

الشبكة العربية للمسؤولية  
الإجتماعية للمؤسسات  
Arabia CSR Network®

CSR ARABIA

# Arabia CSR Network

newsletter

June 2015 Issue 46



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## Note from the President & CEO Arabia CSR Network

While the tragic events in Nepal following the earthquakes continue to haunt us, it has provided an opportunity for many to reach out in support of the victims. Corporate contributions, alongside contributions made by governments and individual persons, has seen an upsurge in the aftermath of the quakes. It is indeed wonderful that organisations, of their own volition, have turned up to extend an eager hand of support. It contradicts the notion that business's overriding responsibility is fiduciary; and accentuates the ethos of responsibility towards the society and communities.

So, should organisations engage in acts of philanthropy? And could there be a Philanthropy good practice? These are quintessential dilemmas in Corporate Social Responsibility, and for many it is the most difficult first step to skip. Giving without making it a source of long term, recurrent and sustained value for the recipient or beneficiary is unproductive and meaningless in the final equation. So how does an organisation, conditioned to the culture of 'sadaqah', make something more strategic out of their philanthropic engagements? Or, to put it in a different way, where does charity end and value creation begin? What is the line of distinction between giving to those in need and serving those in need? The solution to the dilemmas lies in the organisation's ability to shift from the "value addition" mindset regarding CSR and sustainability to that of "value creation".

Organisations need to investigate if the impacts of their actions are eroding or could potentially erode their value, and be on the hunt for opportunities to minimize environmental impacts, create positive societal impact, develop sustainable products, adopt ethical practices, and integrate sustainability in systems, processes and functions. By addressing these core dimensions of CSR and sustainability, organisations vastly improve their performance in all areas of operation and CREATE VALUE for both the organisation and society. This is what is referred to as The Sustainable Value Framework.

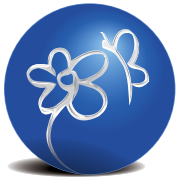
The ability to extrapolate social investments and impacts to predict long term value originates from a strong understanding of the strategic aspect of CSR on the part of the organisation's leadership. Like Will Day, Chairman of the Sustainable Development Commission said, "Where sustainability works best is where an organization's leadership gets it and wants it to happen and enables it to happen – so everyone from the person who sweeps the floor to the finance director feels part of that conversation. To offer these learnings to the leadership and management, Arabia CSR Network has developed a set of accredited training courses, including the recently held CSR Strategy and Leadership course, and the upcoming CSR Advanced level course. Last month we also conducted the first ever GRI G4 training in Oman, indeed it was the first certified sustainability reporting training session in the country. We are delighted to have been invited by Tawasul to deliver this three day session to a group of top level people from prominent businesses. In June we have lined up a couple of learning sessions, including the Arabic CSR Fundamentals course and a workshop based on SROI (Social Returns on Investment) and social impact assessment. Our knowledge building platforms will continuously aim to bring newer and better programmes, including the latest on CSR, sustainability reporting, integrated reporting, and more.

### **Update on the Arabia CSR Awards 2015 - Only a month to the submission deadline!**

With the submission deadline for the eighth Arabia CSR Awards approaching at the end of this month, many organisations are rushing to submit their applications to this very competitive award. Already the award secretariat has processed 105 applications from government, business and non-profit making organisations. The local representation is very diverse and cross-sectional, - there being 24 sectors that are represented by the applicants, and belonging to 12 countries in the wider Arab region of the Gulf, the Levant and North Africa. Batches of applications are already being checked and prepared for assessment by the jury panel.

The awards secretariat is working furiously to ensure that the received applications conform to the guidelines, categories and criteria. The jury will evaluate all the applications over the next three months, applying a rigorous criteria and methodology of assessment. The scores will be tabulated by the awards secretariat and results will be finalized in the beginning of October. The shortlisted applicants will be duly informed and all applicants will be invited to the felicitation ceremony that will take place on the 28th of October. Preparations are also underway for the Arabia CSR Awards Forum, which enjoys considerable renown as the Region's leading knowledge and networking platform for CSR practitioners, leaders and experts.

Organisations interested to compete for the highly acclaimed awards have less than a month to register, complete and submit their applications. So interested organisations are requested to register at the earliest convenience and launch into the application without delay. We wish everyone good luck and look forward to unveiling the results of the 8th Arabia CSR Awards!



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### **Ma'aden, The Saudi Arabia Mining Company is the new Exclusive Strategic Sponsor of the Arabia CSR Awards!**



For the second consecutive year, Ma'aden is the generous Exclusive Strategic sponsor of the Arabia CSR Forum and Awards. After active engagement in the Arabia CSR Awards Forum and also applying for the Arabia CSR Awards in 2014, Maaden continues its relationship with the Arabia CSR Network based on their commitment to sustainability coupled with their faith in the credibility of the platform.

Ma'aden was formed by Royal decree in 1997 to facilitate the development of Saudi Arabia's mineral resources. Initially Ma'aden's activities focused on expanding its active gold business which now includes five mines. Ma'aden has also developed its activities beyond gold with the development of Ma'aden Phosphate Company, which started production in 2011, its aluminum project and a number of other projects. Ma'aden is a company that performs all of its actions with the utmost concern for human resources, health, safety, environmental and social issues and the Arabia CSR Awards is proud to be associated with it.

Sponsorship for the Arabia CSR Forum and Awards is still open; please contact us for more information on a wide array of beneficial packages.

## **Meetings & Events**

### **First GRI G4 Training in Oman**

The Arabia CSR Network training team travelled to Muscat to deliver a three day sustainability reporting course certified by the Global Reporting Initiative (GRI). The session was organised from May 12-14th in cooperation with Tawasul, a reputable NGO operating in Oman that has long standing ties with the Arabia CSR Network. This was the first training of its kind to have taken place in Oman. The well-designed course provided insights and know-how related to the GRI's latest framework called 'G4' or the fourth generation reporting framework. Participants came from Oman and Jordan, and represented diverse sectors such as ICT, regulatory, telecommunication, Oil & Gas, hospitality, civil society, etc.

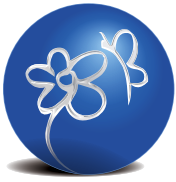


The training opened with a curtain raiser, focusing on the key sustainability issues globally and locally. The following sessions took participants on a deep dive into the GRI guidelines on G4, its requirements, the processes and tools for G4 reporting, and foundational principles of CSR and sustainability as they apply to GRI reporting. The trainers were able to impart rich course material designed by GRI, along with local examples and exercises developed by the training organisation. The session was vastly enriched by the rich discourses and sharing of experience among the trainers and delegates, and between the delegates themselves.

At the end of the training, the participants were left with a deep understanding of CSR and sustainability, transparency and accountability disclosures, and how GRI G4 adds credence to an organisation's sustainability performance over time. "The training was an excellent opportunity to fully understand the process of publishing a G4 Report," one of the participants of the Oman training reported back. "GRI sheds light on all aspects of corporate impact, moving reporting from generic CSR to detailed sustainability," stated another. It was the 21st GRI training to be undertaken by the Arabia CSR Network in the last four years. So far the Network has successfully trained 158 professionals from a plethora of sectors represented by 109 public, private and civic organisations dispersed across the Middle East and North Africa. Close to forty reports, including GRI G4 reports, have been published by organisations that have taken part in these trainings, while some more are in the pipeline.

The Network is the region's first training centre to sign an agreement with GRI to deliver certified content to organisations operating in Arab countries. Moreover, it is the only so far to offer these certified trainings in both Arabic and English. The Arabia CSR Network also provides advisory support and third party verification of sustainability reports, particularly those complying with GRI requirements. The Network's upcoming trainings are mentioned in the events section of this bulletin and are also featured on their website.





### **Training on CSR Strategy and Leadership**

The Arabia CSR Network has designed a set of high content certified trainings on CSR and Sustainability, focusing on critical components that practitioners ought to be fully aware of. A series of staggered courses have been developed to take delegates through the fundamental precepts, the strategy and leadership aspects, and the advanced level concepts and application of CSR and Sustainability for matured practitioners. Each of these unique courses comes in-built with a certificate of attainment for successful candidates that are exposed to an end of course knowledge assessment. These highly rigorous courses are meant to enhance the ability to apply new concepts and techniques to improve the organisation's financial and non-financial performance.



The latest training on CSR Strategy and Leadership aimed to do this and more. It gave participants a broad-side view of the opportunities that are inherent in CSR and Sustainability. It increased their awareness about how a perfectly aligned CSR strategy can be leveraged to best respond to emergent market needs and create sustainable value for both organisational and societal stakeholders. The course covered important aspects such as definitions and approaches, strategy best fits to different markets, innovation beyond greening, leadership competencies of CSR, and case examples. The rich course was used to expand participants' knowledge and equip them to provide inputs to sustainability strategy development and implementation.

### **Upcoming Trainings & Events - Register today!**

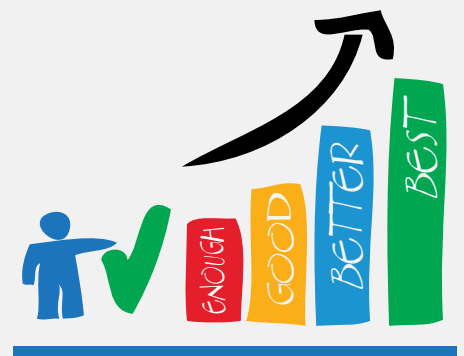
#### **Certified Training on Fundamentals of CSR and Sustainability (Arabic) June 9-11, 2015 - Dubai, U.A.E.**

CSR and Sustainability have emerged as a strategic priority for organizations, leading them to find ways to realize the full potential that CSR offers as a strategic management tool. The Arabia CSR Network is organizing this training in Arabic to infuse in participants a clear understanding about the fundamental tenets of CSR and the link between CSR and the organisation's performance. The course has been designed to offer pedagogical content and real world examples using a combination of lecture, discussion and exercise. The training would be very useful for a wide range of participants that are looking to build their knowledge and capacity for designing and implementing CSR strategies that are in tandem with their core goals and objectives. The training will be suitable for CSR or any other team member tasked with Environmental, Social and Governance (ESG) responsibilities, as well as consultants, freelancers and researchers.



#### **Social Impact Assessment Workshop June 14 (full day) & June 15, (half day) 2015 Dubai, U.A.E.**

Social impact is usually measured intangibly on the basis of direct feedback from beneficiaries, surveys, or other soft methods of comparing organizational targets or societal goals. More often they are reported in terms of capital invested or number of beneficiaries. In other words, current social measurement trends are not at all indicative of real success. Our social impact measurement (which is in accordance with the global SROI - Social Return on Investment - model) converts social change into -financial terms, parallel to and in the same language as a year-end financial report. This works by measuring the impact based on modern stakeholder engagement, accounting methods and creating -financial proxies and indicators on how the project or initiative has created measurable quantifiable value to the society. This training is suitable for companies, social enterprises and non-profit organizations looking for practical ways to start measuring the social impact of their social and community programs.





## Our Family Member Updates

### **ABB Egypt increases CSR investments for education and community development**

In 2015 ABB is making substantial investments to support community development and education in Egypt. According to their Country Communications Manager for Egypt, Central & North Africa, the CSR activities being targeted in 2015 focus on renewable energy, community development and energy saving awareness, and will be carried out through school campaigns. ABB has also been engaged in supporting local needs like providing water to households, the refurbishment of schools, monetary and in-kind contributions for the building of a bridge and providing laboratories to government universities. ABB also provides scholarships to engineering students in government universities and runs summer training programmes for them. ABB's philanthropic engagements include providing incubators to a local hospital and support to rural areas.

## General News

### **New government decree reaffirms Corporate Governance and Board diversification in the UAE**

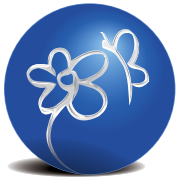
The Minister of Economy HE Sultan Al Mansouri has issued a directive to amend some of the provisions of the ministerial decree No. 518 of 2009 related to Corporate Governance and standards of institutional discipline. The clause related to diversity inclusion in the composition of the Board of Directors stipulates that there should be at least one female member of the board. In the case where an organisation fails to nominate a female board member it would have to provide an explanation of the reasons, and also disclose the proportion of representation by gender in the board in an annual corporate governance report. The decree also requires organisations to develop a gender diversification policy and encourage women to run for board positions in the organisations.

This formalized policy should be made available to the authorities. In 2012, the UAE government had introduced a law making it mandatory for all public and private enterprises to include board diversity as a part of corporate governance. The recent ministerial decree is expected to create momentum in this direction; taking into account that organisations will have to provide a reason for noncompliance. Other amendments focus on anti-corruption and accountability, and require concrete measures and disclosures to mitigate unethical and fraudulent transactions. Regulations have also been introduced to tackle and prosecute organisations for fraud or bribery incidents. Organisations will be liable to provide information and documents on civil and commercial transactions and violations of the stipulations of the requisite laws will be subject to litigation.

### **Proposed indicator framework for the Sustainable Development Goals**

The Sustainable Development Goals will be officially launched in September 2015. However the implementation of the SDGs will be intrinsically linked to the targets and objectives set, and the monitoring and assessment of progress. Towards this, the UN has proposed the development of an indicator framework for monitoring of SDGs and targets. The United Nations Statistical Commission, which is providing strategic support to the post-2015 development agenda, recently endorsed a roadmap for the creation of a global indicator framework to be readied for endorsement in its 47th session in 2016. It also approved the establishment of an Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs), consisting of national statistical offices and the regional and international organizations and agencies as observers, that will be tasked with developing a suitable proposal for the indicator framework for the monitoring of the goals and targets of the post-2015 development agenda at the global level, under the leadership of the national statistical offices. Towards this, a seventeen-month dialogue and discussion process to solicit multi-stakeholder feedback on a set of 100 proposed indicators was initiated by the IAEG-SDGs. According to the UN Sustainable Development Solutions Network, "Effective SDGs, targets and their indicators will serve as a management tool to help countries develop implementation strategies and allocate resources accordingly. They will also serve as a report card to measure progress towards sustainable development and to help ensure the accountability of all stakeholders for achieving the SDGs.

Indicators will be the backbone of monitoring progress towards the SDGs at local, national, regional and global levels." An initial set of over 300 indicators aligned to all the 17 proposed SDGs was compiled, and circulated to the UN member countries for feedback. Out of them 50 indicators were found to be regarded as feasible, suitable and very relevant (criteria for feedback), 39 indicators were deemed feasible with strong effort, but suitable and very relevant, 28 indicators were considered only feasible with strong effort although relevant but in need of further discussion, 86 indicators were thought to be only feasible with strong effort, in need of further discussion and somewhat relevant, 95 indicators were considered difficult even with strong effort, in need of further discussion and somewhat relevant. For 23 indicators, additional disaggregation by age and sex was considered feasible with strong effort. Currently, an online platform is available to other stakeholders of the UN such as NGOs and other major groups to provide their comments and feedback on the proposed indicators.



## Feature Article

### *All news is good news: the importance of the Balance Principle in credible reporting*



Balanced reporting is credible reporting. No organization has a solely good or bad story to tell as far as sustainability reporting is concerned, and your organization should aim for balanced reporting as the optimal approach. Balanced reporting requires an organization to stand back and take an overall view of its total impacts, rather than just trumpeting good news about positive impacts in a given moment.

Using G4 should help everyone to identify the impacts that your organization has on a range of economic, environmental, and social matters. Good and bad, short term and long term, actual and potential; G4 is there to facilitate communicating about your impacts, and what you're doing about them.

Balance arises from taking a broad view, from a certain openness. Your organization's most significant impacts could be indirect – something that's done by one of your suppliers, for example. And they can range far and wide. The community in which you operate may be delighted you operate there – but in the near future, your use of manufacturing materials could impact people on the other side of the world. It's this wider view that effective sustainability reporting intends to capture.

#### **Transparency – the key to balanced reporting**

How organizations behave affects how they're perceived. Transparency on sustainability impacts – both positive and negative – lets all interested parties make a considered assessment of your behavior and your prospects.

Reporting negative impacts may be something new for your organization, but transparency is what makes your report valuable. A balanced report helps identify what is critical to manage and change, even if your organization isn't ready to address the issue immediately. It's also a self-defined space

where you can talk about how you intend to prevent, correct, mitigate or compensate for any negative effects you have.

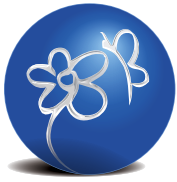
Transparency can also increase people's understanding of the context in which your organization operates. Many things you need to manage may need to be managed also by all those in your sector; or by all companies and organizations, for that matter. The fuller picture, from a balanced report, builds trust and increases credibility. It enables your organization, in tandem with others, to make a fuller contribution to the broader sustainability reporting agenda.

#### **Bolstering reputation and integrity**

G4's Disclosures on Management Approach and Indicators are designed for you to show positive and negative impacts, descriptively and quantitatively; and to reveal your future plans for each. So by using them judiciously and in good faith, it's straightforward to achieve the level of balance that benefits you and your audience. This balance means you're reporting with integrity. It's all part of demonstrating that you're a progressive organization; one which truly understands the value of transparent sustainability reporting.

To sum up, your report should reflect positive and negative impacts of your organization's performance to enable a reasoned assessment of overall performance. Organizations don't need to be performing well on all fronts, but they need to be transparent and open, making public commitments to improve the areas in which they are not doing well. Remember that reputation and business integrity can be truly bolstered by balanced reporting.

Source: Global Reporting Initiative



## Case Study from the Archive - NATPET

### Abstract

NATPET is one of the first companies from the Kingdom of Saudi Arabia to win the prestigious Arabia CSR Awards. From embracing international standards of best practice to propounding sustainability in the Plastics business, NATPET has taken deliberate steps towards excellence and leadership. The organisation directs efforts to the areas that are important to prosper and flourish in its business and those that give them a strong foundation in the community. The three guiding pillars of CSR in NATPET are Economic Sustainability, Environmental Sustainability and Social Sustainability, and are enshrined in the principle, 'Our People, Our Partners, Our Planet'. The different aspects of responsible business are well addressed through social, environmental and ethics based policies, structures and initiatives. Leading from the front is the company's top management, a factor that NATPET credits with the successful implementation of CSR. To make its business a responsible one, NATPET has taken a number of environmental issues that it addresses in its own operations, such as, wastes, emissions, energy consumption, and so on. Its interest has led NATPET to new business opportunities and partnerships. NATPET is also committed to its own people and to the extended community in equal measure, bringing benefits to both constituencies through its engagement and outreach efforts. NATPET has won acclaim from various quarters locally and internationally, for its excellent performance as a CSR practitioner and a very successful business.



NATPET defines CSR as a "social strategic engagement" that yields great learning and adaptation skills. It is the means to enhancing 'social competence' of its people that will unlock the potential for process improvements and product innovations. NATPET is led by the 'Kaizen' philosophy in mobilizing everyone from the executive to the assembly line levels to aim for continuous improvement in its business processes and products, and managing their social impacts. NATPET sees the pursuit of continuous improvement in environmental and social impacts of processes and products as "a part and parcel" of its daily business. NATPET, having won various accolades for their accomplishments and achieving clear benefits, understands the value that CSR has added to their performance as a business. It ascribes the returns on the CSR investments to reduced cost and risks, competitive advantage, reputation and legitimacy, profitable partnerships and value creation, innovation within and outside the company, and stakeholder accountability and transparency.

### Conclusion

NATPET will benefit tremendously by going through the experience of publishing a Sustainability Report. It will give them a useful perspective on their strengths and weaknesses in the area of CSR and sustainability. In the end, it would be a far more active process of evaluating performance by measuring the results and outcomes of its efforts. Using the trusted GRI G4 reporting guidelines will put them on par with the leading sustainability practitioners globally, and help their case in their dealings with international partners. GRI's robust framework of stakeholder engagement and issue prioritization will bring NATPET's CSR closer to local needs, and ensure a better alignment with relevant initiatives.

According to NATPET, the lessons learned from CSR and sustainability are many. Having a vision and high-level commitment is necessary for transforming organizations and integrating CSR into the way an organisation conducts business. High-level commitment provides leadership for the change process, ensures that the needed resources are made available, and that any barriers to change, such as lack of incentives or skills, are addressed. Incentives, motivational factors and employee buy through corporate recognition programs, bonus and accountability systems make an important contribution to the success of CSR efforts. Measures that contribute to successful CSR include strong stakeholder engagement programs, assigning adequate internal resources to CSR, reporting, and developing a strong business case. The advantages were very significant for the organisation. It brought about a change in the corporate culture and helped to develop accurate performance metrics; which ensured continuity of the CSR programs in the face of management and staff turnovers.

### Arabia CSR Best Practices: 2014

*This abstract has been taken from the ACSRN publication titled 'Arabia CSR Best Practices: 2014'. For more details on NATPET and other companies that have been recognized for their innovative and effective CSR strategies write to us at [admin@arabiacsrnnetwork.com](mailto:admin@arabiacsrnnetwork.com) and book your copy now! Please mention "Arabia CSR Best Practices" in the subject.*

The Arabia CSR Network welcomes new members to be a part of its CSR journey. To learn how to be a member, and how your organization will benefit from it, call us at +971-4-3448120 or write to us at [admin@arabiacsrnnetwork.com](mailto:admin@arabiacsrnnetwork.com) For more information on the Arabia CSR Network visit [www.arabiacsrnnetwork.com](http://www.arabiacsrnnetwork.com)