

Social Trust and the Electricity Industry

An E7 Contribution



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E7 Working Group Report

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Foreword

This report has been prepared by the members of the E7 Social Trust Working Group. Based on the E7 members' experience and the activities of the working group during the last two years, the report provides an electricity industry perspective on the role of social trust, which is closely related to such concepts as social responsibility, corporate governance and corporate stewardship. The report is a contribution to a growing body of work that acknowledges the importance of social matters in the electricity industry.

The document makes recommendations and suggestions for the electricity industry to facilitate greater social trust. In doing so, we must emphasize flexibility, since every situation and every utility organization is unique. It is our hope that this document will provide a road map for handling a variety of settings, stakeholders, and industry organizations.

The E7 encourages dissemination of its work and continuing dialogue on issues related to trust and the electricity industry. Note that the findings and conclusions expressed in this report are those of the working group members and do not necessarily reflect the views of the electric companies that are members of the E7.

For more information or additional copies of this report please:

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Introduction

This report on social trust and the electricity industry explores the need for and the process of building trusting relationships between companies and their various stakeholders. A set of principles, guidelines and implementation suggestions related to social trust are proposed for electric power companies. Changes in the business environment and social context demand a redefined approach for engaging in responsible business practices and earning the trust of all stakeholders involved in the business. An increasingly sophisticated public demands more from the electric power industry which, in turn, must be increasingly responsive to their needs in order to fulfill its mission to provide electrical service.

There are many ways to describe the public side of the trust relationship. There are stakeholders who have an investment in the consequences of company actions. For example, stakeholders can be business partners, the financial community, and employees; they can be both individuals and organizations; they can be local or international. The public at large may or may not have a stake in company decisions, but they may be interested in and may evaluate company actions; both individuals and groups make up the public. Local communities, interest groups, and individuals can be affected by specific company facilities and projects because of their location. In the guidelines that follow, these complex, overlapping social entities are generally referenced with the terms “stakeholders,” to represent broad-based groups and individuals, and “communities,” to represent local groups and individuals. Users of the guidelines can change the references in them to serve their unique social contexts.

Industry responsiveness to public domain matters can be approached through many avenues: public participation, corporate community programs, poverty alleviation, code of ethics and so forth. More recently, a growing interest in corporate responsibility has emerged. Corporate responsibility, also referred to as corporate stewardship, can be defined as a commitment to behave in an equitable and socially responsive way toward all stakeholders. Proponents argue that it should be an essential aspect of corporate strategy, since being socially responsible is good business. The social trust guidelines proposed in this document focus on a specific and essential aspect of the corporation-stakeholder relationship: trust.

The suggested social trust principles and guidelines were developed by the E7 Social Trust Working Group during 1998-2000. The Social Trust Working Group included representatives from the E7 Secretariat and the following electric power companies: Edison International (U.S.A.), Électricité de France (France), ENEL S.p.A. (Italy), Hydro-Québec (Canada), Kansai Electric Power Company (Japan), RWE AG (Germany) and Ontario Power Generation (Canada).

The Social Trust Working Group consulted the literature on social trust. A synthesis of definitions of social trust was developed from the diverse publications on both inter-personal trust and trust involving organizations. In order to develop principles and guidelines, the group also conducted an in-depth review of E7 companies' experience and reviewed the results of E7 Social Trust seminars held since 1998. Electric power companies and

governmental organizations in developing countries, NGOs, international financial institutions, academics in social and environmental sciences, and other experts in public involvement and collaboratives participated actively in these seminars. Valuable input was provided at the following seminars:

- E7 Seminar on “Social Trust and Public Confidence”–Bordeaux, France–February 13 and 14, 1998.
- E7 Seminar on “Electric Utilities and Social Trust in a Changing World: The Role of Social Trust in Strategic Planning”–Tokyo, Japan–February 18 and 19, 1999.
- “E7 Workshop on Social Trust Guidelines”–Hong Kong–June 21 and 22, 2000, during the annual IAIA conference.

The next section of the report defines social trust, explains its importance for the electric power industry, identifies business and social changes that make social trust increasingly important, and presents the rationale for developing guidelines. In Sections 2 and 3, seven principles for social trust are developed. In Section 4, guidelines are proposed for each of the principles. In Sections 5 to 8, implementation suggestions are proposed for four areas of the business: corporate functions, facility planning, risk management, and customer relations.

1 The Concept of Social Trust and Rationale for Guidelines

What is Social Trust?

For the purposes of the energy industry, social trust can be defined as the quality of a relationship between a company and its stakeholders, where company policies, plans, procedures, actions, services, and information meet the needs, expectations, and concerns of all parties involved. Socially responsible companies work to achieve trusting relationships with their stakeholders. In a trusting relationship, the expectations of stakeholders are met in their encounters with the company. Therefore, stakeholders assume that their expectations are being met in other areas of the business where there is less public presence. Similarly, distrust based on the failure to meet expectations in one or more areas may lead to generalized distrust of the company as a whole. Social trust integrates all parties in a social relationship; in the absence of trust, there is no relationship.

Trust can be diminished, maintained, or enhanced. It is incumbent on electric power companies, to a much greater extent than their stakeholders, to behave in a way that reinforces and improves a trusting relationship. Electric power companies have an obligation to act responsibly toward those who have entrusted their money (investors), their careers (employees), their safety (customers), or other valuable assets to the company.

Social trust includes the concepts of chance and risk taking. A trusting relationship allows stakeholders to interact with corporations

without full knowledge of future uncertainties—a valuable asset in times of industry change. This form of security allows corporations to undertake actions not possible otherwise. Diversification, globalization, and restructuring are among the many changes that utilities can make when there are trusting relationships with employees, customers, investors, and regulators, among others. Corporations must honor the confidence placed in them by stakeholders through their performance on behalf of stakeholders in times of change.

Importance of Social Trust for the Electricity Industry

In recent years, electric power companies in both developed and developing countries have experienced growing public concern and opposition to proposed plans and decisions involving fuel choice, facility siting, mitigation of environmental and social impacts, and tariffs, sometimes resulting in project cancellation. In order to meet growing public needs and high expectations for sustainable and reliable electricity, while addressing various local, global and environmental concerns, the electric power companies of the world must balance a variety of competing interests. It has become evident that social trust plays an important role in the success of the policies, plans, and operations of the energy industry.

There are some essential characteristics of the electric power industry that frame the

social trust relationship. Electricity provides services that are indispensable for modern life, promoting health, education, economic growth and comfort, but because it is an invisible commodity, the public often takes it for granted. Unfortunately, the infrastructure related to the electricity sector, such as large power plants and transmission lines, is highly visible, is often located at some distance from load centers, and can have natural resource and environmental impacts. The planning, construction, operation, and maintenance of such facilities can strain the relationship between companies and their stakeholders. A corporate commitment to earning and maintaining social trust is essential in this situation.

Good business is based on good relationships. The public expects electric power companies to be fair, honest, and accountable, to treat the public with respect and equity, and to take expressed preferences into account. What the public experiences in their interactions with companies, and how the public evaluates these interactions, is of vital importance to the ability of electric power companies to fulfill their mission.

A good corporate-stakeholder relationship is often considered a precondition for competitive success. In the course of restructuring, electric power companies undergo such fundamental changes that the expectations of stakeholders may not be met or they may be met in new and different ways. Sustaining and building on the trust relationship that once characterized the monopoly utility is the current challenge for the transformed electric power company entering a new competitive market.

In addition to reducing some of the risks inherent in the changing energy business, social trust can also facilitate and enhance the achievement of business objectives.

A trusting relationship enables electric power companies to provide reliable electricity, operate efficiently, minimize risks, and fulfill legal, economic, environmental, and social responsibilities with an efficient use of resources. Maintaining and enhancing social trust improves a company's image, resulting in positive effects on other products and services offered by increasingly diverse electric power companies.

Facing a Changing Business Environment

Changes in the business environment and changes in social context demand a redefined approach for engaging in responsible business practices and earning social trust. An increasingly sophisticated public demands more from the electric power industry which, in turn, must be increasingly responsive to public needs.

Organizational changes resulting both from restructuring and from globalization currently challenge electric power companies. The restructuring of the electric power industry as a result of privatization and market liberalization, coupled with the development of a global marketplace, new technology, and changing regulations, manifests itself in an increasingly complex and often unfamiliar business environment. Restructuring has led to both heightened industry competition and a sophisticated customer base with higher expectations. Restructuring is taking place at the same time as increasing globalization of the market, resulting in redefined corporate planning, retail energy services, and facility planning functions, and the emergence of international stakeholders.

In addition to a changing business environment, a shift in the social environment confronts the industry. Even though larger societal factors are beyond the scope of industry influence, their consequences deserve attention.

Changes at individual and societal levels require a response from the industry. Individual-level changes are characterized by an increased involvement in decisions affecting the local environment, as well as growing political activism. Increasing social diversity is reflected in a wider range of interest groups and community organizations. Interest-based activism reflects a universal expectation for improved quality of life and a growing concern for global environmental welfare.

At the societal level, decreased public confidence in institutions is evidenced by a lack of trust in “big business” and demands for improved institutional accountability. Institutional critiques reflect the growing importance of individual rights, which may conflict with the public interest. Electric power companies are obliged to respond to growing public confidence and capability in the public involvement arena.

Considering these shifts in the social context within which companies must operate, the relationship between company and consumer deserves reevaluation. The changing nature of the corporate/business entity, facility planning, and customer relations are three areas in which further integration of the shifting corporate context and social values is evident.

First, corporate boundaries now expand beyond previously defined service areas, even into the international arena. New stakeholders, new interests and new forms of communication have to be considered in a global context. Corporations may need to change their policies and procedures to address the needs of a less trusting, more sophisticated, and more actively involved public.

Second, facility planning and development require open and honest interaction at the

local level. The need to develop necessary electricity infrastructure is increasingly challenged by environmental and community values. Significant changes in siting procedures and more concerted corporate efforts to obtain public input and involvement in local projects are now necessary.

Finally, changes in retail energy services to customers can be identified through new function-specific business units. Customer satisfaction increases with the ability of these divisions to cater to the needs of their markets, facilitating the growth of a closer relationship between customer and company. Other changes include the provision of core utility services, increased participation in the franchise area, and service quality options driven by customer perceptions. Based on the premise that customers have different needs, companies have differentiated their products and services.

Attention to relationship-building is now critical. If companies can change along with society, a more favorable environment can be created for all parties. Movements toward achieving this commonality can best be facilitated by establishing a clear road map encompassing the options and different steps corporations need to take.

Why Develop Social Trust Guidelines?

When we are traversing new territory, a map is the single most important piece of required equipment. It can be used to avoid straying off course or to address obstacles on the path ahead, or it may be useful in weighing the benefits of taking new routes as opposed to those previously established. Similarly, when an industry confronts new territory, a plan for meeting the challenges lying ahead should be established. This is the current situation faced by electric power companies around the world.

Guidelines enable electric power companies to incorporate social trust into corporate policies, plans, and practices. By articulating company goals for achieving social trust, we can minimize risk, making it possible to meet social, legal, economic, and environmental responsibilities more efficiently. Applying social trust policies, guidelines, and best practices demonstrates that the electric power companies place the highest priority on stakeholder needs and environmental protection. This makes good business sense and benefits all parties concerned. With such guidelines, companies are properly outfitted to meet the important challenges presented by emerging business and social change.

2 Trust Components

The following factors are associated with social trust: competence, commitment, and consistency, which are components essential for the electricity company, and fairness, respect, caring, and empathy, essential for interactions with stakeholders. Each of the seven factors is described below in a way that is useful for the industry. A principle is then defined for each of the seven factors in Section 3.

COMPETENCE: A competent company is highly qualified, successful, and makes quality products. It is well managed, employs quality staff who are technically competent, and has a good safety record. Peers recognize a competent company as an industry leader capable of adapting to changing circumstances.

COMMITMENT: A committed company delivers what is promised, backs up its words with action, and believes in the value of its work. Such a company is serious, is taken seriously by others, and focuses on long-term relationships.

CONSISTENCY: A company that is consistent behaves the same way under the same circumstances. Corporate memory is maintained so that future actions can take past decisions into account. Employees share the company vision, values, and direction. Members of the company are consistent in their communications and relationships with stakeholders.

FAIRNESS: A company that behaves fairly toward others is honest and open, provides equal access to its information, and involves those who are affected by its actions. Such a company compensates for impacts and losses and seeks shared benefits among relevant stakeholders.

RESPECT: A company that shows respect is sensitive to differences and seeks mutual understanding and agreement. Such a company can operate in a pluralistic society.

CARING: A company that cares about its employees, customers, communities, and those who are affected by its actions takes into account community and individual needs, values, concerns, and expectations in all that it does. People and relationships matter to such a company. A caring company is a good corporate citizen, invests locally, and considers the benefits of its products.

EMPATHY: A company that empathizes with its stakeholders understands them, identifies with them, and has overlapping interests, values, and perspectives.

3 Social Trust Principles

COMPETENCE

Foster a technically competent and well-managed organization that both understands and is responsive to the changing business and social contexts within which companies operate.

COMMITMENT

Fulfill corporate commitments and be proactive in any cooperative activity involving communities and stakeholders.

CONSISTENCY

Speak and act consistently within the company and with stakeholders over time on the basis of a shared corporate vision.

FAIRNESS

Implement open, fair, and equitable processes and strive for mutually beneficial outcomes.

RESPECT

Foster mutual understanding and respect by being open and responsive to social and cultural differences among communities and stakeholders.

CARING

Make individual and community well-being an integral part of your business.

EMPATHY

Identify and build on common interests and shared values as a basis for developing meaningful community and stakeholder relationships.

4 Social Trust Guidelines

In this section, guidelines are suggested for implementing the principles identified in Section 3. For many guidelines, specific suggestions, techniques, and best practices for implementation from the experience of the E7 or its partners are also provided later on.

The guidelines are divided into four areas, with the typically responsible organizations shown in brackets:

- First, corporate or general guidelines are developed fully for the company as a whole (corporate centre, holding company, or corporate functions of subsidiary companies or departments)

Additional guidelines are provided for selected principles in three further areas:

- Facility planning, construction, and operation (generation, transmission, engineering and construction organizations)
- Risk management
- Customer relations (trading, retail, distribution organizations)

The successful implementation of a single guideline will depend on the specific geographic, cultural, social, economic and political context. Moreover, changes in stakeholder values and in the business context over time will require a continuous adaptation of implementation approaches. It is expected that companies will be creative in identifying alternative approaches to meet these guidelines. A suggested list follows each guideline.

COMPETENCE

Principle

Foster a technically competent and well-managed organization that both understands and is responsive to the changing business and social contexts within which companies operate.

General Guidelines

- Maintain and improve the technical competence and interaction skills of all personnel and encourage their ongoing development.
- Be state-of-the-art and demonstrate competence.
- Promote corporate learning from previous project experience and stakeholder interaction.
- Monitor and evaluate emerging business and social trends that have direct or strategic implications for the company.

Additional Risk Guidelines

- Strive toward solutions that reduce scientific uncertainty.
- Have the capacity and ability to manage risk situations.

COMMITMENT

Principle

Fulfill corporate commitments and be proactive in any cooperative activity involving communities and stakeholders.

General Guidelines

- Promise only what you can deliver.
- Identify all commitments and ensure follow-through.
- Build a long-term perspective into policies and planning.
- Take responsibility and provide service to the best of the company's ability.

Additional Customer Relations Guidelines

- Make customer satisfaction a focus of the entire organization.

CONSISTENCY

Principle

Speak and act consistently within the company and with stakeholders over time on the basis of a shared corporate vision.

General Guidelines

- Establish and maintain a clear and strong corporate vision that reflects the needs/expectations of the company's stakeholders.
- Make your values explicit, agree on them, and make them known inside and outside the company.
- Foster collaboration and information exchange among employees and business units.
- Design consistent communications from different parts of the company to common stakeholders.
- Inform and involve employees continuously in order for them to become ambassadors of the company.
- Communicate with sub-contractors and hold them to corporate standards in order for them to become ambassadors of your company.
- Maintain a corporate memory, because stakeholders remember.

Additional Risk Guidelines

- Establish cooperation with other national and international companies with similar activities for transparent and scientific information exchange on events which are important or perceived as important for public health and safety.

Principle

Implement open, fair, and equitable processes and strive for mutually beneficial outcomes.

General Guidelines

- Maintain ethical behavior inside the company and with stakeholders.
- Ensure that corporate policies and practices recognize the need for the involvement of potentially affected stakeholders.

Additional Facility Planning Guidelines

- Establish a process by which stakeholders can meaningfully contribute to all aspects of planning, implementation, and operations.
- Involve stakeholders and communities beyond the regulatory public participation requirements.
- Design projects to benefit those potentially affected. When this is not possible, minimize negative impacts and provide satisfactory compensation.
- Use the values of those affected to identify compensation measures, not limited to monetary compensation, in order to improve their quality of life in a sustainable manner.

Additional Risk Guidelines

- Pay as much attention to the process for dealing with people as you pay to explaining the data related to risk.
- When there are risks involved (perceived or real), develop projects to include mitigation and compensation so that perceived benefits outweigh the perceived disadvantages associated with the risks.

RESPECT

Principle

Foster mutual understanding and respect by being open and responsive to social and cultural differences among communities and stakeholders.

General Guidelines

- Recognize the need to build long-term relationships to foster mutual respect and understanding.
- Be sensitive to social and cultural differences.
- Be transparent in providing corporate information and the rationale behind corporate decisions.

Additional Facility Planning Guidelines

- Seek and utilize local knowledge.
- Identify and address the concerns of those potentially affected in a timely manner.
- Demonstrate willingness to modify a project.

Additional Risk Guidelines

- When there are additional solutions to solve a serious environmental or health concern, select prevention measures first, if their implementation is reasonable, because they are more acceptable than mitigation measures.
- Be open and responsive when company activities have the potential for risk.
- Be transparent also when undesired events connected with operation occur.

Principle

Make individual and community well-being an integral part of your business.

General Guidelines

- Take into account the needs, values, concerns, expectations, and perceptions of individuals and communities affected by business activities.
- Be a good corporate citizen and be proactive for the well-being of the community.
- Personalize and put a human face on your activities.

Additional Facility Planning Guidelines

- Include social considerations on the same level as environmental, technical, and cost factors in the planning and decision-making process.
- Be involved in communities where you have facilities.

Additional Risk Guidelines

- Value health, safety, and the environment, and act accordingly.
- Take into account perceptions and be sensitive to strong emotions.

Additional Customer Relations Guidelines

- Be responsive and proactive with respect to customer needs and expectations.

EMPATHY

Principle

Identify and build on common interests and shared values as a basis for developing meaningful community and stakeholder relationships.

General Guidelines

- Devote as much effort to understanding people and their attitudes as you do to technical considerations.
- Develop meaningful relationships by identifying, acknowledging, and associating with community and stakeholder values and interests.
- Build on and respond to the community and stakeholders' shared interests.

Additional Facility Planning Guidelines

- Concentrate resources on the project issues that are most valued by those affected.
- Encourage stakeholders' contributions in a manner that allows them to make it their project too.

Additional Risk Guidelines

- Give stakeholders and communities a greater sense of control by integrating them into the decision-making framework.

5 Implementation Suggestions for Corporate Functions

COMPETENCE

Principle

Foster a technically competent and well-managed organization that both understands and is responsive to the changing business and social context within which companies operate.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none"> ● Maintain and improve the technical competence and interaction skills of all personnel and encourage their ongoing development. 	<ul style="list-style-type: none"> – Ongoing training and development – Treat every employee as an ambassador of the company – Provide incentives and reward competence and interaction skills
<ul style="list-style-type: none"> ● Be state-of-the-art and demonstrate competence. 	<ul style="list-style-type: none"> – Make continuous improvement part of your business culture – Know the company's performance, trends, and achievements to date – Benchmark corporate procedures against the procedures of other companies and industries
<ul style="list-style-type: none"> ● Promote corporate learning from previous project experiences and stakeholder interactions. 	<ul style="list-style-type: none"> – Report the experience of contacts with stakeholders from all organizations – Review major successes and failures in the company history – Collect information in easy retrieval form – Establish a procedure for rapid and complete dissemination of information throughout company – Analyze and review periodically the results of the experience and suggest feedback actions
<ul style="list-style-type: none"> ● Monitor and evaluate emerging business and social trends that have direct or strategic implications for the company. 	<ul style="list-style-type: none"> – Develop sources of information for emerging trends – Allocate resources to monitor and report on strategic implications – Share evaluation information throughout the company

COMMITMENT

Principle

Fulfill corporate commitments and be proactive in any cooperative activity involving communities and stakeholders.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Promise only what you can deliver.	<ul style="list-style-type: none">– Understand the risks and make commitments that can be kept– Assume that everything you say and do is part of the public record
<ul style="list-style-type: none">● Identify all commitments and ensure follow-through.	<ul style="list-style-type: none">– Give accountability to part of the organization to document progress on all commitments: be able to trace the chain of responsibility– Track and document– Establish performance review protocols
<ul style="list-style-type: none">● Build a long-term perspective into policies and planning.	<ul style="list-style-type: none">– Be good stewards of the natural resources you use– Have sustainable development policies
<ul style="list-style-type: none">● Take responsibility and provide service to the best of the company's ability.	<ul style="list-style-type: none">– Adopt procedures to meet the highest safety and performance standards– Provide personnel performance incentives– Be dependable

CONSISTENCY

Principle

Speak and act consistently within the company and with stakeholders over time on the basis of a shared corporate vision.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Establish and maintain a clear and strong corporate vision that reflects the needs/expectations of the company's stakeholders.	<ul style="list-style-type: none">– Connect vision with corporate objectives and strategic planning– Assure that the vision cascades to all business units– Vision needs to embrace stakeholder input
<ul style="list-style-type: none">● Make your values explicit, agree on them, and make them known inside and outside the company.	<ul style="list-style-type: none">– Come up with a list of core values based on a consultative process– Incorporate core values in ongoing stakeholder interactions
<ul style="list-style-type: none">● Foster collaboration and information exchange among employees and business units.	<ul style="list-style-type: none">– Identify common and diverging interests in the organization on an ongoing basis– Facilitate dialogue among employees and business units– Develop mechanism to break down barriers
<ul style="list-style-type: none">● Design consistent communications from different parts of the company to common stakeholders.	<ul style="list-style-type: none">– Use a centralized corporate function with a consistent design framework– Local and regional outreach must be functionally aligned with the corporate headquarters (establish a channel for information to customers and other key stakeholders)

CONSISTENCY (CONTINUED)

Guidelines	Implementation Suggestions
<ul style="list-style-type: none"> ● Inform and involve employees continuously in order for them to become ambassadors of the company. 	<ul style="list-style-type: none"> – Quickly disseminate, throughout the company, information which is directly or indirectly relevant to public interaction (for example, an internal computer network would facilitate real-time communication on company policies, organizational changes, external presentations and interviews by managers, relevant company accomplishments, the law and other regulatory changes, and opinions of customer associations and policy makers) – Incorporate a bottom-up consultation process for employees to allow them to be part of company policy (for example, use focus groups to evaluate policies)
<ul style="list-style-type: none"> ● Communicate with sub-contractors and hold them to corporate standards in order for them to become ambassadors of your company. 	<ul style="list-style-type: none"> – Assure that sub-contractors comply with all health, safety, and environmental regulations and company policies (e.g. in fuel transport, impose requirements to avoid serious ecological consequences) – Impose the same standards of ethical behavior as for your employees – Regularly communicate with sub-contractors about important aspects of relations with communities and stakeholders
<ul style="list-style-type: none"> ● Maintain a corporate memory, because stakeholders remember. 	<ul style="list-style-type: none"> – Transfer corporate culture/memory to new employees – Value those with knowledge of the past; document what they know before they leave – Make records easily retrievable – Document feedback on company activities

FAIRNESS

Principle

Implement open, fair and equitable processes and strive for mutually beneficial outcomes.

Guidelines

Implementation Suggestions

- Maintain ethical behavior inside the company and with stakeholders.

- Ensure that corporate policies and practices recognize the need for the involvement of potentially affected stakeholders.

- Establish a code of ethics that incorporates fairness as a way of doing business
- Follow the values that have been established and relentlessly pursue them in day-to-day business
- Ensure that all employees are aware of this code

- Consider developing specific stakeholder involvement policies and practices
- Evaluate the effectiveness of involvement programs from a stakeholder perspective
- Ensure that resources are available to allow all parties equal opportunity to participate

RESPECT

Principle

Foster mutual understanding and respect by being open and responsive to social and cultural differences among communities and stakeholders.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Recognize the need to build long-term relationships to foster mutual respect and understanding.	<ul style="list-style-type: none">– Build relationships today for tomorrow’s projects– Promote ongoing relations between the company’s executive decision makers and key stakeholders– Promote ongoing relations at the local level with company representatives– Invite and facilitate stakeholder feedback at all times (not just during project activities)
<ul style="list-style-type: none">● Be sensitive to social and cultural differences.	<ul style="list-style-type: none">– Know your stakeholders– Be proactive by integrating vulnerable groups and being sensitive to gender and the needs of minorities– Dialogue in the language of the local community, and supply the means by which the community can provide feedback to the company
<ul style="list-style-type: none">● Be transparent in providing corporate information and the rationale behind corporate decisions.	<ul style="list-style-type: none">– Provide all relevant information in a way that can be understood– Always provide the real motivation behind corporate decisions

CARING

Principle

Make individual and community well-being an integral part of your business.

Guidelines

- Take into account the needs, values, concerns, expectations, and perceptions of individuals and communities affected by business activities.

- Be a good corporate citizen and be proactive for the well-being of the community.

- Personalize and put a human face on your activities.

Implementation Suggestions

- Identify all groups that are directly or indirectly affected by the business
- Establish channels of communication in order to listen to stakeholder issues (e.g., through focus groups)
- Use local employees to understand the local needs
- Identify potentially affected people who are typically under-represented in local organizations, and either seek to change participation processes so that they will be better represented, or ensure that their interests are considered
- Be an integral part of the communities in which you operate
- Have a corporate citizenship program with adequate resources
- Encourage employee volunteerism in communities
- Develop company-sponsored community activities (e.g. sponsor a summer day camp for children)
- Never forget you are dealing with people
- Emphasize face-to-face interactions
- Promote ongoing contacts between executive decision makers and key stakeholders to personify an organization with the leaders
- Communicate in person when feasible, rather than through mailings or electronic means

EMPATHY

Principle

Identify and build on common interests and shared values as a basis for developing meaningful community and stakeholder relationships.

Guidelines

- Devote as much effort to understanding people and their attitudes as you do to technical considerations.

- Develop meaningful relations by identifying, acknowledging and associating with community and stakeholder values and interests.

- Build on and respond to the community and stakeholders' shared interests.

Implementation Suggestions

- Use a company/community liaison to better understand stakeholder attitudes and expectations
- Focus on building relationships with people, rather than relying upon a purely academic understanding of an issue
- Build a trusting relationship with local groups and agencies to give corporate representatives insight into the public position on the issue at hand

- Listen to stakeholder and community representatives
- Identify opinion leaders who have the respect of the local community and solicit their involvement
- Identify the stakeholder values which are shared by the company
- Design periodic communications based on these values

- Choose business alternatives which enhance the common values and interests

6 Additional Implementation Suggestions for Facility Planning, Construction, and Operation

FAIRNESS

Principle

Implement open, fair and equitable processes and strive for mutually beneficial outcomes.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none"> ● Establish a process by which stakeholders can meaningfully contribute to all aspects of planning, implementation and operation. ● Involve stakeholders and communities beyond the regulatory public participation requirements. ● Design projects to benefit those potentially affected. When this is not possible, minimize negative impacts and provide satisfactory compensation. 	<ul style="list-style-type: none"> – Ask stakeholders how they want to be involved – Ensure that resources are available to allow all parties equal opportunity to participate – At the beginning of the planning process, clearly define and communicate the planning and decision processes, identifying the steps where the public/stakeholders have an opportunity to contribute – Have dispute management and mediation processes in place – Train those who wish to be involved so they can participate effectively – Develop partnerships, when required, that could include profit or revenue sharing – Collect the required data to determine who is affected and how – Conduct impact assessment studies with the involvement of those who are potentially affected – Observe the most recent environmental impact assessment standards

FAIRNESS (CONTINUED)

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Use the values of those affected to identify compensation measures, not limited to monetary compensation, in order to improve their quality of life in a sustainable manner.	<ul style="list-style-type: none">– Collect the required data to determine the values of those affected– Those affected should be involved in the decisions about which mitigation/compensation measures will be chosen– Involve them in actually implementing the measures

RESPECT

Principle

Foster mutual understanding and respect by being open and responsive to social and cultural differences among communities and stakeholders.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Seek and utilize local knowledge.	<ul style="list-style-type: none">– Identify local sources of information– Validate externally available information with local authorities, NGOs, and residents– Use local sources to fill information gaps
<ul style="list-style-type: none">● Identify and address the concerns of those potentially affected in a timely manner.	<ul style="list-style-type: none">– Identify those potentially affected early in the planning process and provide clear and complete information in an appropriate form for their specific needs– Be mindful of ethnic, cultural, and language variations in the area affected– Actively listen to and respect social values, concerns, and expectations
<ul style="list-style-type: none">● Demonstrate willingness to modify a project.	<ul style="list-style-type: none">– Make revisions that incorporate stakeholder input and report back to stakeholders– Document the sources of input, what was used, what was not, and the rationale for the decisions

CARING

Principle

Make individual and community well-being an integral part of your business.

Guidelines

- Include social considerations on the same level as environmental, technical, and cost factors in the planning and decision-making process.
- Be involved in communities where you have facilities.

Implementation Suggestions

- Make social impact assessment a fundamental part of all project steps: site selection, design, construction, and operations, including monitoring activities
- Include social impact assessment expertise on the project team
- In addition to assessing standard of living, assess impacts on quality of life (social well-being)

- Use employees and the local utility units on the project teams

EMPATHY

Principle

Identify and build on common interests and shared values as a basis for developing meaningful community and stakeholder relationships.

Guidelines

- Concentrate resources on project issues that are most valued by those affected.

- Encourage stakeholders' contributions in a manner that allows them to make it their project too.

Implementation Suggestions

- Incorporate value analysis into the project
- Determine priorities not only with your expertise, but based on community values
- Incorporate indirect impacts as well as direct impacts in the analysis
- Monitor issues that are considered important throughout planning, construction and operations
- Fully integrate public involvement into the study process
- Ask stakeholders to identify the important issues and recommend solutions to make the project acceptable to all involved
- Actively engage those affected in data collection and other project-related activities
- Acknowledge the contributions of stakeholders

7 Additional Implementation Suggestions for Risk Management

COMPETENCE

Principle

Foster a technically competent and well-managed organization that both understands and is responsive to the changing business and social context within which companies operate.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● Strive toward solutions that reduce scientific uncertainty.● Have the capacity and ability to manage risk situations.	<ul style="list-style-type: none">– Design and evaluate alternative solutions that remove or reduce uncertainties– Encourage creative problem solving– Establish long-term relationships with stakeholders before unpredictable events occur– Understand the media and their use of information– Be prepared for all interactions– Have emergency response plans and share them, as necessary

CONSISTENCY

Principle

Speak and act consistently within the company and with stakeholders over time on the basis of a shared corporate vision.

Guidelines

Implementation Suggestions

- Establish cooperation with other national and international companies with similar activities for transparent and scientific information exchange on events which are important or perceived as important for public health and safety.

- Identify and establish relationships with other credible sources of information outside the company
- Develop communications which include the information that has been exchanged, identifying all the sources of information

FAIRNESS

Principle

Implement open, fair and equitable processes and strive for mutually beneficial outcomes.

Guidelines

Implementation Suggestions

- Pay as much attention to the process for dealing with people as you pay to explaining the data related to risk.

- When there are risks involved (perceived or real), develop projects to include mitigation and compensation so that perceived benefits outweigh the perceived disadvantages associated with the risks.

- Plan interactions carefully and evaluate them continuously

- Involve stakeholders in planning appropriate mitigation and compensation

RESPECT

Principle

Foster mutual understanding and respect by being open and responsive to social and cultural differences among communities and stakeholders.

Guidelines	Implementation Suggestions
<ul style="list-style-type: none">● When there are additional solutions to solve a serious environmental or health concern, select prevention measures first, if their implementation is reasonable, because they are more acceptable than mitigation measures.	<ul style="list-style-type: none">– Evaluate the costs and consequences of potential prevention and mitigation measures for specific projects– Check out the preference for prevention measures with relevant stakeholders
<ul style="list-style-type: none">● Be open and responsive when company activities have the potential for risk.	<ul style="list-style-type: none">– Provide background/context for understanding risk in ways that people understand– Develop a notification plan for everyone who might be affected– Define all technical terms and acronyms
<ul style="list-style-type: none">● Be transparent also when undesired events connected with operation occur.	<ul style="list-style-type: none">– Immediately report the event, explaining the cause and the consequences and the possible evolutions in a way that is understandable to the public– For the more serious events, open immediately a communication channel with media and private citizens– Continue to update them periodically on the evolution of the event until its conclusion

CARING

Principle

Make individual and community well-being an integral part of your business.

Guidelines

- Value health, safety, and the environment, and act accordingly.
- Take into account perceptions and be sensitive to strong emotions.

Implementation Suggestions

- Be able to express the importance the company places on health and safety and the environment in risk communications
- Take responsibility for your share of the risks and/or the consequences
- Acknowledge with compassion any personal tragedies (illness, injury, death) that result from company activities
- Separate disagreement with the proposed action from misunderstanding of the risk-related technical issues
- Be sensitive to verbal as well as non-verbal messages in exchanges
- Use local personnel as company spokespersons

EMPATHY

Principle

Identify and build on common interests and shared values as a basis for developing meaningful community and stakeholder relationships.

Guidelines

Implementation Suggestions

- | Guidelines | Implementation Suggestions |
|--|---|
| <ul style="list-style-type: none">● Give stakeholders and communities a greater sense of control by integrating them into the decision-making framework. | <ul style="list-style-type: none">– Work to produce an informed public that shares the same knowledge base– Examples, stories, and analogies can be used to establish a common understanding of issues– Involve personnel from the local population in design, construction, and operation, and in emergency management activities– Make relevant indicators of facility operations continuously available– Encourage facility visits and tours |

8 Additional Implementation Suggestions for Customer Relations

COMMITMENT

Principle

Fulfill corporate commitments and be proactive in any cooperative activity involving communities and stakeholders.

Guidelines

- Make customer satisfaction a focus of the entire organization.

Implementation Suggestions

- Make customer satisfaction part of the corporate incentive program for employees
- Provide opportunities for customers to interact with employees throughout the company

CARING

Principle

Make individual and community well-being an integral part of your business.

Guidelines

- Be responsive and proactive with respect to customer needs and expectations.

Implementation Suggestions

- Inform customers adequately on matters pertaining to energy-related services and options
- Tailor your products and services to meet the needs of each and every customer, including handicapped customers
- Train employees who have some direct or indirect relationship with customers and the public to improve listening and communication skills
- Implement a caring attitude to deal with customers and the public
- Monitor and evaluate continuously customer needs and perceptions
- Use appropriate tools, such as tailored surveys, frequent in-person communications with customers, and media analyses
- Manage the monitoring process at the local level, when appropriate, in order to adopt immediate corrective actions tailored to the specific local conditions

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