

Towards a responsible forestry sector – an initial review of New Zealand’s forest companies’ sustainable activities

Grace Villamor and Peter Clinton



Introduction

- What is Social Responsibility and why it matters?
- Is Corporate Social Responsibility (CSR), Environment, Social, and Governance (ESG) and Social Licence to Operate (SLO) the same?
- What are we doing in forestry?
- What's next?

CSR: Definition and why it matters

- **Corporate Social Responsibility** (CSR) is the practice of companies taking responsibility for their impact on society and the environment.
- **Why it matters?**
 - Reputation
 - Customer loyalty
 - Employee satisfaction
 - Risk management
 - Long-term sustainability

“It takes **20 years** to build a **reputation** and **five minutes** to **ruin** it. If you think about that, you’ll do things differently.”

- Warren Buffett

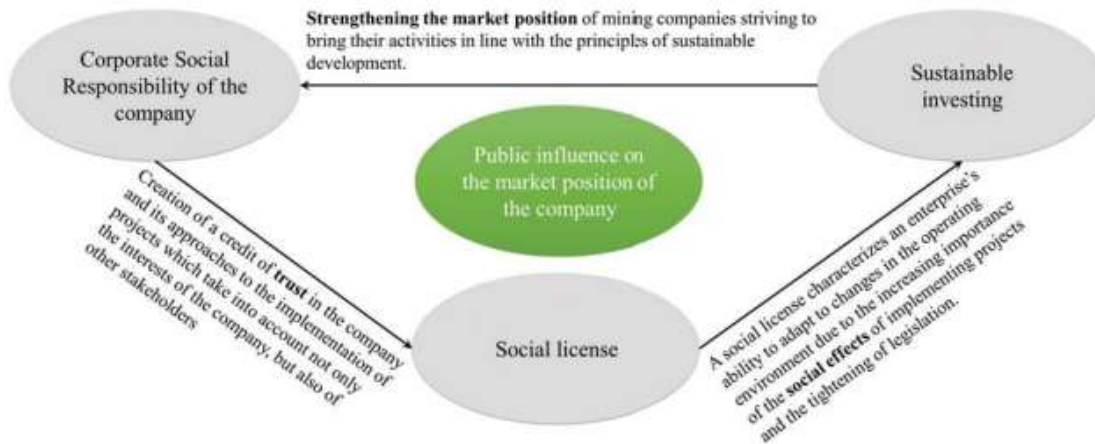
THE CONVERSATION

Academic rigour, journalistic flair

Q Search analy



What is the difference between CSR, SLO and ESG?



CSR is “top down” with issues identified by the business, while SLO is “bottom up” with issues identified by the community and stakeholders.

What is your brand doing to address issues people care about?

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RESEARCH ARTICLE

Social licence in New Zealand—what is it?

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ABSTRACT

As the term ‘social licence to operate’ gains more traction in New Zealand, a plethora of meanings and understandings have been attributed to it. Many of these meanings and understandings,

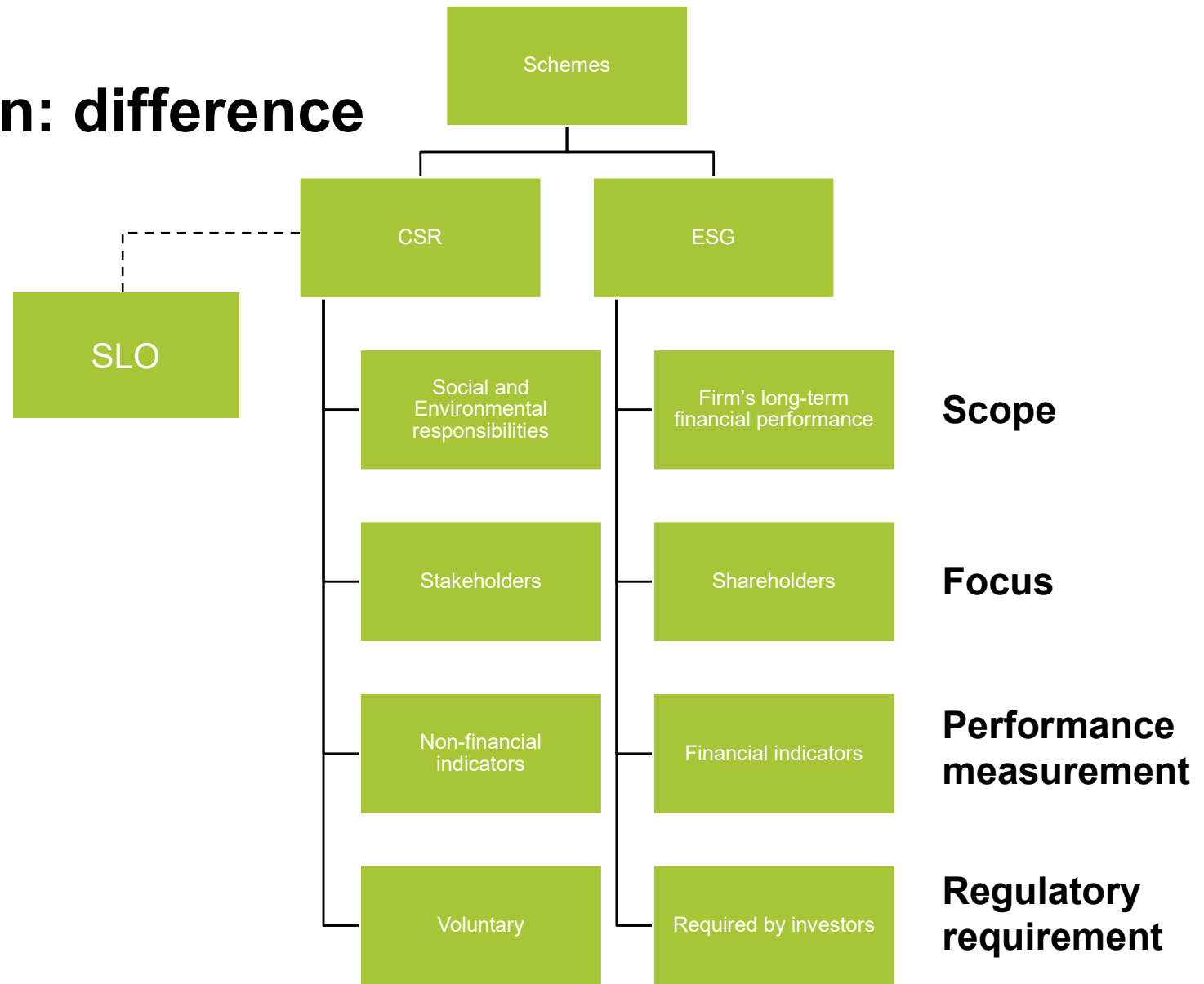
ARTICLE HISTORY

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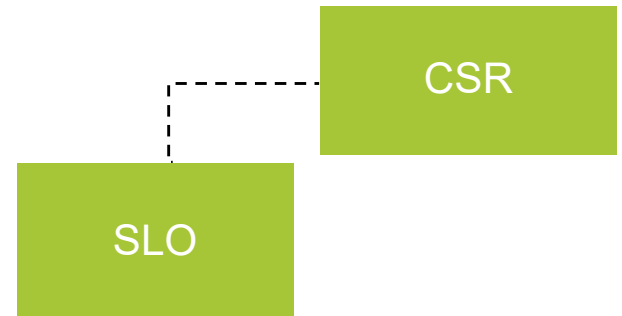
ESG vs. CSR vs. sustainability

ESG	CSR	Sustainability
Quantitative	Qualitative	Qualitative and quantitative
Externally regulated	Self-regulated	Both self- and externally regulated
Directly related to business valuation	Not directly related to business valuation	Often related to business valuation
Implemented through measurable goals and audits	Implemented through corporate culture, values and brand management	Implemented through a combination of CSR and ESG

Introduction: difference

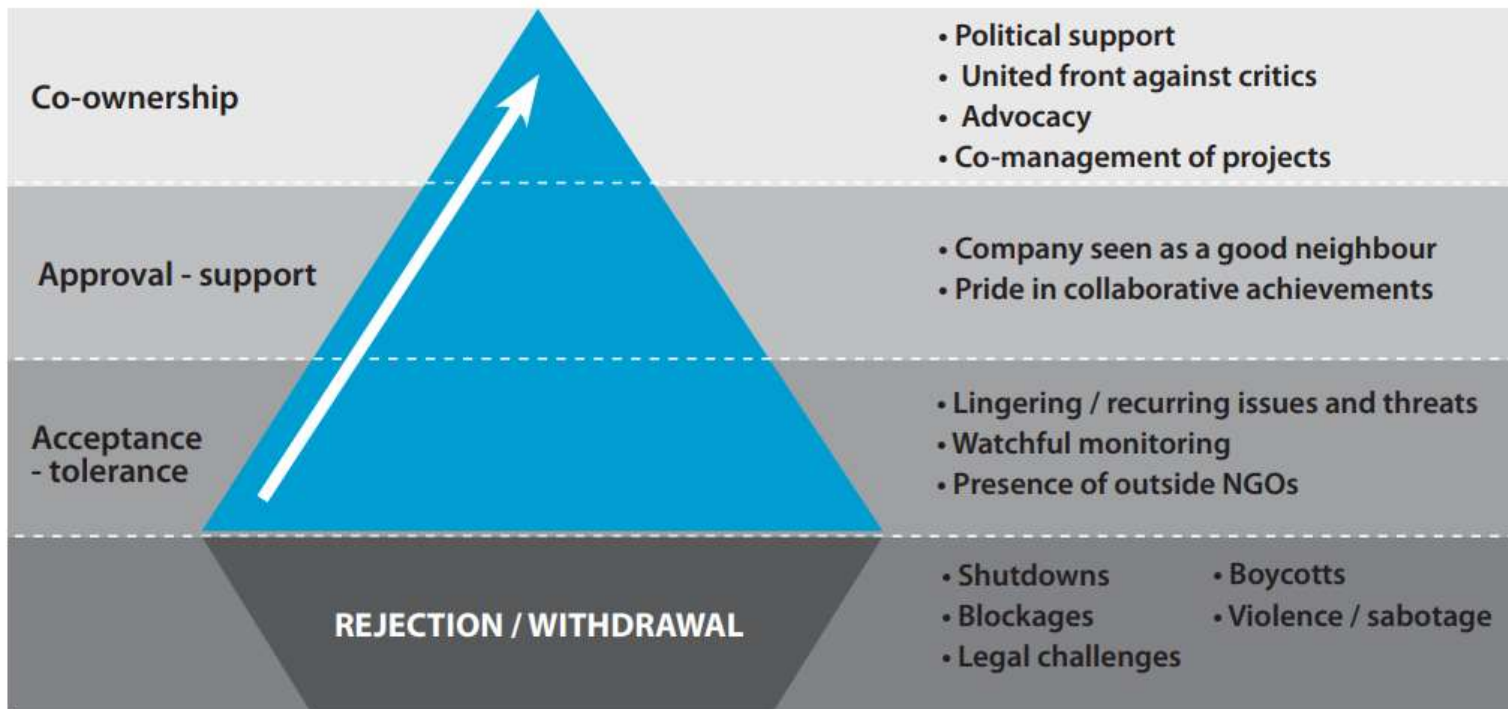


Introduction: CSR>SLO



LEVEL OF SOCIAL LICENCE TO OPERATE

SYMPTOMS / INDICATORS



Adapted from Boutilier and Thomson

[Source: Social-Licence-to-Operate-Paper.pdf \(sbc.org.nz\)](http://sbc.org.nz)

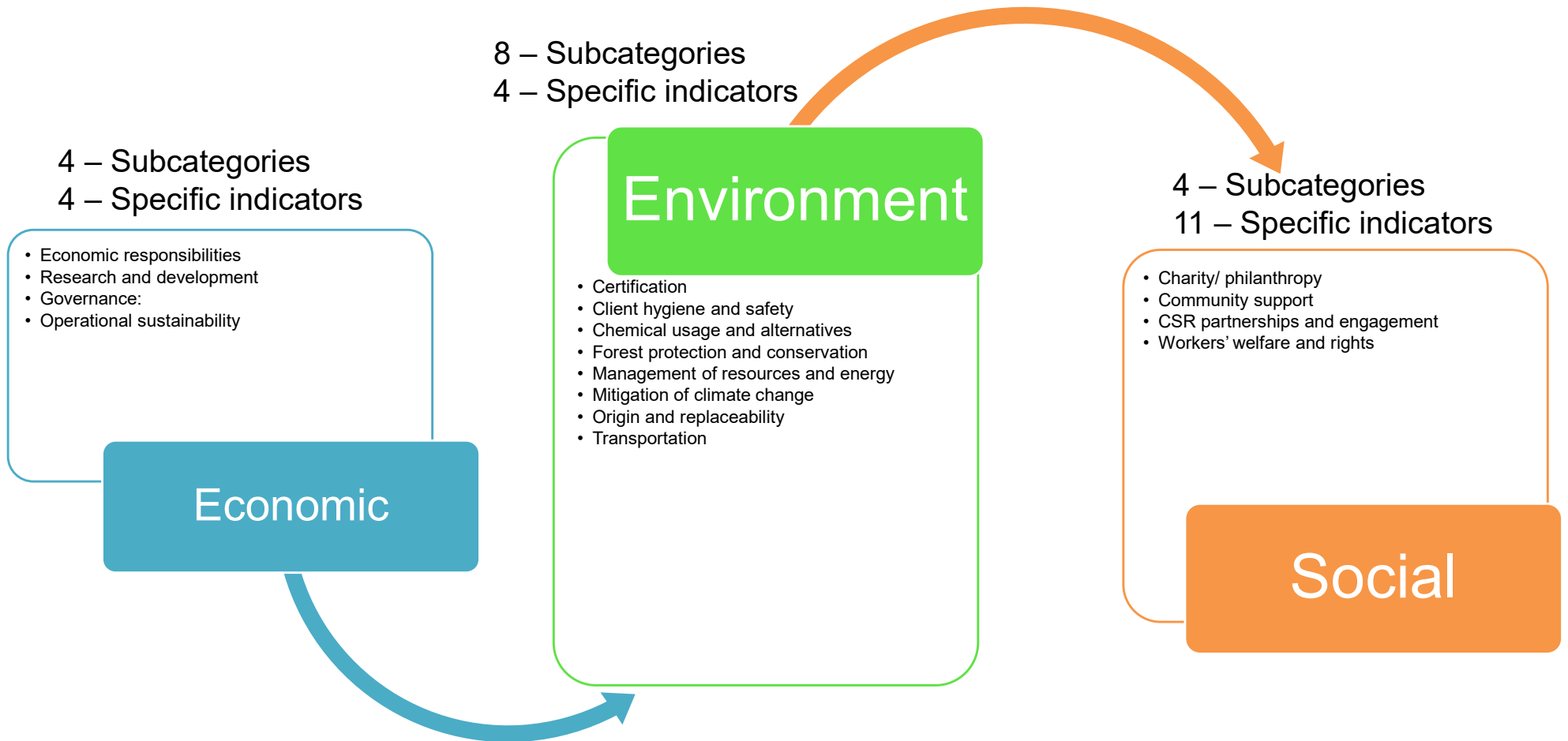
What are we doing in NZ's forestry sector?

Initial review:

- **CSR disclosure**
 - Refers to the process by which companies report on their social and environmental impact, as well as their efforts to improve their performance in these areas.
- **Consistency:**
 - Company authored-materials.
- Company/firms ***operating locally.***
- Extracted the discrete CSR activities (i.e., planned, in progress and completed).
- Total # firms: 20, of which two are Māori land trusts.

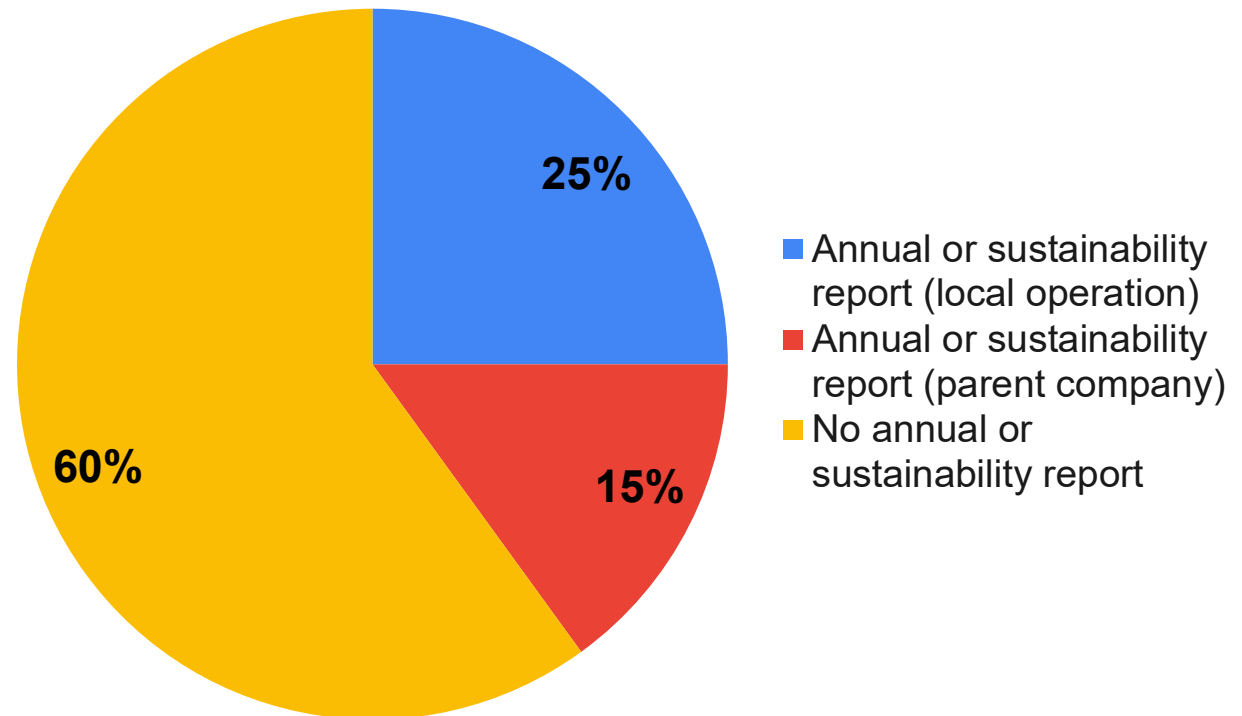


Sustainability indicators – Indicators for NZ



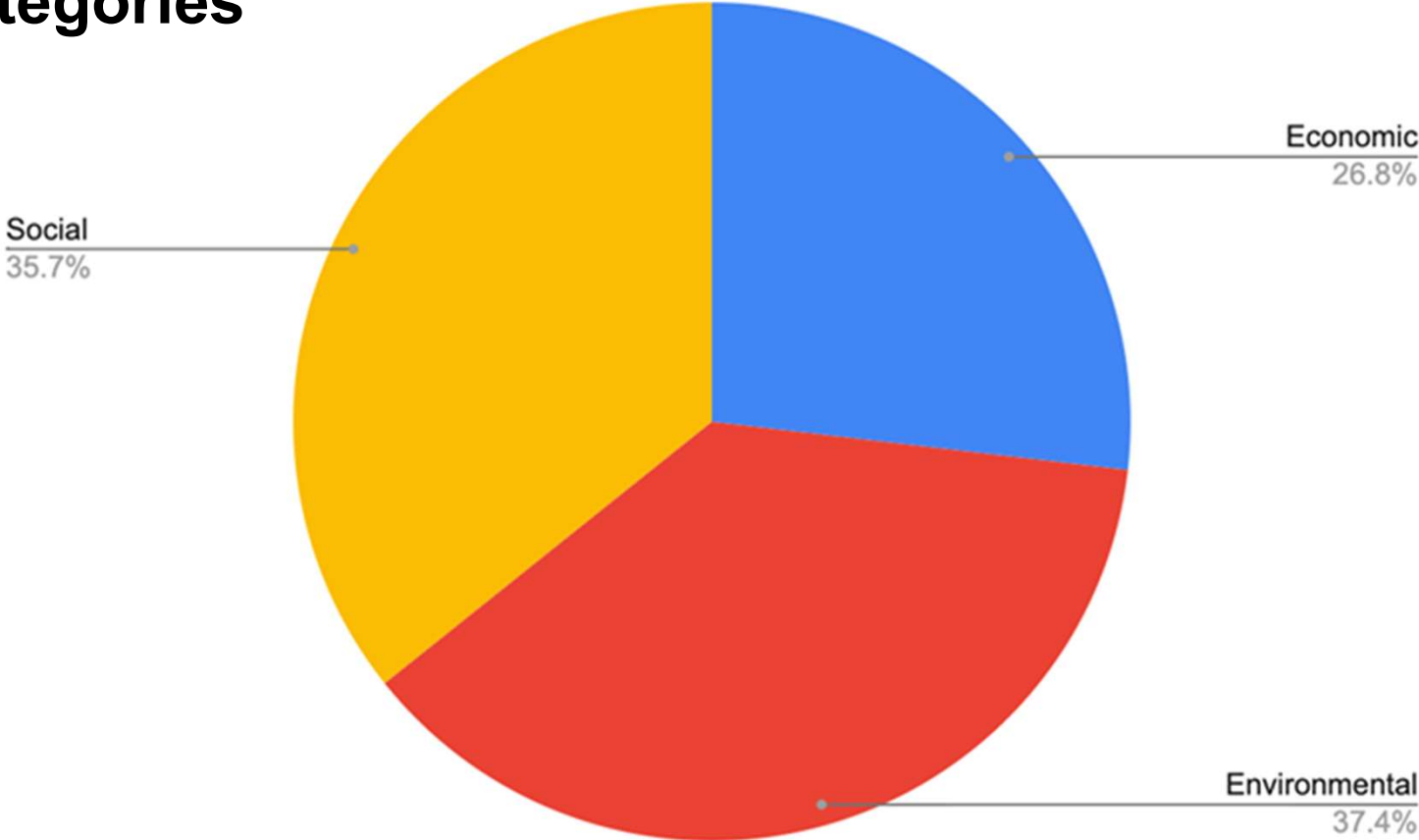
Result: sustainability reports

- Most of the companies are familiar with the concepts.
- Sustainability reports:
 - **Five (5)** local or country wide forestry companies.
 - **Seven (7)** have directly reference CSR concept.

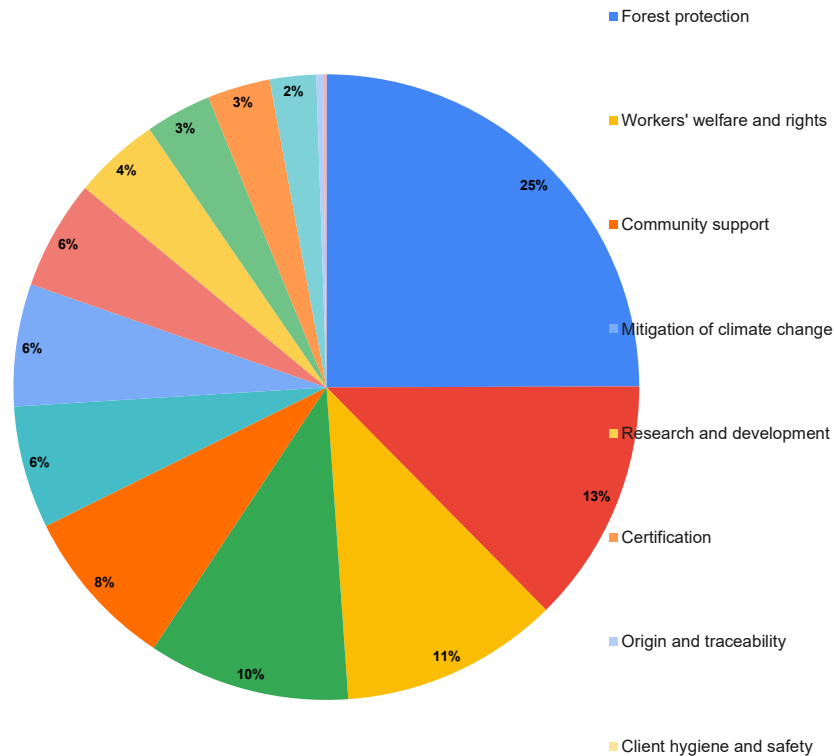


Result: CSR activities

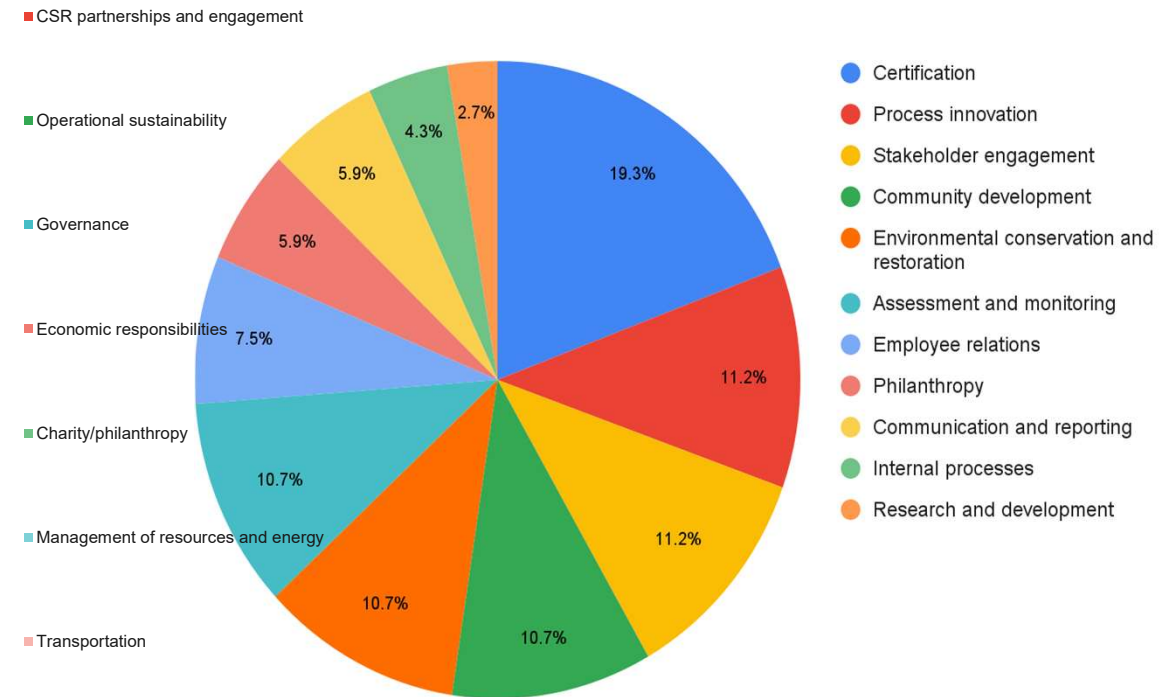
Key categories



Result: CSR implementation (*based on activities*)

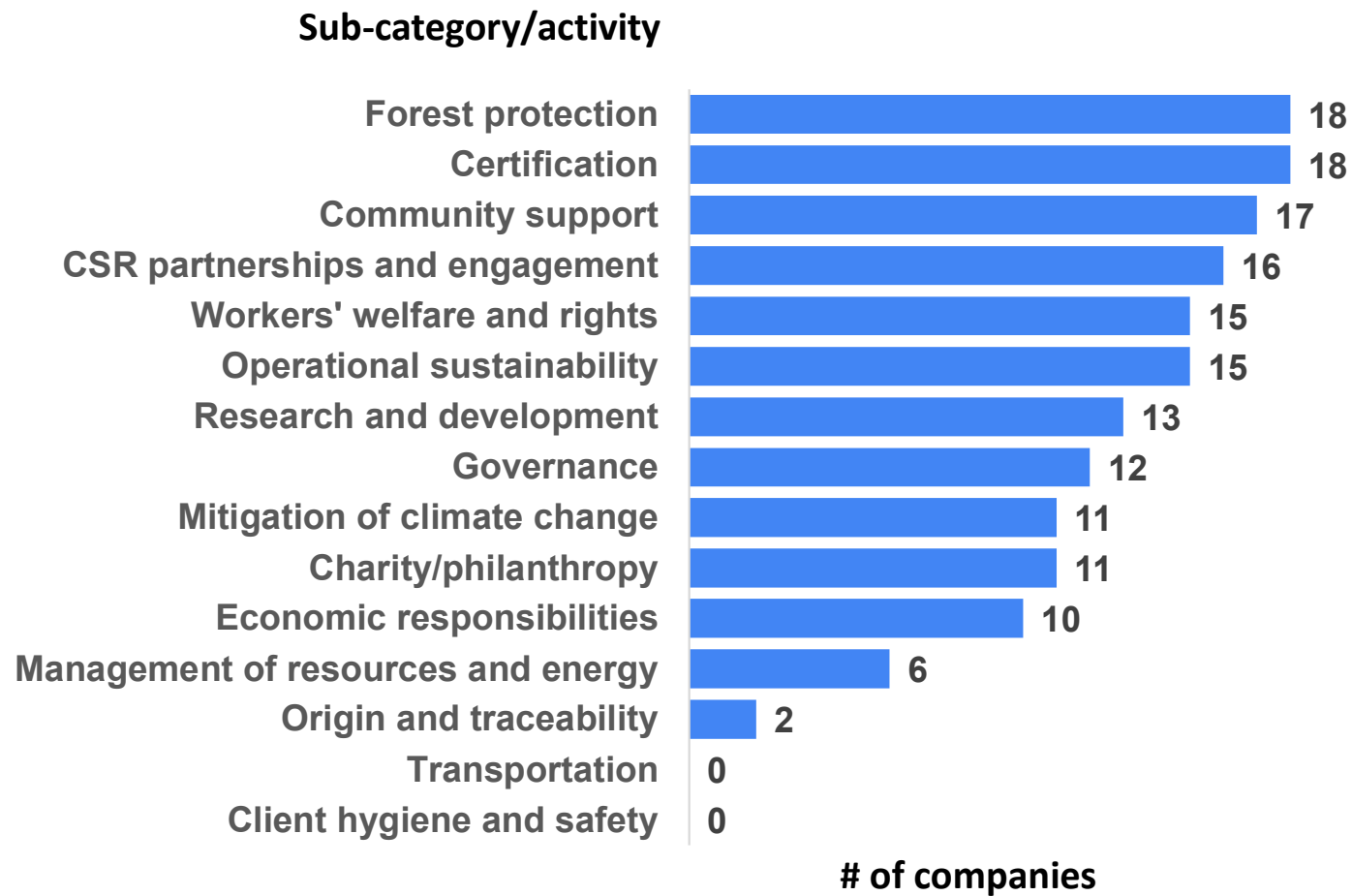


New Zealand (20 Forestry companies)



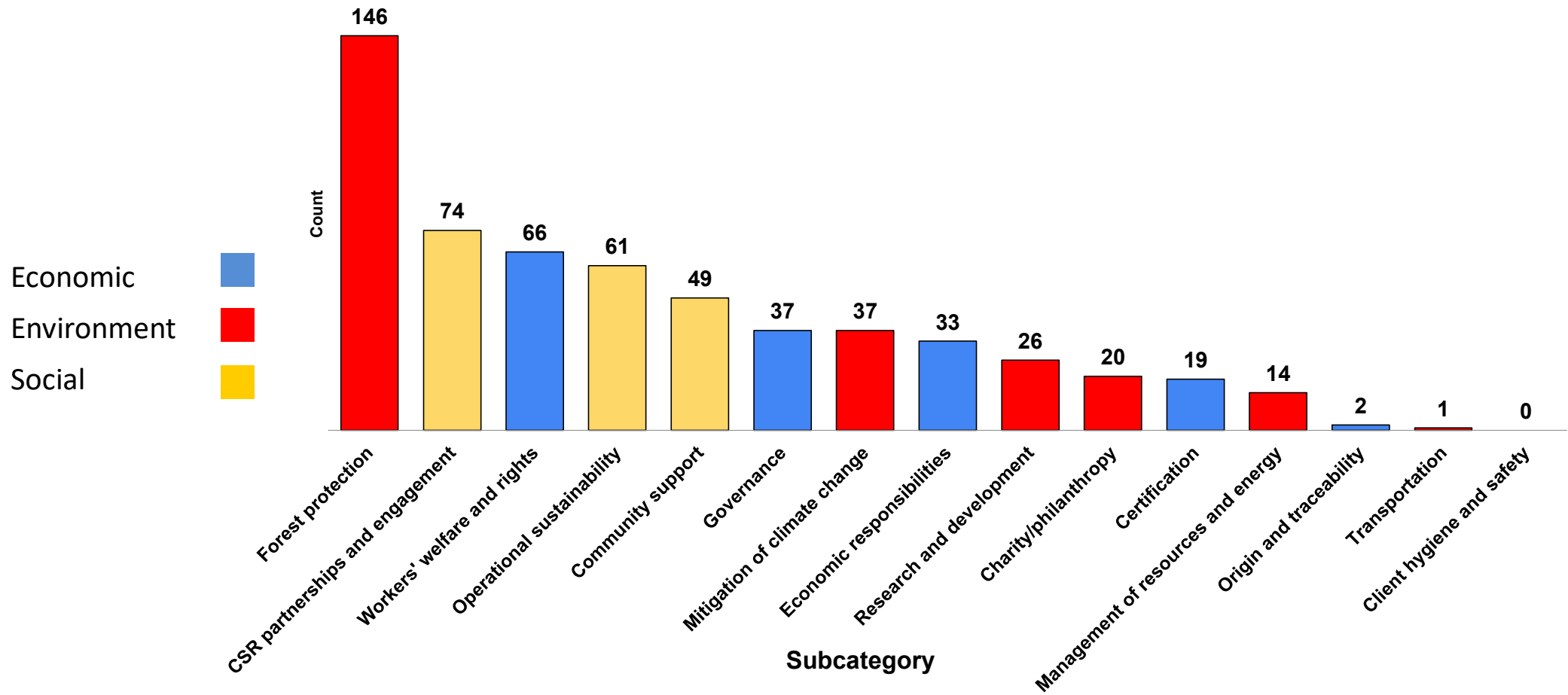
Global review (70 cases)

Results: Distribution of activities across companies

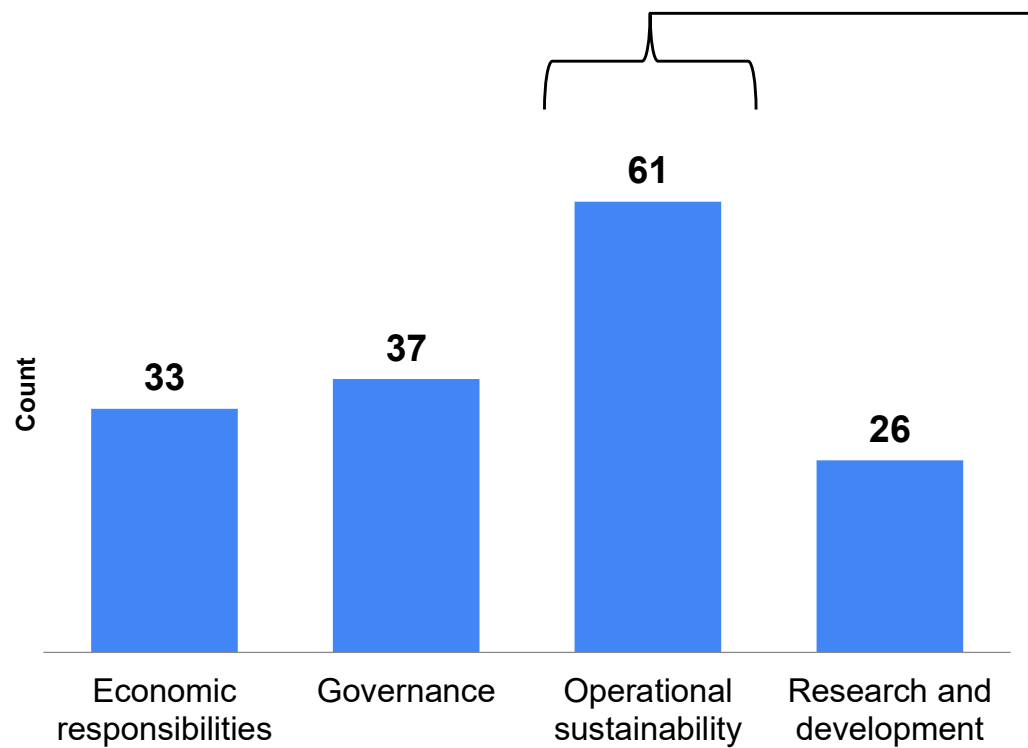


**Suggesting
where firms
are focusing...**

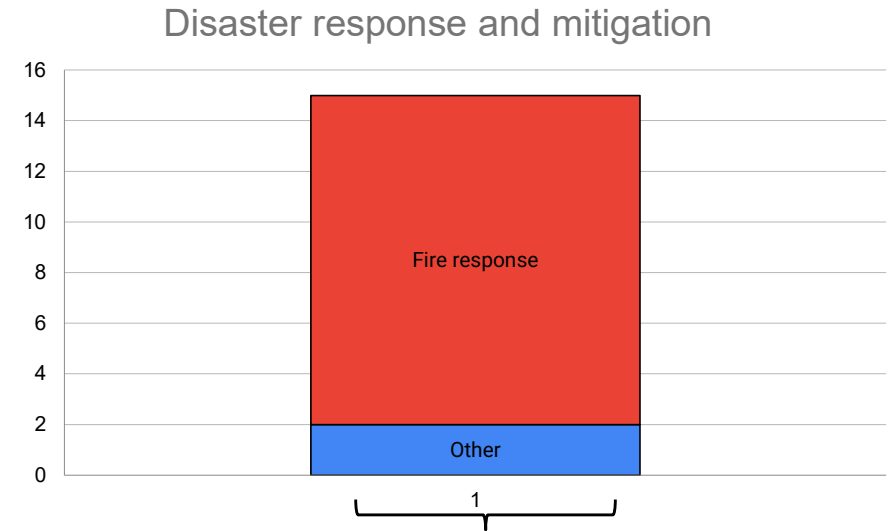
Results: Activities where companies are concentrating



Result: Economic



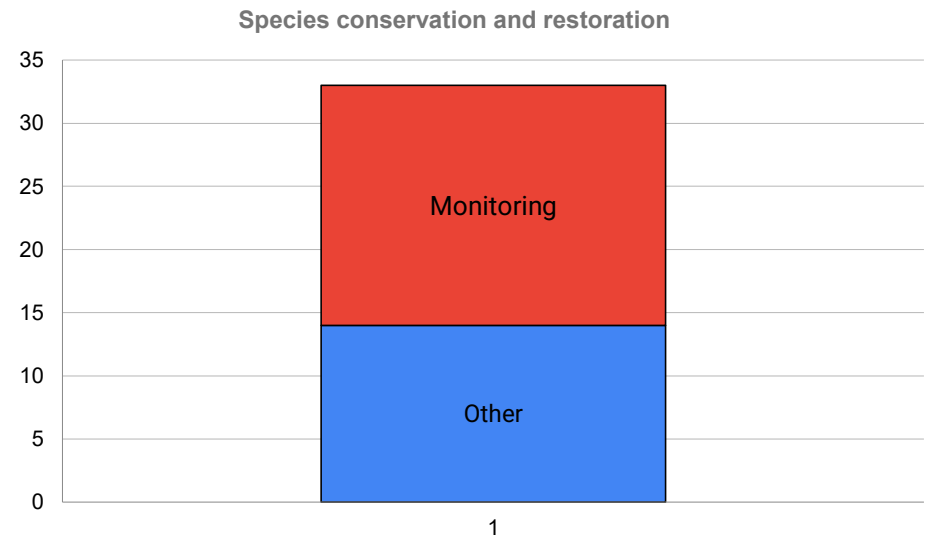
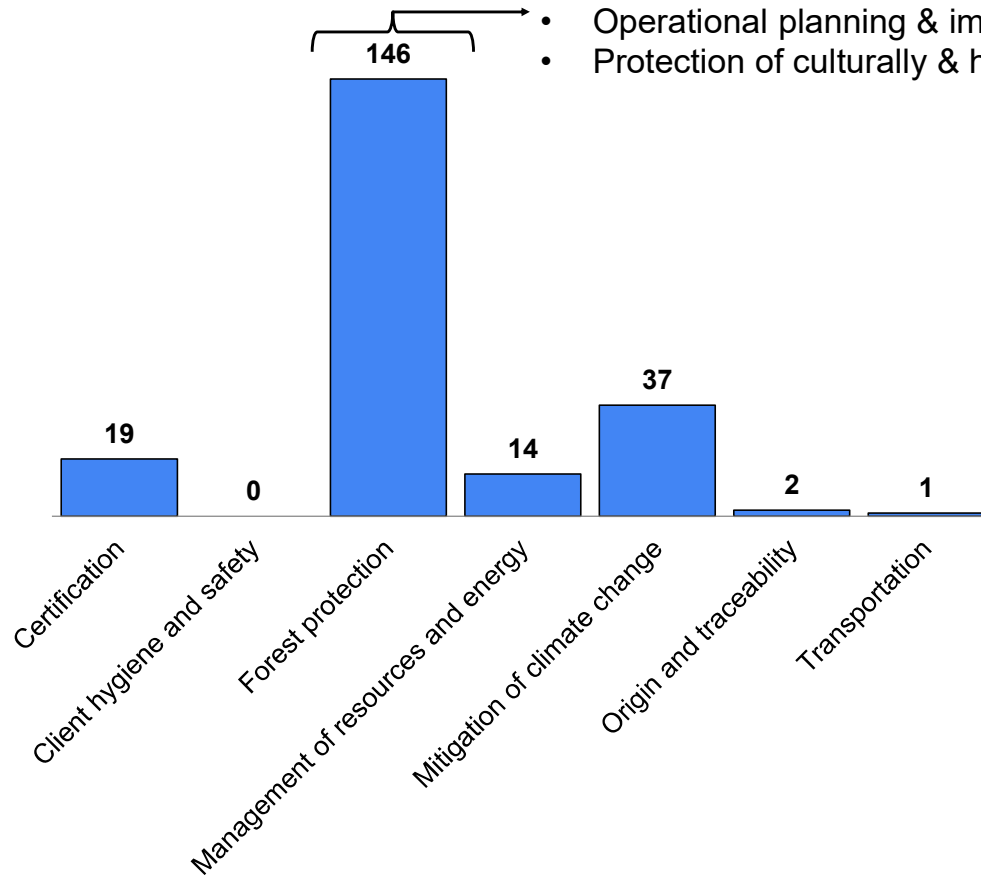
- Disaster mitigation response
- Forest health
- Forest management



- Forest debris mobilisation
- Landslide susceptibility risk monitoring (2019)

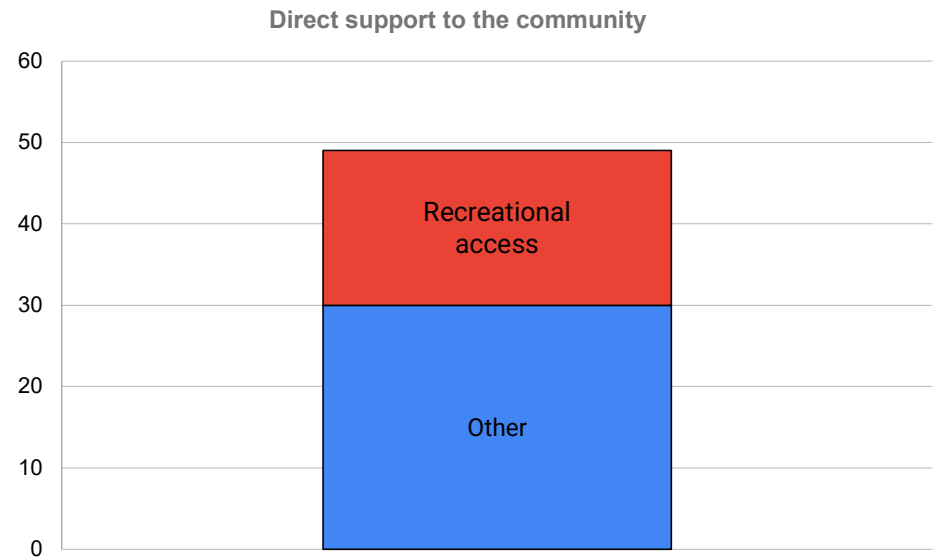
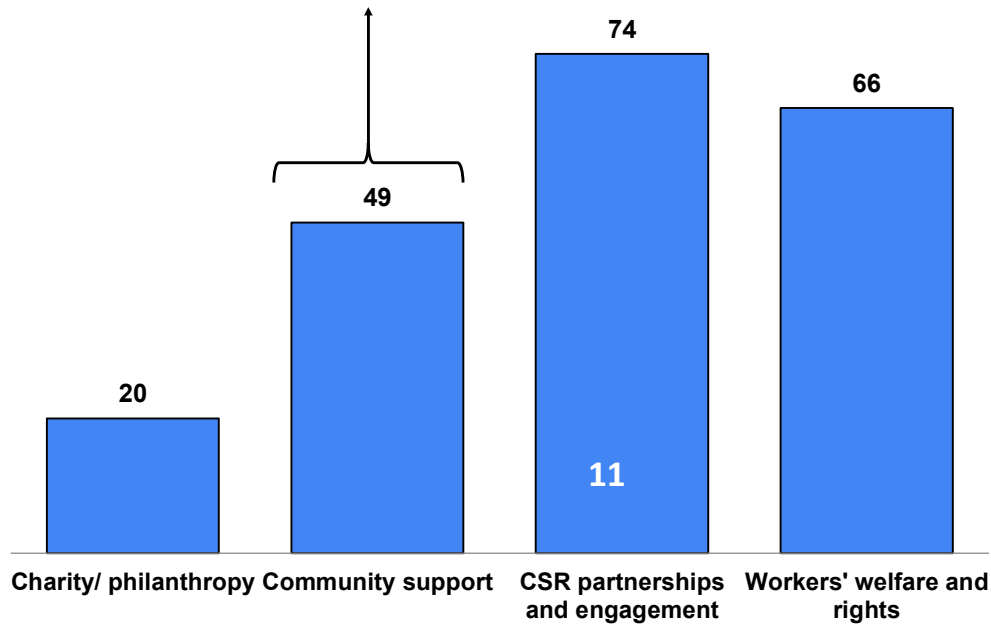
Result: Environment

- Chemical usage.
- Conservation/restoration: Regeneration of existing forests into native forests.
- Operational planning & impact: Envi. Mgt Plans (harvest plans, operational buffers, etc.).
- Protection of culturally & historically significant sites.



Result: Social

- Direct support to the community
- Education
- Health
- Human rights



- **Engagement/ working with Iwi or Māori representatives.**

Take home messages

- Forestry firms are **familiar with CSR**, but **reporting** remains **limited**.
- Activities are evenly distributed within *key categories*; but **heavily focus on specific sub-categories**. *Question: Is process innovation missing?*
- Some reports were too specific on their activities, whereas others were too broad
 - *Which tools can be adapted to guide and assist firms in managing their performance better and meet increasing societal expectations?*

What's next?

- Research question: *Are these firms' activities aligned with the expectations and perceptions of the public?*

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