

STAKEHOLDER RELATIONS

talking the talk

When BNFL took the decision to improve relationships with its stakeholders, the company embarked on a far-reaching dialogue with a wide range of interested parties. An independent third party played host to the discussions, seeking consensus on contentious issues

Radioactive waste and discharges, spent nuclear fuel, health and safety, national energy security given the issues at stake, it's unsurprising that the history of the UK nuclear industry's relations with its key stakeholders have been marked by conflict and confrontation.

For some, the biggest company in the sector – British Nuclear Fuels (BNFL) – has been secretive and untrustworthy and stands accused of putting profits before public safety and the environment. On the other hand, the company's critics have often been seen by BNFL as ill-informed and disruptive, ignoring valid scientific arguments and the reality that, like it or not, the nuclear industry provides more than 20 per cent of UK energy requirements.

By the late 1990s, however, a group of people within BNFL's senior management team had reached the conclusion that a change of approach was needed. They turned to The Environment Council, an independent body with experience of resolving environmental disputes, in an effort to engage with the company's critics in a less acrimonious, and hence more productive, way. As a result, in 1998 the 'BNFL

Stakeholder Dialogue' was born. Funded by BNFL, but independently convened by The Environment Council, this became the longest and largest stakeholder dialogue ever undertaken in Europe, running until April 2005. Based on a series of meetings that were

designed to inform BNFL's policies on social and environmental issues, the process brought together more than 150 individuals representing 70 organizations, ranging from green groups and trade unions to regulators and commercial organizations.

At the first two-day session in September 1998, the discussions began by establishing the principle that if participants tried to discuss the most controversial issues first, the whole process would almost certainly fall apart before it had even got under way. Instead, a list was drawn up setting out issues the various participants disagreed upon, but ranking them in terms of those on which agreement could most easily be reached. Participants then agreed to focus only on the 'easiest' issues in the first instance. In this way they hoped that more

exchanges were initially 'very sharp' on all sides, but as time went on the confrontation diminished

the company

BNFL, which employs 23,000 people in 16 countries, is an international nuclear energy group whose activities range from reactor design and fuel manufacture to power station decommissioning and clean-up. It is also the holding company of three businesses: British Nuclear Group (including Spent Fuel Services), Nexia Solutions and Westinghouse. In 2004/5 its turnover stood at £2.4 billion (\$4.34bn), with around half that income derived from the UK and the rest mainly from North America. It:

- n has an executive level corporate responsibility committee that is led by an executive director, David Bonser, which meets around five times every year
- n made charitable donations of slightly more than £3million in 2004/5, despite posting pre-tax losses of £144m
- n was rated 28th of the 'Top 100 Companies that Count' in Business in the Community's 2005 Corporate Responsibility Index
- n published its first corporate responsibility report in early 2003

reasoned discussion would arise, engendering trust and creating common ground for future discussion of more contentious issues.

This didn't prevent the first few sessions from being tense in the extreme: Stewart Kemp, a member of the Nuclear Free Local Authorities Secretariat, who was present, says initial exchanges were 'very sharp' on all sides, and Grace McGlynn, BNFL's head of corporate social responsibility at the time, concedes that 'distrust was the watchword' on both sides of the table. But as time went on, the meetings became less confrontational. Working groups, each of around 20 people, met every six weeks for two days of discussions on individual issues, reporting back to a lead group that convened every six to nine months.

Each group adopted the Strategic Action Planning approach, developed with The Environment Council. This involved all parties agreeing potential 'solutions' to different issues – such as what to do with spent nuclear fuel – and then working jointly through each solution to see where it could lead. This forced each stakeholder to examine every option in detail, making them aware of both the actions and uncertainties inherent in each choice. On many issues, it made them seriously think about scenarios they had refused even to consider before.



n the Dialogue led directly to a BNFL agreement to look into the option of making the plutonium stockpile at its Sellafield site (left) 'passively safe'

While such rules made for structured discussion, they could not prevent irreconcilable disagreement; indeed, two high profile non-governmental organizations, Greenpeace and Friends of the Earth, walked away from the Dialogue at an early stage, claiming it was trying to move too fast. Jean McSorley, senior adviser on nuclear issues at Greenpeace UK, maintains the process was stacked in BNFL's favour and that the company was attempting to push through too many decisions against the wishes of participants. Some stakeholders also felt the time required to commit to support for the venture restricted their involvement.

But while such difficulties ensured things did not always progress smoothly – and BNFL concedes the Dialogue 'undoubtedly lost some of its authority' when FoE and Greenpeace withdrew – the company feels the benefits were worth the (undisclosed) investment in time and money. It now has working relationships with many of its critics, has created some trust where before little or none existed, and, thanks to various spin-off activities created by working groups – such as the commissioning of a report on the social and economic impact of its activities on local communities – has a much better understanding of how its operations affect society.

John Turner, BNFL's group head of corporate responsibility, says perhaps the biggest single improvement to have flowed from the Dialogue is greater transparency. 'Within BNFL the subject matter is very technical, and the Dialogue has shown us that as an industry we need to make our information more accessible to allow people to both challenge and understand,' he says.

The change is not just in the mindset either. Previously, for example, the company was steadfastly against any idea that it ought to change its policy of reprocessing the potentially dangerous plutonium stockpile at its Sellafield site. But as a

result of discussions in the Dialogue's Plutonium Working Group, it agreed to carry out research on 'immobilization techniques' that could instead render the plutonium 'passively safe'. Following a reorganization of the UK's nuclear industry, this work has now passed out of BNFL's hands and on to the Nuclear Decommissioning Authority, which has set up a stakeholder consultation process that will use similar techniques to the Dialogue.

Kemp says that although they may still not agree on key issues, more people on both sides of the nuclear argument are now 'able to pick up the phone and have a quiet conversation about an issue'. That may be a considerable gain, given the ongoing national review of how the UK's energy needs should be met and the long-term need for the country to cut greenhouse gas emissions. The lessons learned from the Dialogue initiated by BNFL look likely to take on greater significance in years to come.

n Further information: www.bnfl.com and www.the-environment-council.org.uk

ibe comment BNFL

The issue of whether further nuclear power plants should be built in the UK is very much on the UK government's agenda; public awareness of the debate is growing. It is interesting, therefore, to read of BNFL's development of stakeholder dialogue since 1998. When this began, it was a ground breaking exercise for the company, from an internal viewpoint as much as for external stakeholders.

features of note from this case are:

- n** recognition that dialogue is a way to build trust
- n** the sense in developing discussions on what can be achieved first
- n** use of a respected intermediary, The Environment Council, to act as facilitator
- n** realization that making information more accessible and transparent aids understanding

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