Rocks provide the framework in which the company's strategic and business planning processes are conducted. It uses an annual strategic and business planning process to update its 10-year rolling plan. Under the 'Sustainability Rock,' the current focus is on quantifiable targets for energy, water and land use (driven by an Environmental Excellence Strategy) as well as how community engagement and stakeholder relations are carried out.

Suncor is developing Sustainability Investment Guidelines that try to place a value on resources and externalities, such as GHG, NO_x, SO_x and water. As a major purchaser of supplies, contract services and materials, it has also developed a Policy, Guideline and Standard, which helps assess vendor sustainability. Vendors are asked a number of sustainability questions and decisions are made based on their alignment with Suncor's sustainability vision.

Suncor develops its own technologies and supports other technologies designed to minimize the environmental footprint. For example, it invests in the SAM Equity Fund for Emerging Technologies for renewable energy and water.

And during the idea generation and scoping steps of project development, the company takes into consideration the impacts on all of the business' relevant sustainability metrics (such as CO₂, energy intensity, water, air quality, by-products) and considers the best possible options in light of their impact on these metrics.

Risk Management

Suncor has an enterprise-wide risk assessment tool that includes environmental, health and safety risks as specific criteria. Social elements of risks are captured under the category of reputational risks. The risk management matrix is applied at all levels of the company.

Transparency

Suncor's Annual Report discusses the company's sustainability efforts. The message to shareholders includes a discussion of the company's 'Responsible Development,' including its role in developing renewable energy sources and the resulting CO₂ offsets. The Annual Report also refers to Suncor's Sustainability Report in a number of places. And it provides an overview of Suncor's strategic priorities, including:

- > Managing environmental and social performance to reduce intensity of water use, air and GHG emissions and impact on the land while also earning continued stakeholder support for ongoing operations and growth plans; and
- > Maintaining a strong focus on worker, contractor and community health and safety.

Suncor's Annual Information Form discusses the environmental compliance of its operating units and identifies risks such as energy trading and environmental regulations. The company conducts an annual policy compliance review, reporting the results to its Board. Corporate EHS audits are conducted on a regular basis with the assistance of qualified external parties, as well as the use of internal audits. Suncor uses an assurance mechanism to ensure the credibility of the sustainability data and information contained within the Sustainability Report.

Worker Integration

When prospective employees are interviewed, Suncor is clear about the company's sustainability values and looks for people who share those values. New worker orientation includes a presentation from senior management on what sustainability means to Suncor, an overview of environmental and safety

responsibilities and what new workers can expect from the company with regard to its commitment to sustainability.

Suncor's employee survey also incorporates sustainability elements. Though the sustainability emphasis of the survey changes over time (for example, the most recent survey focused on environmental performance), there are always questions about how workers view sustainability as part of the company's culture.

Suncor also provides a number of sustainability-related training opportunities for workers, such as environmental due diligence training for operations workers and life-cycle value assessment training for people involved in project-type work. It's developing a short (2 hour) and long (8 hour) course on sustainability that'll be made available for all workers and contractors. And Suncor's leaders attend the Sustainability Enterprise Academy, a week-long intensive course designed to assist business in the transformation to corporate sustainability by providing senior executives with the vision, education, tools and support necessary to champion sustainable development in their organizations.

BOTTOM LINE

When your CEO and other members of senior management are onboard with sustainability goals, it's much easier to integrate sustainability initiatives into the company's overall operations. Suncor is lucky in that its CEO is the person pushing for these environmental initiatives. If you're not so lucky, you can hold up the Suncor case study to demonstrate to your company executives that integration of sustainability can and should be done.

Insider Source

Suncor 'Sustainability Integration Case Study, Industry Canada and Stratos