

الشبكة العربية للمسؤولية
الإجتماعية للمؤسسات
Arabia CSR Network®

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CSR ARABIA

Arabia CSR Network

newsletter

Two GRI Training Sessions held in December



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**A PRACTICAL
APPROACH TO
INTEGRATED
REPORTING**

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Note from the President & CEO Arabia CSR Network

It is always difficult to write a note on the outgoing year and comparatively easier to write one on the incoming year. Any year is almost invariably filled with both highs and lows. While many wonderful new things have happened in 2016, many unfortunate events have also taken place in the same year. Human misery on so many fronts has not really abated, and in our Region we know that only too well. So when government leaders look for local priorities and expect the private sector to channelise their resources to address those needs, they are catalysing positive development in the most effective way. Global universal priorities have a local relevance undoubtedly, and we at the Arabia CSR Network have worked at both levels to join the global with the local.

In December of 2016 I completed a second term in the Global Reporting Initiative's Stakeholder Council. When I joined the Council in 2010, it was an opportunity that I hugged eagerly because it allowed me to present the regional perspective in a global body. When Arabia CSR Network became the Region's first Certified Training Partner of GRI, it offered us a platform to present an international benchmark before a regional audience. Now in 2017 we are ready to present the first Sustainability Reporting Standard and we continue to engage with GRI as a Gold Community Member, apart from training partner.

At the local level we will continue to push for more collaborations and partnerships, and consolidate our position as a leading player in the Region. Our Arabia CSR Forum, which has gained prominence as the Region's premier mobilizing platform for dialogue and discourse, will become a biennial event from 2017. We feel a two year incubation period is right to allow the recommendations and outcomes of the Forum to come to fruition. Our Arabia CSR Awards 2017 will see the tenth year celebration of this widely recognised initiative. We have very high hopes for the 2017 cycle and will aim to seek out more organisations in the Arab world whose significant efforts at sustainability may not have come to light yet, and which will be ready to utilise the impetus provided by the awards to come and compete with the Region's sustainability leaders. Having completed a strategic project with one of the leading governmental organisations in the UAE, we are focusing on taking the message of sustainability and strategic value creation to more organisations with a government and semi-government structure, while at the same time working with the private sector. Our interest in the public sector stems from our desire to see the UAE and the extended region achieve sustainable development by supporting the national sustainability strategies and objectives. The private sector is an indispensable part of this equation so we are determined to mobilise private sector roles and inputs related to sustainable development. Therefore 2017 promises to be an exciting year for us, where we will certainly accomplish new things and improve the old or existing. We hope that we will be able to make a difference in our field by spreading knowledge, building capacity and offering services to bolster sustainable practices across the sectors.

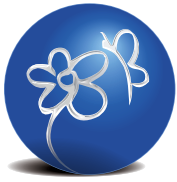
Arabia CSR News

Two GRI Training Sessions held in December

Arabia CSR Network delivered two GRI certified training courses on Sustainability Reporting. The first of the sessions was organised exclusively for Bee'ah and was customised to match their needs. The session followed the GRI's standard procedure for the certified trainings including a set number of hours, a certified module and nominated trainers. The second training was organised as an open session and had delegates from different countries in the Region. Both trainings had the following components:

- Sustainability Context
- Sustainability Reporting and GRI
- Prepare: Plan your GRI reporting process
- Connect: Identify, prioritize and dialogue with your company's stakeholders
- Define: Focus your efforts by selecting issues for action and reporting
- Monitor: Focus your efforts by selecting issues for action and reporting
- Report: Launch your report and prepare for the next cycle
- GRI Support Suite
- Group exercise and discussion

The GRI Sustainability Reporting training is a very efficient mode of gaining comprehensive knowledge about sustainability and reporting. It helps to clear up misconceptions about what Sustainability means and how sustainable practices benefit an organisation. Delegates can intensify their understanding about how best to use sustainability reporting for strategic purposes. Given that transparency and reporting are almost the minimum requirement for a sustainable business, GRI provides a well-structured process to mainstream it into business activities. In 2017 Arabia CSR Network will roll out a transitional module on the newly launched GRI Standard, to be followed by a fully fledged module on the GRI Standard. This course is life changing, and had our eyes open to a whole different world...simply wonderful! – Lama Zahreddine, Sustainability & Environmental Manager, Bee'ah



Panel discussion on Sustainable Consumption and Production

Arabia CSR Network, in collaboration with Emirates Environmental Group, United Nations Environment Programme and Clean Energy Business Council conducted a panel discussion on the theme of Sustainable Consumption and production (SCP) in the third week of December. According to UNEP, sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs and a better quality of life for all. Its implementation helps to achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. Sustainable consumption and production aims at “doing more and better with less,” increasing net welfare gains from economic activities by reducing resource use, degradation and pollution along the whole lifecycle, while increasing quality of life. It involves different stakeholders, including business, consumers, policy makers, researchers, scientists, retailers, media, and development cooperation agencies, among others.



It also requires a systemic approach and cooperation among actors operating in the supply chain, from producer to final consumer. It involves engaging consumers through awareness-raising and education on sustainable consumption and lifestyles, providing consumers with adequate information through standards and labels and engaging in sustainable public procurement, among others. It is also the Goal number 12 of the Sustainable Development Goals. ACSRN signed an MOU with UNEP in 2014 to promote SCP and other issues of mutual interest among its constituencies. In line with these commitments ACSRN has conducted four panel discussions on SCP, focusing on various aspects such as waste, water and energy. The December panel discussion focused on the salience of energy and brought together leading experts from government, private sector and NGOs in a lively discussion about international best practices and regional initiatives on energy efficiency.

Ajman Executive Council survey

Representatives from the Arabia CSR Network were nominated to participate in an important and high level survey that was conducted by the Ajman Executive Council under the initiative of the Secretary general of the Council.

The objective of the survey was to explore and prioritize the intermediary roles that public policies in the United Arab Emirates (UAE) can play to stimulate business, and civil society to engage effectively in the CSR agenda. A group of experts were engaged in a live on-line survey and the results will inform a research undertaken on the subject of public policy on CSR in the UAE.

Upcoming Events



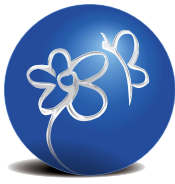
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Members Update

Metito ranks 25th among the top 50 BOT developers worldwide

GW (Global Water Intelligence) published the list of companies having the biggest interests in municipal build-operate-transfer and build-own-operate water and wastewater treatment plants in its latest edition, October 2016. The list is based on equity ownership of total capacity (i.e. the total of capacity of projects in which a company has an equity interest, multiplied by the percentage share of the project company that they own in each case). It is a pretty rough measure, and in Metito's case conservative, but GW clearly states that it is the best estimation based on the data available. Looking at active non-Chinese developers only, the leaderboard was published to be: 1) Suez; 2) Veolia; 3) Tedagua; 4) Engie; 5) Acciona; 6) Biwater; 7) Hyflux; 8) Metito; 9) Mitsui; 10) Sembcorp.

Source: <http://www.metito.com/>

General News

Middle East's Renewable Energy Industry Braces for 'Big' Year in 2017, Says Clean Energy Business Council

The renewable energy industry is bracing itself for a critical year of positive activity in 2017 as key markets across the Gulf and wider Middle East and North Africa (MENA) accelerate their energy diversification programmes to meet national targets, according to Dr. Nasser Saidi, Chairman of the Clean Energy Business Council (CEBC). Speaking ahead of CEBC's fifth annual Clean Energy Summit, Dr. Saidi said developers and financiers will head into 2017 full of expectations that the region's shift to low carbon energy sources will accelerate, led by markets such as Saudi Arabia. In line with the Kingdom's National Transformation Plan, Saudi Arabia plans to install 3.5GW of renewables by 2020. "2016 has been a positive year in which record low bids for utility scale solar power, primarily in the UAE, have positively and irreversibly changed the dynamic of solar," said Dr. Nasser Saidi. "But this is only the beginning of what we believe to be a paradigm shift in the pace of clean energy deployment in this region. "Next year will be critical to the long term success of the energy diversification strategies across the Middle East, as we close in on the 2020 milestone," continued Dr. Saidi. "What we see from markets such as Saudi Arabia in particular during the early part of 2017 will be a key indicator of renewed momentum – beyond 2017 – leading a major shift in the regional dynamic for renewables for the next decade and beyond."

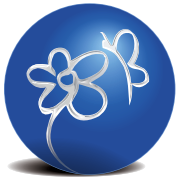
Kuwait and Bahrain are targeting five percent of installed capacity from renewables by the same date. The United Arab Emirates plans to derive 21 percent of its power from clean sources by 2021. Jordan will connect 1,800 MW of renewable power to its national grid by the end of 2018 and Egypt plans to raise its share of renewable energy to 20 percent by 2022. In addition, Morocco is expected to have 42 percent of its installed energy capacity from renewable sources by 2020. Estimates suggest the Middle East region as a whole requires an additional 267 gigawatts (GW) of power supply by 2030 to meet rising energy demands.

Feature Article

It Pays to Become a B Corporation

At Cabot Creamery Cooperative, we've seen firsthand that combining corporate self-interest with support for social and environmental issues is not a costly distraction. Quite the opposite, as a cooperative owned by dairy farm families, our focus on social and environmental issues has helped our company achieve an indisputable competitive advantage in our marketplace. Yet, when the marketing team suggested that Cabot become a certified B Corporation, I was skeptical. Didn't we already "self-monitor" our sustainability initiatives? Why did we need an outside certification? But when I learned that our retail partners had recently started asking about the impact of our sustainability programs, I agreed that Cabot would undergo the rigorous B Corp certification process to provide an objective measure. In 2012, Cabot became

a certified B Corp. To my surprise, certification not only addressed the questions posed by our retail partners but also delivered value beyond our expectations. B Corp certification encouraged more "whole-systems thinking" around our social and environmental practices, which led Cabot to develop even more robust customer and consumer programs, cut operating costs, and strengthen our brand reputation as a sustainability-minded company. Our story is not unique. For Cabot and the B Corp community, certification objectively demonstrates our strong commitment to sustainability at a time when more consumers support companies dedicated to social and environmental change, and as investors, the public, and the media hold companies to higher standards.



Winning Over Conscious Consumers

B Corps are riding a wave of consumer interest in sustainable companies. According to several studies, such as Nielsen's The Sustainability Imperative, global consumers say they will pay more for sustainable consumer brands, and sales of consumer goods with a demonstrated commitment to sustainability have grown more than 4% globally, while those without grew less than 1%. But while consumers are clearly rewarding values-based businesses, there's a very big catch: Consumers are not accepting brands' social and environmental claims at face value. This means that companies must take steps to convince consumers that they "authentically demonstrate commitment to social and environmental impact build consumer trust and business value," according to the study. The Nielsen study also identified a troubling disconnect between corporate leaders and the general public when asked to describe the current state of corporate social responsibility (CSR). When both groups were asked whether CSR efforts are driven by "responsibility to do what's right" or "publicity possibilities," consumer skepticism was evident. According to Chris McAllister, vice president for reputation management and public affairs at Nielsen, companies engaged in "sincerely-driven" CSR must work harder to convince consumers of this fact. "There's nothing wrong with serving your own interests as well as those of the broader community, but...consumers want to see...a long-term investment in doing the right thing, and doing it successfully," he says.

Even though Ben & Jerry's had a long established track record for social responsibility, and had embedded social purpose into its business model for decades, it saw the B Corp movement as way to achieve a higher level of social and environmental purpose and to demonstrate its commitment to improving its ongoing efforts. "Our research shows that brand affinity scores for Ben & Jerry's are twice as high for people who are aware of our social efforts," says Rob Michalak, global director of social mission at Ben & Jerry's. "B Corp certification lends more credence to our programs. And because we re-certify every two years it helps us make improvements that are good for the environment, society and our reputation."

Benchmarking and Operational Cost Savings

Another benefit of certification is access to best practices across different industries, which enables companies to compare and constantly improve their social and environmental programs based on data from the B Corp community. Pennsylvania-based footwear

company Dansko became a B Corp as a cost-effective way to measure its total environmental footprint. "B Corp certification was an affordable way to review everything from our energy and water usage, impact on the community, to the cleaning products we use," says co-founder and one of the original companies to seek B corp certification Mandy Cabot. "It helped us do things we couldn't do ourselves, like creating benchmarking models and a template for our employee manual."

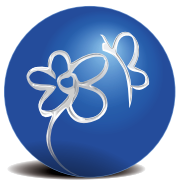
Many B Corps also report that the certification process helps them root out waste and operational inefficiencies in areas such as energy and water usage. At Cabot, B Corp certification inspires Cabot to constantly innovate to create even more social and environmental benefits while simultaneously boosting our B Corp score and was integral to projects like Real Farm Power, a closed-loop system that leverages partnerships to deliver renewable energy, nutrient management and improved air quality. Now, after three years of operation, Real Farm Power generates enough electricity so that cows in our cooperative provide the electricity needed to churn our butter. This multi-faceted project also helped Cabot win the 2016 U.S. Dairy Sustainability Award for Outstanding Dairy Processing & Manufacturing Sustainability, which is a strong testament to Cabot's commitment to the triple bottom line.

Attracting and Engaging Employees

B Corps can attract top talent, especially among younger employees who seek meaning in their careers. Patagonia reports that certification helps promote and validate its employee-centric culture, which attracts great candidates because of the company's reputation as a great place to work. Since becoming a B Corp, Patagonia expanded medical, military, and paid maternity and paternity leave for regular full- and part-time U.S. employees. Certification helps connect employees with Patagonia's mission, leading to a more engaged workforce. Certification revealed that the company could benefit from HR/governance improvements, such as a global code of employee conduct and new corporate governance guidelines that provided a framework to advance a shared company culture, and get all departments focused on advancing the company mission.

As Patagonia founder Yvon Chouinard has written: "Benefit Corporation legislation creates the legal framework to enable companies like Patagonia to stay mission-driven through succession, capital raises, and even changes in ownership, by institutionalizing the values, culture, processes, and high standards put in place by founding entrepreneurs." The arrival and growth of B Corps is a watershed moment for business. We've clearly arrived at a time when companies that exclude social and environmental considerations from their operating missions risk losing market share and destroying shareholder value. B Corps are a needed reboot for capitalism for the modern age, ensuring that the social responsibility of business is not only about profits, but also contributing solutions to the world's most pressing problems.

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This article is excerpted from an article written by Richard Stammer. Richard Stammer is a senior executive vice president at Cabot Creamery Cooperative. He previously served as the company's president and CEO.



Case Study from the Archive - Gulf Drilling International

Abstract

GDI is a recognized market leader in the region, and aims to position itself as a sustainability leader globally. According to a benchmarking project undertaken by the company, GDI pitted its performance against the performance of ten international and ten regional peers in the industry. Across a set of eight non-financial areas comprising of environmental, social and governance dimensions (ESG), GDI ranked first and well above the sector average. Across six material risk factors in the same ESG domain, GDI also ranked at the top and well above the industry average. This proves beyond a doubt that GDI's sustainability performance is of a leadership standard. According to GDI, "our overall strategic approach to becoming a sustainable business is based on identifying and prioritizing the aspects that substantively affect the company's ability to create value over the short, medium and long term." These aspects have been identified using a host of mechanisms including mapping of stakeholder expectations, outputs from risk assessment and progress on the company's long term strategy, the Qatar Energy and Industry Sector Sustainability (QEISS) Program, the material aspects defined by GRI (Global Reporting initiative) and SASB (Sustainability Accounting Standards Board), IPIECA (International Petroleum Industry Environmental Conservation Association) reporting topics, Qatar National Vision 2030 and Qatar National Development Strategy 2011-2016, internal engagement across departments and functions, and lastly, benchmarking against regional and international peers. This case study takes a look at GDI's performance in the key areas of sustainability associated with the Oil and Gas industry and appraises the policies, processes and initiatives taken by GDI in addressing the same.

Conclusion

GDI is a remarkable case because of its leading role in advancing the Qatar economy through a sustainable business model. GDI has ticked off the right boxes by focusing on energy efficiency and emission control, anti-fraud and ethics, labour rights and local procurement. It has managed to address most of the critical aspects associated with the business activity. It has adopted a five year growth strategy in 2011 that helped it to grow exponentially within a relatively short period of time. It boasts commendable performance and operations including the safety record TRIR of 0.32 which is better than the IADC global average, institution a new job every 33 hours, increasing offshore market share to 60%, doubling the number of rigs in just four years (from 9 to 18), 16% REDUCTION in energy used per \$ of revenue and logging top rank in ESG factors, growth and operational excellence among 20 peer companies in a recent benchmarking study (Source: GDI Integrated Report 2014).



There are clear areas of improvement in GDI's sustainability performance. First and foremost, GDI needs to take into consideration its impacts on the biodiversity of Qatar, in particular on the land and marine ecosystems. There is not much information made publicly available on how GDI tackles hazardous waste disposal and pollution management. Water management is a critical issue for the Oil and Gas industry as a whole, GDI should formulate a policy on water management, disposal and recycling. GDI should dedicate specialized efforts to promote technological innovation. Although all its new rigs are technologically proficient compared to older rigs, but a more proactive and comprehensive approach to innovation in process and products is anticipated from an industry leader like GDI. In the case of social engagement and partnerships, GDI could benefit a great deal from adopting a strategic approach to engagement, partnerships and collaboration for impact investment. Currently, GDI's nature of engagement is somewhat restricted to sponsorships and non-strategic engagements. There is tremendous scope here since GDI is deeply committed to creating sustainable value within the local economy and society. GDI should leverage the leadership position it has created for itself within the Oil and Gas sector regionally and globally to play a more dynamic and advocacy based role to advance sustainable development. By doing so, GDI would greatly contribute to a more sustainable, responsible and ethical business environment for the sector as a whole.

Arabia CSR Best Practices: 2015

This abstract has been taken from the ACSRN publication titled 'Arabia CSR Best Practices: 2015'. For more details on Gulf Drilling International and other companies that have been recognized for their innovative and effective CSR strategies write to us at admin@arabiaccsrnetwork.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 more about 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@arabiaccsrnetwork.com
For more information on the Arabia CSR Network visit www.arabiaccsrnetwork.com