



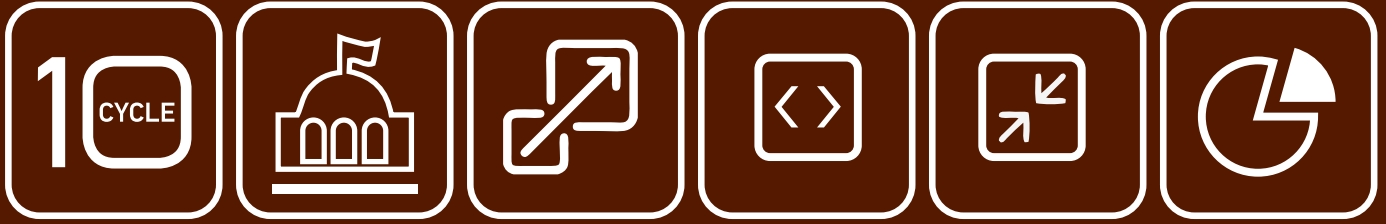
الشبكة العربية للمسؤولية
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CSR ARABIA

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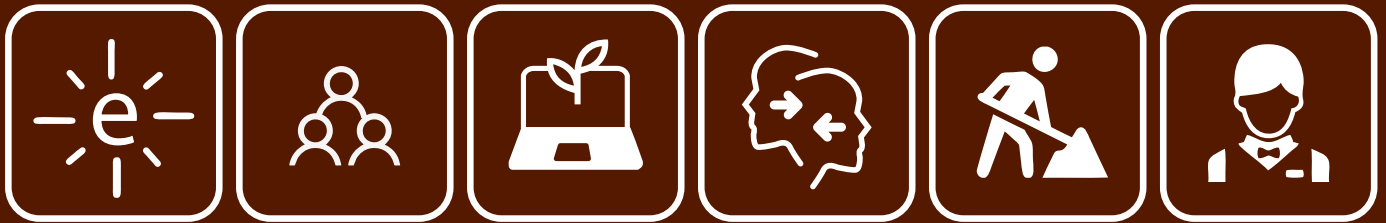
newsletter

March 2017
Volume 6 | Issue 67



Arabia CSR Awards presented in Eleven Categories

REGISTER NOW! SEE PG3



UPCOMING GRI TRAININGS

GRI G4 (English)	Mar 12-14
GRI Standard Transitional Module (English)	Mar 15
GRI G4 (Arabic)	Mar 19-21
GRI Standard Transitional Module (Arabic)	Mar 22

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Arabia CSR Awards call to register

All organisations spanning different sectors are being encouraged to apply to the Arabia CSr Awards. The tenth cycle of the awards has been launched in January and the registration is open to all interested organisations. The tenth cycle promises to be an exciting one with two new award categories that have been introduced this year; - **Hospitality Sector** and **Construction Sector**. Considering that both these sectors are prolific in our Region, organisations from these sectors should seize the opportunity to showcase their CSR and sustainability related efforts and apply to this highly renowned award that is widely viewed as the most rigorous and value added in the world. Organisations in the hospitality sector that have been awarded the Green Globe or Green Key certification and those in the construction sector leaning towards green buildings have a clear advantage and should seriously consider applying to this award.

Other award categories are: **Public Sector, Large Business, Medium Business, Small Business, Financial Services Sector, Energy Sector, Social Enterprise Sector, Best New Business and Partnerships & Collaborations**. The 'sustainability benchmark of the Arab Region' is based on international best practices and elevates the CSR champions to global standards of excellence. It is supported by the League of Arab States and United Nations Environment Programme; - the only award of its kind that these august institutions support in the Region. Past applicants and winners have unanimously agreed that the very process of applying to the award put them on a learning curve and helped them to embed good practice through knowledge and capability development. So far in its first month since the launch; already close to 20 organisations have registered for the coveted award, and the award secretariat is processing queries on a daily basis. So please hurry and register NOW. The deadline for registration is April 10th, 2017. Please visit the Arabia CSR Awards microsite on our website and download the application guidelines. This will provide you with detailed information and instructions that you should read carefully before registering. Please fill up the registration form and submit it online. Our team will get in touch with you and guide you through the next steps.



Panel discussion on Sustainability of the Supply Chain

A panel discussion was organised with Emirates Environmental Group, a strategic partner of Arabia CSR Network on February 22, 2017. It was organised in association with United Nations Environment Programme and supported by Emirates Green Building Council. Sustainability of the Supply Chain is currently one of the most challenging aspects of corporate sustainability for both big and small businesses. For cross-national businesses it poses in particular various kinds of hidden risks which they have to scrutinize and address in order to be robust and sustainable. Social, environmental and governance risks and opportunities in the supply chain are being explored by hundreds of organisations around the world, and there are also global frameworks that support the transition to sustainable supply chain management. In the panel discussion a set of experts came together to discuss their views, experiences and learnings from pursuing this particular aspect of sustainability. The event was moderated by EEG Chair and Arabia CSR Network President & CEO Habiba Al Marashi who commented at the opening; - "The objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all stakeholders involved in bringing products and services to the market. Through such discussion we aim to engage the different sectors and help understand and share strategies in ensuring a sustainable supply chain there by benefitting the overall sustainable development of businesses." The event was sponsored by Adeeb Group and hosted at the Emirates Palace Hotel in Abu Dhabi on the 22nd of February 2017.

The session included experts from various sectors and establishments such as the Abu Dhabi Quality and Conformity Council, Adeeb Group, Unilever, Interserve and the Neutral Group.

The presentation from Abu Dhabi Quality Conformity Council focused on the Council's product certification services and how it benefits manufacturers, suppliers and consumers, and highlighted the sustainability element of the Abu Dhabi Trustmark for Environmental Performance. The CEO of the Adeeb Group shared a number of points including their CSR & Sustainability in supply chain, how their sustainability commitments and regulatory compliances are met, the company supply chain evaluation, and how they play their part in mobilising the suppliers and promoting sustainability in supply chain with SMEs.



Interserve Engineering and Construction, Middle East highlighted the activities of the Interserve Sustainable Procurement Working Group, and the importance of buying sustainably and valuing more than just money. Moreover, the speaker demonstrated how Interserve achieved compliance to British Standard 8903: 2010 on sustainable procurement and their Sustainable Procurement policy and practice framework that can aid in developing practical measures for organisations to achieve permanency for their sustainable procurement ambitions. The speaker from Unilever explained the company's Sustainable Living Plan that facilitates the Gulf initiatives covering all areas across the value chain and building reputation with stakeholders and partnering with customers on various sustainability aspects. The Neutral Group discussed the essential steps to designing a sustainable supply chain strategy, some common mistakes, and some case studies showing how much money can really be saved by going green.

Participants belonged to a number of sectors including: Oil and gas, aviation, facilities management, catering, consultancy, education, food and packaging, trading and several others.



FT/IFC Transformational Business Day

The Financial Times and International Finance Corporation organised the Transformational Business Day on February 23rd at the Ritz Carlton Hotel in Dubai. Arabia CSR Network was invited to participate in this closed by-invitation-only event.

The event promotes sustainable business models and innovative, commercially viable, and scalable products, services and technologies that address the most pressing development challenges in infrastructure, energy, food, water, education, health and finance. The aim is to highlight disruptive technologies that empower the underserved and reverse environmental and social degradation.

The specific objectives of the event were as follows:

- Raise awareness of private sector led transformative business solutions that resolve critical development challenges in financially viable ways
- Provide unique networking and knowledge-sharing opportunities amongst sustainability practitioners
- Scale the adoption of sustainability solutions by engaging with leaders and opinion-makers

The event featured three plenary sessions that brought together business leaders, thought leaders and IFC officials from around the world. The theme of the first session was “The Power of Partnerships: Creating new business by catalyzing finance and disruptive business models”. Three speakers spoke about their experiences with regard to partnership with the IFC and the impacts of these projects. One of the speakers shed light on the need for matching education to market requirements and the gaps that exist in access to education, quality of education and relevance of education in terms of employability.

The second plenary was on the theme “Taking advantage of opportunities in frontier markets” and was addressed by key representatives of businesses that operate in conflict zones in the Region. One of them was a bank in Yemen and the other a logistics company operating in Iraq. The third speaker was from IFC and handled investments and focused on the issues and challenges in providing services in frontier countries. The business leaders highlighted the risks and opportunities that they face in the course of doing business in frontier markets.

The last plenary was on the theme “the climate business case: Sustainability for profit: what works” and featured interesting and diverse perspectives from the government, private sector and service providers. Highlighted during the session was the UAE government's drive for advancing sustainable energy and sustainable cities, challenges in transmission and distribution of renewable energy (solar energy), and renewable energy entrepreneurship in frontier countries. All the sessions were followed by interactive discussions among the audience and the panelists. A wrap up session summarized the key take aways from the event and was facilitated by the Chief Investment Officer of IFC.



Members Update

ABB energizes substation to integrate solar park to the power transmission grid

ABB has successfully energized a major substation that will help evacuate power from the Mohamed Bin Rashid Al Maktoum (MBR) Solar Park, a key element of the vision to generate 7 percent of Dubai's power from clean energy sources by 2020; 25 percent by 2030, and 75 percent by 2050. The 400/132 kilovolt (kV) gas-insulated switchgear (GIS) substation has been built for Dubai Electricity & Water Authority (DEWA), the UAE's leading power utility, to connect the second phase of the MBR Solar Park and integrate 200 megawatts (MW) of electricity to the transmission grid. The utility scale solar photovoltaic plant, which covers 4.5 square kilometers, will produce enough electricity to serve more than 130,000 people. Its addition to the UAE network displaces the need for power from fossil fuels that would have produced about 250,000 tons of carbon emissions annually. ABB was responsible for the design, engineering, supply, installation and commissioning of the substation. To read the full article please click on <http://www.abb.com/cawp/seitp202>



EGA joins Global Aluminium Sustainability Initiative

EGA became the first in the Middle East Region to join the Global Aluminium Stewardship Initiative, which brings the world's leading mining and metals companies together with household-name aluminium customers to set global standards for governance, environmental and social responsibility. The initiative was launched in 2012 and aims to foster the responsible production, sourcing and stewardship of aluminium. ASI members, including producers, users and stakeholders, are defining global standards for performance and sourcing through the value chain.



EGA has invested almost \$1 billion since 2010 in environmental technologies and facilities to reduce and manage its emissions and waste, and makes important social contributions including creating employment, spurring broader economic development and focusing on safety and worker welfare. EGA's biggest contribution to environmental sustainability is the continuous improvement over decades of its core industrial processes. EGA's research and technology development focuses on reducing the amount of energy required to produce each tonne of aluminium, curbing both costs and emissions. EGA's total greenhouse gas emissions in 2016, including power generation and desalination, were less than eight tonnes CO2 equivalent per tonne of aluminium, the level set out in the under-discussion first version of the Performance Standard of the Aluminium Stewardship Initiative for existing smelters to meet by 2030. To read the full article please click on <http://www.ega.ae/en/media/newsdetail>

Women in Clean Energy MENA Survey - Survey Report - Women in Clean Energy MENA Region

Women in Clean Energy MENA (WICE) is an initiative set up under the umbrella of the MENA Clean Energy Business Council (CEBC). This survey is being undertaken by the Clean Energy Business Council, with the support of IRENA and Bloomberg New Energy Finance. WICE provides female professionals and students in MENA's renewable and clean energy fields with a voice, encourages women into jobs in the clean energy sector and helps advance their careers. WICE provides a platform for business women to network with peers and to leverage off the experience and knowledge of senior executives and practitioners. CEBC is seeking to gather information to understand more about the role of women in entrepreneurship in clean energy and more specifically innovation, new technology and the role of women and what needs to be done to encourage them into clean tech and clean energy. You can help by taking this brief survey which will enable CEBC to create a benchmark for women working in these fields that can be measured on an annual basis. The survey can be completed anonymously. All responses will be treated as strictly confidential. The data gathered will be presented as aggregated analysis without identifying individual respondents.

Participants will receive a copy of the upcoming Report.
Please contact the Clean Energy Business Council to take the survey.



wasl CSR initiative to mark 'Year of Giving'

wasl Asset Management Group has recently made a donation to Dubai Hospital to support cancer patients. The move is in line with the company's longstanding commitment to its CSR programme, which is concerned with the Emirate's social fabric. This support by wasl also affirms its patronage of the UAE's 2017 'Year of Giving', as the company provides backing for national initiatives including those that recently took place during World Cancer Day. wasl continuously works with a number of organisations across the UAE, as part of World Cancer Day and the company's recent activities and initiatives on this day are launched to support patients, their families and to help ease their pain. To read the full article please click on <https://www.wasl.ae>

General News

Morocco's ambitious renewables plan is on track

Morocco, in the capacity as the host of COP22 climate change conference, expressed the ambitious plan to reach 100 per cent renewable energy as 'rapidly as possible'. Other Mena states to sign the pledge included Lebanon, Palestine, Sudan, Tunisia and Yemen.

In 2009 Morocco set a target of producing 42 per cent of its electricity from renewables by 2020, and has since revised that upwards to 52 per cent by 2030. The nation is well on track to achieving its ambitions, having reached 35 per cent during 2016. Morocco plans to complete around 2,000 MW of solar energy projects by 2020, including around 400 MW of photovoltaics (PV), and there is also great potential for wind and hydro power. As of 2016, Morocco had around 480 MW of wind generation, with another 300 MW close to completion, and another 150 MW to be awarded. Hydro power is currently the most-used renewable resource, with around 1,700 MW and another 525 MW expected to be completed during 2017 and 2018. Plans include 464 MW of pumped hydro storage – storing the excess energy generated by other renewables and saving it for when output drops – and around 75 MW of micro hydro.

Best known among Morocco's renewable energy projects is the vast Noor Solar Power Complex on the edge of the Sahara. Noor became the biggest CSP facility in the world when it opened its first stage in February 2016, the 160 MW Noor Ouarzazate I. Noor Ouarzazate II and III will generate 200 MW and 150 MW respectively and are expected to come online during 2018. A series of PV projects begins with Noor Ouarzazate IV, and will include three facilities with a total capacity of 170 MW.

Source: <http://www.ifpinfo.com/Sustainability-NewsArticle-8303#.WLLPJG997cs>

Feature Article

Requiring Companies to Disclose Climate Risks Helps Everyone

In the movie Forrest Gump, the protagonist becomes a very rich man due to a natural disaster and its unforeseen business consequences. When he first enters the shrimp boating business, Forrest catches no shrimp. His fortunes change when a hurricane strikes and his boat is the only one to survive the disaster. Facing no competition, he becomes a multimillionaire.

It's a funny scene, and it illustrates an economic truth: Businesses are often unprepared for environmental disaster. Policy makers have recognized as much, and in recent years the U.S. Securities and Exchange Commission

(SEC) has taken actions to force companies to disclose climate change-related risks. The Trump administration has threatened to roll back those requirements, which would hurt companies, investors, and consumers.

Over 20 years ago, Harvard Business School professor Michael Porter introduced the Porter hypothesis, which posits that environmental regulation can benefit companies by nudging them to explore their current production methods and eliminate costly waste that they have been blissfully unaware of. Nobel laureate Herbert Simon's model of bounded rationality in decision making explains how this could work. In Simon's model, decision makers face costs when taking an action, and this makes them stick to "business as usual." In such a case, a firm's leadership may respond sluggishly to evolving risks. If that's true, a strong nudge by government could encourage such a company to change its ways, resulting in better environmental and financial performance.



The SEC has recognized this point; in 2010 it issued a planning document asking publicly traded companies to disclose their climate exposure risk. The Bank of England's Mark Carney has also been stressing the importance of addressing these issues.

President Trump's pick for SEC chair, Jay Clayton, has advised clients to disclose climate-related risks. But given the administration's general deregulatory bent and refusal to recognize the existence of climate change, the fate of the climate disclosure requirement suddenly appears less than certain. If major corporations are not prepared for emerging climate risks, then the country's economic performance could suffer during times of extreme climate shocks. In contrast, if companies are required to disclose their climate risk exposure, as the SEC had planned, then this discovery process would be reflected in asset prices, which would incentivize companies to build up their climate resilience. This optimistic claim represents a restatement of the original Porter hypothesis, and there is empirical evidence to support it.

A recent industry case study suggests that investors have been unaware of how past climate shocks affect corporate profitability. Consider an investment strategy where you short stocks in the food sector during times of drought and purchase food stocks during times of heavy rain. A recent NBER working paper documents that from 1985 to 2014 this trading strategy would have yielded a large annualized average rate of return of 9.2%. Why? The food sector's profitability is negatively correlated with drought because agricultural output hinges on climate conditions. Given that future drought conditions can be predicted using current information, adherents of the efficient markets hypothesis should be surprised that investors did not see these patterns and invest accordingly.

The SEC's proposed rules require firms to go through a process of "self-discovery" to learn about what new risks they face. For firms that have already gone through this process privately, the regulation will not lead to new information for the firms themselves, but by having to disclose the information, shareholders and potential investors will be better informed. This will create more market accountability and will incentivize such firms to hire environmental and logistics consultants to offer solutions that reduce the firm's risk exposure. Such consultants might suggest strategies such as having contingent backup supply chains — for example, what steps can be taken to guarantee that Starbucks doesn't run out of coffee beans for a month? Geographic locations could be ranked by their climate resilience so that a company like Google does not keep its servers in a place that is at risk of extreme disasters.

As a public goods provider, the government can play a useful role in nudging companies to disclose such information, thus drawing investors' attention to it. Disclosure requirements can also help firms whose leaders do not know what they do not know, in terms of the new climate risks they face. Such firms are less likely to have evaluated their evolving risk exposure. If President Trump enforces



the existing SEC regulation and encourages the introduction of penalties for not making such announcements, then this subset of companies will learn about the new risks they face and will recognize that the public disclosure of this information will hold them accountable.

Different companies will learn about different risks. Some may learn that their current headquarters faces a flood risk, while others may learn about their exposure to much higher electricity bills due to dynamic pricing or power blackout risk at factories in the developing world. Some may learn about transport logistics risks such as not being able to send big ships down the Mississippi River because of drought.

The net effect of these disclosures will be that firms increasingly invest in resilience in order to claim that they are making progress in limiting their risk exposure. As these firms demand new solutions to their challenges, new entrepreneurs will appear to supply them. In this sense, the SEC disclosure rules will help to accelerate adaptation so that fewer sectors will be vulnerable to extreme weather events.

This article is sourced from Harvard Business Review and is composed by Matthew E. Kahn, a Professor of Economics and Spatial Sciences at the University of Southern California. He is the author, most recently, of *Climatopolis*.



Case Study from the Archive - Medicare

Abstract

Medicare Hospital is among the most popular healthcare providers in the UAE currently. In order to raise the bar in the services it offers, Medicare has adopted a strategic view of using sustainability to competitive advantage. According to Medicare, "CSR and sustainability are integrated business platforms that build long-term shareholder value." They see these platforms as highly effectual tools that foster innovation, drive operational efficiency, improve environmental performance, reduce costs, strengthen employees' relationships with customers and in the end, create business advantage.

They have utilized sustainability to improve their relations with stakeholders, improve internal processes and operations, and improve environmental performance. There is strong cognizance of the fact that the success of the business is heavily reliant on their ability to provide satisfactory patient experiences, as well a safe and secure environment. They also focus on their people in order to be able to attract and retain skilled and talented personnel. They keenly feel the need to contribute to sustainable development through their business activities.

"Medicare leadership decided to maintain a minimum standard of customer satisfaction and customer service which is above the global and local benchmarks. Medicare has a strong customer loyalty way better than the global benchmarks."



Conclusion

Hospitals and healthcare facilities are not without a significant environmental footprint. By virtue of large scale consumption of energy, water and other resources and the wastes created, they leave a strong impact on the environment. Therefore it is imperative that the healthcare sector wakes up to its social responsibilities and commits to sustainable practices.

The healthcare industry is also associated with social impacts. Inclusiveness is a vital factor that should be considered by all in the industry including Medicare. The hospital does provide special services for special needs and the differently abled. However, much more can be done in this regard to make it a truly outstanding sustainability performer. Medicare is committed to reducing its environmental footprint and acting upon its corporate citizenship. It could work with others in the sector to make sustainability a norm and a culture.

In other areas, although it has been reporting since 2013, Medicare should consider maturing to the GRI reporting standard and apply the globally espoused principles and framework. This will add great value to its extensive communication efforts with stakeholders. The hospital can do much more in the sphere of community investment, particularly for example offering free of cost services to the poor and marginalized sections of society. All in all, Medicare is a true exemplar and promises to make great headways in the future with its sustainability commitments.



Arabia CSR Best Practices: 2015-2016

This abstract has been taken from the ACSRN publication titled 'Arabia CSR Best Practices: 2015'. For more details on Medicare' and other companies that have been recognised for their innovative and effective CSR strategies write to us at admin@arabiacsrn.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 organisation will benefit from it, call us at +971-4-3448120 or write to us at admin@arabiacsrn.com
For more information on the Arabia CSR Network visit www.arabiacsrn.com