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NEWSLETTER

July 2021 Volume 10 Issue 119

ARABIA CSR

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 ARABIA CSR NETWORK

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GRI Standards for
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5th AUGUST 2021 | DUBAI, UAE



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Note from the President & CEO Habiba Al Mar'ashi

Hello Arabia CSR Network members!

Despite the summer heat, June has been full of activity at the ACSRN. Our Arabia CSR Awards are in full flow as we are receiving a significant number of registrations. Since its inception, the Arabia CSR Awards' has earned the trust and recognition of bodies such as the United Nations Global Compact, the United Nations Environment Programme and the League of Arab States. If your organisation would like a thorough assessment of its sustainability performance and be benchmarked with other organisations in the region, then Arabia CSR Awards is the platform for you to join.

We will be hosting our much-celebrated Arabia CSR Awards Forum - the region's premier convention on CSR and sustainability that attracts leaders, thinkers, evangelists, practitioners and policy makers from all over the globe on the 3rd&4th October. This year our theme will focus on the important topic of post-pandemic sustainability and resilience. We certainly hope that you will be able to be a part of this platform to benefit from the distinguished line of speakers and their insights and experiences.

With regards to our various engagements during June, we kicked off the month by participating in a webinar by the Global Investors for Sustainable Development Alliance (GISD). The purpose of this meeting was to discuss the reports for various sectors such as Healthcare, Utilities, Real Estate, Consumer Staples, IT, Automobile, Financial. During the month, we also attended the GISD Co-Chairs' meeting that had a specific session titled "Asks to the CEOs".

We also participated in the GISD's Taskforce meeting on 'Scaling Voluntary Carbon Market'. This is a private sector-led initiative that is working to scale an effective and efficient voluntary carbon market to help meet the goals of the Paris Agreement. We are hopeful that Voluntary Carbon Markets (VCMs) will have the potential to make a substantial contribution to mitigating climate change.

Participating in the Stakeholder Forum for a Sustainable Future was an excellent learning platform for us. It was organised by the United Nations Environment Programme (UNEP), the Forum sought to discuss the 5th United Nations Environment Assembly,

what was agreed upon and what was determined as a course of action.

Recently, there has been a significant increase in investor interest and engagement on companies' performance and disclosure on environmental, social and governance (ESG) issues. To understand how we can help reporting companies navigate this changing landscape and to assess the practical implications for corporate disclosure, we attended a webinar by the Global Reporting Initiative in Africa titled 'Sustainability Reporting Landscape'. The GRI session considered the implications of such issues as 'double materiality', principles-based vs. sector-specific guidance, and the role of the UN SDGs in informing corporate disclosure.

Towards the end of the month, we participated in another GISD session, this time to explore the concept and definition of 'sustainable investments'. The term "sustainable investments" has come to refer nowadays to a diverse set of investment methods utilised by portfolio managers, all of which have various degrees of long-term viability and effect. Furthermore, some financial products and services are marketed as sustainable without making a significant contribution to the Sustainable Development Goals (SDGs). Therefore, it was necessary to agree on a concept of Sustainable Development Investing (SDI) that may be used to develop rules that distinguish investment methods. The new definition will minimise the chances of SDG-washing and financial products that mislead investors by using sustainable development as a marketing strategy.

Our last activity during the month was a webinar by the GRI where it presented a complete refresh of the GRI Community - a community that is based on collaborative network to share knowledge with peers worldwide. The Community has translated its member's input into an update that brings together existing benefits and new features. These will include three membership packages, resources to give concise information when needed, as well as additional on-boarding and advocacy support.

Finally, for those that are keen to develop their CSR and sustainability skills over the summer, now is a great time as we have three trainings coming up at ACSRN, see inside pages for more information and to register:

That's it from ACSRN for the month of June. We hope that you stay safe, and stay connected with us to learn more about our activities to drive sustainability in the Arab region.





ACSRN News

GISD Engagement

1) ACSRN GISD Task team 2 meeting

President and CEO of ACSRN attended a webinar held by the Task Team 2 of the GISD Alliance initiative. The objective of the framework is to organise investments of the private sector, to get closer to achieving the 2030 Agenda for Sustainable Development. The purpose of this specific meeting, held on the **2nd June**, was to further discuss several sector-wise reports with the sector leads. The reports provided a comprehensive analysis of each of the sectors (Healthcare, Utilities, Real Estate, Consumer Staples, IT, Automobile, Financial). The Sector leads pointed out what they thought were the issues with the reports, however, also describing its positive points and the scope, stating that it was simple and effective. A major part of the discussion with the sector leads involved further steps of the consultations, the ways to consult for each sector and its effectiveness. A part of the meeting also described the framework itself, explaining how it brings an SDG lenses and ESG perspective. Other frameworks such as the IFRS, TCFD and the UNDP SDG impact management were also discussed as they played a role in the shaping of the GISD framework.

2) GISD Co-Chairs' meeting with GISD CEOs

The Global Investors for Sustainable Development (GISD) Co-Chairs' meeting with GISD CEOs took place on **7th June** and was attended by ACSRN President and CEO. The meeting focused on an update on the status of the GISD Key Deliverables, with a specific focus on the "Asks to the CEOs" section, which served as a springboard for discussion. Task Team 2 is working on a collection of sector-specific SDG-related metrics that standard setters and corporations may use, which will be presented at the GISD Alliance's annual conference in October 2021. Initially, these measures were applied to eight different businesses and areas. Each industry/sector is led by a separate GISD member who has relevant experience in that industry/sector. This is especially true in light of Key Deliverable No. 2: Support the creation and implementation of a standardised collection of SDG-related metrics that can be widely used and incorporated into current reporting frameworks. Task Team 2 was also exploring whether GISD might use the SDGs to repeat the successful TCFD strategy. At the Task Team 2 meeting held on June 2nd, an early draft of this concept was discussed. CEOs were requested to provide their technical teams input on the metric reports. Members of the GISD community outside of the task team, as well as members of the task team, were welcome to contribute. During the consultation phase, GISD members also made introductions to key industry groups and firms. Recommendations from GISD members on SDG-related disclosure might be a game changer, bridging the gap between several projects in this area, such as the GISD's work on sector-specific metrics, the WEF-core IBC's metrics, and the UNDP SDG Enterprise Standards. These GISD suggestions may help to build momentum for SDG-related disclosures by guiding standard-setters in the development of future sustainability reporting frameworks and requiring corporations to voluntarily follow these principles. CEOs were invited to unite around this notion and publish these suggestions, together with the report on sector-specific indicators, during the annual GISD Alliance conference in October. These recommendations could then be sent to the relevant standard setters (e.g. IFRS) but also to the G20 Sustainable Finance Working Group, which is working on the issue of corporate sustainability reporting.

3) GISD and Taskforce on Scaling Voluntary Carbon Market

The GISD and Taskforce meeting on 'Scaling Voluntary Carbon Market' took place on a virtual platform, in which ACSRN President and CEO participated on **14th June**. The Taskforce on Scaling Voluntary Carbon Markets is a private sector-led initiative working to scale an effective and efficient voluntary carbon market to help meet the goals of the Paris Agreement. The Taskforce was established by the UN Special Envoy for Climate Action and Finance; it is chaired by Standard Chartered Group Chief Executive; and it is supported by the Institute of International Finance (IIF), which is led by IIF President and CEO. The Taskforce's Operating Lead was a senior counsel at Davis Polk and a former Commissioner of the US Securities and Exchange Commission. The Taskforce aims for a 15-fold increase in the size of private, voluntary carbon markets to help limit global warming to 1.5 degrees Celsius. The Taskforce's mission is to map the major pain points preventing voluntary carbon market scale-up and to reach consensus on the best way to expand these markets. The Taskforce's unique value proposition has been to bring together all segments of the value chain and give recommendations for the most pressing pain areas in voluntary carbon markets. As the conference drew to a close, it was determined to believe in Voluntary Carbon Markets (VCMs), which has the potential to make a substantial contribution to climate change mitigation.

4) GISD Strategy Group Meeting

ACSRN attended the GISD Strategy Group meeting on a virtual platform on **15th June**. GISD Alliance members are encouraged to come up with ideas to harness the influence and work of the UN Global Compact's CFO Network. Furthermore, members were urged to share their inputs to a new roadmap with concrete outcomes and relevant milestones. The meeting also focused on public development banks as they are essential in providing and designing blended finance facilities. In Addition, the co-Leads of the Task teams updated the Strategy Group about the status of their work and noted that all deliverables are on track. The participants recognised that the achievements of the GISD Alliance and other relevant initiatives should be expanded to ensure coherence.

5) GISD SDI Definition Call

ACSRN president and CEO participated in the GISD virtual update call on the GISD Sustainable Development Investing (SDI) definition on **28th June**. The term "sustainable investments" in recent times has come to refer to a diverse set of investment methods utilised by portfolio managers, all of which have various degrees of long-term viability and effect. Furthermore, some financial goods and methods are marketed as sustainable





without making a significant contribution to long-term development, such as achieving the Sustainable Development Goals (SDGs) (i.e., so-called green- and SDG-washing). Building confidence in the business and supporting demand for sustainable investment products is a requirement to ensure the authenticity of these goods. The GISD Alliance has agreed on a concept of Sustainable Development Investing (SDI) that may be used to develop rules that distinguish investment methods. This definition has established basic standards that investment strategies and products must fulfill in order to be considered sustainable. This minimises the chances of SDG-washing and financial products that mislead investors by using sustainable development as a marketing strategy. The definition may allow investors to contribute significantly to the SDGs. The definition goes beyond general ideas and provides specific procedures for implementing it in an SDG-focused investment portfolio. These measures draw on a number of ongoing attempts to strengthen investment processes (for example, the IFC Operating Principles for Impact Management and UNDP's Assurance standards), as well as existing sustainable-related standards (e.g., Green bond principles, taxonomies of sustainable activities and UN Global Compact Principles). By incorporating these activities into a tangible approach to be able to reliably link investment portfolios with sustainable development objectives.

59th GRI Standards Training

Arabia CSR Network conducted its 59th training session on the GRI Standards for sustainability reporting from **21st – 23rd June 2021**. Developed and accredited by GRI with local case examples contributed by ACSRN, the training is a strong tool for organisations in the UAE and elsewhere, that are keen to report performance on environmental, social and governance issues. The GRI Standards continue to be regarded as the world's leading reporting standards on sustainability. GRI envisions a sustainable future enabled by transparency and open dialogue about impacts. This is a future in which reporting on impacts is common practice by all organisations around the world. As a provider of world's most widely used sustainability disclosure standards since 2011, the Arabia CSR Network is an active catalyst for that change.

The course took participants across the reporting process following the GRI Standards, as well as equipping them with an in depth knowledge of the standards. The course highlighted key principles within the standards that provide the reporter with a strong foundation and help them to develop the content and ensure its quality. Of particular focus area was the principles of stakeholder inclusiveness and materiality, which is at the heart of the standards. The course included interactive discussions and exercises, which helped to test the principles on a practical basis. An end of course exercise had participants reviewing, analysing and evaluating two published reports from UAE based organisations, and comparing the two in terms of content and quality. Participants received certificates upon the successful completion of the training.

Webinar on Sustainability Reporting Landscape

GRI Africa assembled a webinar on 'Sustainability Reporting Landscape', in which ACSRN President and CEO attended on **24th June**. Recently, there has been a significant increase in investor interest and engagement on companies' performance and disclosure on environmental, social and governance (ESG) issues. This has been accompanied by growing stakeholder activism and increased regulatory intervention on ESG issues, as well as some potentially confusing developments in the landscape of sustainability reporting standards and initiatives. To help reporting companies navigate this changing landscape and to assess the practical implications for corporate disclosure, GRI's Africa Regional Hub hosted a 90-minute online panel discussion with leaders in the sustainability / ESG reporting space including Chair of GRI's Global Sustainability Standards Board and Chief Executive of Sancroft, Chief External Affairs, GRI and more. In discussions, the implications of these recent developments were reviewed, and assessed on their relation to existing standards and initiatives, such as the GRI Sustainability Reporting Standards, the Task Force on Climate Related Financial Disclosures (TCFD) and the Climate Disclosure Standards Board (CDSB).

The session considered the implications of such issues as 'double materiality', principles-based vs. sector-specific guidance and the role of the UN SDGs in informing corporate disclosure, and some views on what companies, investors and stakeholders should be doing to improve corporate ESG disclosures and performance were shared. The session provided an excellent opportunity to have questions answered and hear some insights and analysis of the recent developments in the sustainability / ESG reporting landscape.

Introducing a refreshed GRI Community

ACSRN attended a virtual GRI Community webinar on **29th June**. The Community brings together sustainability professionals who are committed to driving improvements in reporting and corporate transparency. It is a community that is based on collaborative network to share knowledge with peers worldwide. Over the past year, the GRI Community has undergone a refresh process, aimed at introducing a stronger focus on needs and value for members. The Community has translated its member's input into a programme update that brings together existing benefits and new features, addressing additional needs and preferences captured throughout the process.

Some initial hints about what is new with the GRI Community Refresh were highlighted during the one-hour introduction webinar which are:

- Three membership packages, bringing more flexibility in the way you can access and benefit from the programme.
- Time aware resources, giving you concise information when you need it.
- Additional onboarding and advocacy support, to bring you more practical value.





UN DESA Financing Global Climate Action & Promoting Digital Solutions

The UN DESA organised a webinar titled 'Financing Global Climate Action and Promoting Digital Solutions' in which ACSRN attended on **30th June**. This session, the 4th in a four-part series on "Building a Global Coalition for Sustainability after COVID-19," brought together leading voices in the fields of climate finance and digital governance. Finance experts, policymakers and climate and sustainable development practitioners discussed the best approaches to ensure that climate financing measures are included in rebuilding efforts related to the COVID-19 pandemic. They emphasised that such efforts should be inclusive and be able to help the most vulnerable. Additionally, attention was paid to emerging digital solutions, including ideas related to the Internet of Things, for climate adaptation and mitigation and ways to scale them up. The event also discussed cross-cutting issues such as gender, data and statistics, as well as how the world can best make systemic transformations to a more sustainable world while leaving no one behind.

FEATURE ARTICLE

The Elevated Role of Chief Sustainability Officer

by: Harun Asad

"The CSO's (Chief Sustainability Officer) role is undergoing profound shifts, including expanding beyond the 'E' of ESG and the climate crisis to include social justice and equity, recognising the intersectionality of enormously complex challenges," says Ellen Weinreb of the Weinreb Group, an established player in sustainability recruitment. The Weinreb Group has been tracking CSO appointments since 2004. In their 2021 report, The Chief Sustainability Officer 10 Years Later: The Rise of ESG in The C-Suite, the Weinreb Group discusses the evolving and expanded role of the CSO. A key finding is that 2020 saw a boom in CSO appointments, with 31 companies appointing their first CSO. Key drivers of the growth include the pandemic, the social justice movement and the ESG movement.

Other key findings from the research include:

CSOs that have more influence, with investors driving environmental, social, and governance (ESG) integration:

The field has grown by more than 228%, from just 29 CSOs in 2011 to 95 CSOs in 2021. Perhaps because of the ever-growing and changing social and environmental risks, opportunities, and stakeholder demands, approximately one third of these CSOs assumed their position as their company's first CSO in 2020. But even before 2020, the rising investor interest in sustainability issues was driving the expansion of the field, as well as the integration of ESG priorities into business.

More women, but little racial diversity:

Who occupies the CSO job has also changed. Research reveals that the percentage of women in this post almost doubled. Women now hold 54% of CSO positions, up from 28% in 2011. Despite the movement toward gender balance, there remains very little racial diversity. The CSO position, as well as the sustainability profession as a whole, remains predominantly white.

Larger, more dispersed teams and embedded functions:

In the past 10 years, the CSO leadership role and team composition have also changed. In the corporate leadership hierarchy, CSOs are not quite as close as they once were to the CEO. Still, nearly 70% of CSOs told us they meet with their CEO fairly regularly, once a month or once a week. Moreover, sustainability teams are expanding, with the average team size increasing from 5 in 2011 to 15 today. We also found embedded sustainability practitioners in other functions outside of sustainability. A total of 95 publicly traded companies with heads of sustainability having the title CSO are listed in the report, including a handful of energy companies such as Duke Energy, Exelon and Sempra Energy. The report also captures key attributes for CSO success, including influencing through collaboration, ability to deal with ambiguity, translating the complex, embracing risk and innovation and demonstrating humility.





Best Practices 2019 From The Archives

Khalifa International Award for Date Palm and Agricultural Innovation

Arabia CSR Awards Winner - Partnerships & Collaborations Category

Profile

The Khalifa International Award for Date Palm and Agricultural Innovation has been established with an aim to promote and enhance agricultural innovation and research of date palm. Furthermore, it is hoped that its establishment will help in spreading the knowledge worldwide. Through this platform, the hard work and dedication of those individuals and institutions that have contributed substantially to this field will also be promoted.

Therefore, the mission of the Awards is to encourage innovators including growers, researchers or exporters engaged in the date palm and agricultural sector. It has been established with a view of promoting and diversifying agricultural innovation and research of date palm and the spread of this knowledge worldwide. The Award intends to motivate the experts, researchers, scientists and farmers to innovate in the development of the agricultural sector and thus, contribute to provide the solutions and means to meet the world's requirement of food.



Lesson Learnt

- The project has given a clear message to farmers to avoid pesticides and other chemicals in order to improve the quality of dates. This has resulted in more than 200 farms being certified as organic farms. The project has been approved by the European Union for its implementation of converting agricultural waste into organic fertiliser and the output has also been distributed to farmers who are members of the Association.
- The palm fronds and farm residues were handed over to a local Society for Community Development and Preservation of the Environment for the production of organic fertilisers from agricultural residues, which have contributed to the active involvement of the local community.
- The positive outcomes of this project has led to the increase of export figures and exposure to the Egyptian dates. This was evident by the increase of 17% of export figures from 2015 to 2016, while exports increased by 70% during the first quarter of 2018 compared to the same period in 2017.
- The project contributed to the diversification of the export market of dates by increasing the visibility. The total number of new export destinations due to the growth and expansion of the project has jumped to 42 new markets around the world in 2018 & 2019.

Conclusion

The Khalifa International Award for Date Palm and Agricultural Innovation was established in 2008 by the UAE government within the framework of continuous efforts to increase agricultural productivity and make better use of available resources. With the underlying aim of the establishment of a date production industry, the Government of the United Arab Emirates, under the leadership of His Highness, The President, Sheikh Khalifa Bin Zayed Al Nahyan (God protects Him) established the Khalifa International Award for Date Palm and Agricultural Innovation. This was achieved as part of the Government's developmental framework which has been making continuous efforts to increase agricultural productivity and to make better use of all available resources. The Award highlights the work of outstanding scientists, producers and influential figures and institutions, which have achieved outstanding progress in their field or have contributed significantly to the agricultural sector and date palm research and development. The project has contributed towards increasing the income of the farmers by raising the price of the Siwa Dates from 2 to 14 Egyptian Pounds per kg.

The project also had a positive impact on employment opportunities with the number of canning and packing factories increasing. In order to improve utilisation of all available resources, the Government has provided support by supplying arable lands for cultivation, equipment, water, seeds and fertilisers. The Award is focused on emphasizing the visionary leadership of the UAE in the agricultural and date palm sector as well as to promote local best practices on the global stage. Through this promotion, it is hoped that the necessary positive message of encouragement is being given to the experts, researchers, scientists and farmers. The partnership had a positive effect on female empowerment as there has been a drastic increase in the rate of females entering the labour market which is attributed to the environment of productivity created through the partnership. The project also contributed in increasing the social mobility within the society and the empowerment of farmers and the link to land and care for the palm because the economic returns have become greater, which has resulted in enhanced social stability.

