The Dubai Chamber Centre for Responsible Business (CRB) in partnership with UNICEF and Save the Children organized a consultation session on 19 June 2011 at the Chamber premises to discuss a set of draft principles that guide the private sector to become a more positive force for children’s rights. The key objective of this event was to support the development and drafting of a set of international principles on children and business.

A series of similar consultations took place in various regions across the world. Participating companies are selected based on their experience and commitment to sustainable business practices. The event saw 39 participants representing 25 companies, government agencies and civil society organizations from across the MENA region. The participants represented a diverse group of local, regional and international organization. The recommendations based on discussions of the group will be incorporated into the principles to reflect the voice of the private sector in the MENA region. The Children’s Rights & Business Principles will be released around the anniversary of the Convention on the Rights of the Child (CRC) which takes place on 20 November 2011 - culminating an extensive multi-market research, consultation, drafting and refinement process.
CRB News  ENGAGE Dubai Give & Gain Day 2011

ENGAGE Dubai spearheaded the Give & Gain Day 2011 on June 23. The largest and most prestigious employee volunteering program in Dubai joined thousands of global employees in lending a helping hand in promoting employability which is the theme of this year’s program managed globally by Business in the Community (BITC) UK. A major partner of CRB

More than 200 volunteers from businesses across Dubai swapped their usual work day to make a difference to the communities they live and work in. They actively engaged in promoting employability in the country through a series of seminars, presentations and roundtable discussions held at schools, universities, local charities and community groups.

CRB News  Dubai Chamber Sustainability Network First Meeting

The Dubai Chamber Sustainability Network is going very strong with some very prominent companies like Saeed Al Naboodah Group, Pepsi, Unilever, TNT Express, Bank Sarasin Alpen, HSBC, NBAD, Dnata, Johnson & Johnson, CCC, Aramex, Puma onboard as members. The Sustainability network will work with the members and key stakeholders across UAE to raise awareness, build capacity, promote and support the development and implementation of CSR, Sustainability and Governance practices. Through these collaborative actions and membership services, the network strives to lead the UAE and regional movement to mainstream responsible and sustainable business practices.

The first meeting for Sustainability Network members took place on 11 September, 2011. The key objective of this meeting was for all the members to get introduced to each other and start of an initial discussion on potential project collaborations and the way forward.

As partners within the network, the members are motivated by a shared vision and goals. Through this network members can access and influence CSR, Sustainability and Governance thinking in UAE, the region and internationally. To this end, the network members will participate in an ongoing creation of tools and expertise in a variety of topics, aimed to facilitate companies’ adoption of sustainable and ethical practices. In addition, the network offers a unique platform for collaboration among partners on concrete CSR, Sustainability and Governance related projects.

CRB Services

The Dubai Chamber Sustainability Network works with companies and engages with key stakeholders across UAE to raise awareness, build capacity, promote and support the development and implementation of CSR, Sustainability and Governance practices. Through collaborative action and membership services, the network strives to lead the UAE and regional movement to mainstream responsible and sustainable business practices. The network will work closely with the business, government, NGOs, academia and the media to further the development and uptake of CSR, Sustainability and Governance in UAE and the region.

Volunteers offered tips on building skills through their presentations on employment possibilities, recruitment awareness, building the right CV importance of IT skills and organized behind the scene tours and educational trips which involved a detailed walk through of the facilities of community partners.

As well as Dubai Chamber, companies which took part in the volunteering event included Mashreq Bank, TNT, QBG, ABB, First Select, Al Ghurair and Dubai Aluminum Company Limited (DUBAL).

The Give & Gain Day voluntary program benefitted 114 children from Community Development Authority - Government of Dubai - Elkayt employment program for people with disabilities, Al Noor Centre for Children with Special Needs, Manzil Centre for Challenged Individual and Sharjah Social Empowerment Foundation.

The next Give & Gain Day 2012 will be on 17th May! We hope that you and your organisation can contribute to this great initiative and demonstrate the strength of employee engagement and it’s powerful impact on local communities, organisations and individuals.

CRB Services

The Dubai Chamber Sustainability Network
Organizations have recently become more aware that CSR strategy is a broad topic (i.e. not only philanthropy) and that CSR impacts and is impacted by a mix of stakeholders with different and/or opposite expectations. Top management teams are now under the spotlight and the reputation of their business at stake. Understanding the scope of risk and opportunities in the different pillars of CSR (usually workplace, community, environment, marketplace, suppliers/customer- and corporate governance) seems then essential. Defining the boundaries of top management’s responsibilities and their room to maneuver represents an even bigger challenge as expectations have to be evaluated and balanced.

Several guidelines, standards and programs exist which focus on specific CSR related topics; ISO 14001 for environmental management; OHSAS 18001 for occupational health and safety; Investors in People for workplace; ISO 9001 for quality management; and Engage from BITC for community involvement. These initiatives often provide good support to organizations that want to achieve excellence, but they don’t advise on how to balance all these issues simultaneously. This is exactly why top managers need a more dynamic, comprehensive and holistic picture of their CSR strategy and their performance in general.

The need to centralize all this information is now a major topic, as controlling and managing these issues has a direct impact on companies. In addition, stakeholders from the different pillars ask for more transparency and accountability.

As the Dubai Strategic Plan 2015 integrates social and environmental topics, and as the construction of a favorable business environment is a key objective to make companies more competitive, it is important for Dubai and UAE based companies to benchmark themselves against international best practices as well as against local issues (i.e. Emiratization, water and energy resource management). Similarily as Dubai, UAE and GCC consumers and companies become more aware of CSR and sustainable development practices, a simple tool was needed to communicate that a company is committed to operating responsibly. These key drivers are the reason the Dubai Chamber Centre for Responsible Business created the Dubai Chamber CSR Label in 2010.

The Dubai Chamber CSR Label has been developed to help companies in three ways:
- As a framework to identify CSR risk and opportunities, define the list of priorities and self evaluate,
- Provide feedback and recommendations in order to understand the areas of improvement and the potential gaps with international best practices,
- Communicate better with stakeholders their CSR commitment and practices.

The Dubai chamber CSR Label is basically a management tool. Each pillar, or assessment area, is divided in several parts that cover key issues: For example in the Workplace section, “human capital and Emiratisation”, “work environment culture and employee satisfaction”, and “working conditions”. For the Environment part, the topics are “impacts on resources”, “outputs” and “products/services”. Each topic has several questions that allow companies to understand what and where are the risks and opportunities. Each question can be evaluated through a scoring scale that allows the company to measure its performance in the area. This simple scoring system is in place to guide companies in the self evaluation process.

If a company wants to go beyond the self evaluation, it can be assessed by the Centre For Responsible Business which will provide a feedback report. If this company reaches a minimum score, it will be awarded with the Dubai Chamber CSR Label (See p 8). Companies which are interested in having a bigger and more precise picture of their overall performance can also apply for the Mohammed Bin Rashid Al Maktoum Business Award which provides comprehensive business excellence guidelines.
Case Studies CSR and Innovation

Over time CSR has been viewed in various ways; as purely philanthropic activity; as a marketing tool to enhance the company’s brand; as a tool to reduce risks and operational cost; but what about CSR as a strategic driver for innovation? CSR innovation can have a positive economic effect on business and companies are increasingly realizing this. According to a survey conducted by the Sustainability Advisory Group (SAG) over 80% of UAE respondents thought that CSR can attract new customers and foster innovation.

Here are two examples where companies have used CSR in a strategic way for innovation. The first demonstrates how NBAD successfully developed a socially innovative product and the second shows how McDonalds and Neutral Fuels have used innovation in an environmental initiative.

In 2008 the National Bank of Abu Dhabi (NBAD) launched Ratibi as part of its sustainability strategy and commitment to increasing financial inclusion. The payroll card Ratibi is an innovative payment solution designed to replace the payment of the wages made through cheques and cash and also to meet the needs of corporations, their employees and the Government of the UAE.

There were significant drivers for the initiative: around 2.5 billion people globally or over half of the world’s adults, are not using any formal banks or semi-formal microfinance institutions to save or borrow money. It has also been reported that 26–50% of the UAE population are also among the ‘unbanked’ widely due to a lack of access and low levels of financial literacy.

When the Ministry of Labour identified increasing labour disputes over fair wages and timely payments as a problem they issued a decree enforcing the wages protection system (WPS). NBAD saw this as an opportunity and developed the Ratibi card for companies, with no minimum balance or annual fees. Companies can simply issue Ratibi cards for all their laborers and then execute one single bank transfer on monthly basis and the Ratibi cards of the employees are loaded with their salaries.

This innovation has delivered significant business benefits back to NBAD; strengthening the relationship with over 2,800 corporate customers in the UAE through ‘streamlining’ businesses’ compensation processes; expanding the banks customer base by over 450,000 customers and enhancing NBAD’s relationship with Government by providing a service that assists the Government in monitoring fair wages by tracking salary payments.

There are also enormous social benefits from the Ratibi initiative, mainly the fact that it incorporates into the banking system a segment of the population who otherwise would not have access to any banking services at all. Today, Ratibi NBAD helps bring banking to over 450,000 economically disadvantaged workers and increases financial inclusion.

A second example of CSR innovation in the UAE relates to an environmental innovation undertaken by McDonalds and Neutral Fuels.

McDonalds now has 90 restaurants in the UAE and as a company committed to active CSR it was keen to find an alternative way to dispose of the waste oil from its restaurants which otherwise was shipped overseas. Neutral Fuels LLC, a joint venture between The Neutral Group and a young Emirati entrepreneur who is a member of the Mohammed Bin Rashid Establishment for SME Development, obtained unique permission from the Dubai Ruler’s Court to be the first producer of biodiesel in the Middle East, using used cooking oil as the raw material.

Driven by its strong global commitment to sustainability and reducing its carbon footprint McDonalds joined forces with Neutral Fuels to turn waste into fuel.

Later, the trucks stop off at Neutral Fuels, leaving behind the full wheelie bins and taking on empty ones. They also top up their tanks from the biodiesel pump.

The business benefit for McDonalds lies in the fact that by converting its entire UAE fleet of 22 trucks to use biofuel they are significantly reducing their carbon footprint and can benefit from the reputational benefits of doing this. Also as it is the first time that a company in the Middle East has used biodiesel to power vehicles on this scale there is also positive PR from this.

The environmental benefits of this joint venture are enormous, because the carbon emissions are reduced by 60–80% using waste vegetable oil versus traditional diesel fuel. There are also major reductions in other emissions from biofuel including sulfur oxides and sulfates (major components of acid rain) and hydrocarbons (a contributing factor in the localized formation of smog).

As these examples show CSR innovations can be practical, simple and bring dual benefits to business and society in a win-win scenario. They also demonstrate that CSR can go beyond risk management towards a more progressive and entrepreneurial approach that seeks to create value and identify sustainable opportunities for strategic innovation.
Social media in a few short years has forever changed the way companies communicate. But what exactly is it and why is it relevant to corporate social responsibility?

The term Social Media refers to the use of web-based and mobile technologies to turn communication into an interactive dialogue, it is the likes of Facebook, You Tube, Twitter, Blogs.

Today, Facebook has more than half a billion active users. The total number of Facebook users in the Arab world grew 78% during 2010 reaching over 21 million at the end of last year. The UAE has the highest penetration rate in the Arab region, with more than 45% of the population having Facebook accounts.

These social media users constitute an enormous number of corporate stakeholders and potential customers which is why the world of marketing, PR and advertising is getting engaged in these forums. However, when it comes to communicating CSR, the majority of companies ignore social media altogether.

Custom Communications, a UK company carried out a study on some of the most sustainable companies, namely those in the Dow Jones Sustainability Index, and analyzed their use of social media. The results showed almost 60% do not use social-media channels to engage the public about their CSR practices yet 84% of these companies have already embraced social media for general PR or marketing purposes.

Social media and sustainability are very similar; both are built on the pillars of transparency, ethics and innovation, and both can help secure a company’s bottom line. There are also exciting and compelling examples of companies successfully using social-media to communicate their CSR commitments and establish honest dialogue and feedback with their community of stakeholders. Just look at The Pepsi Refresh Project for a smart social-media strategy.

So why aren’t CSR communications via social media more common?

Maybe because CSR is still niche within organizations so it follows that their communication will be niche and directed solely to key stakeholders like NGO’s. The scope of social media is viewed as being too large?

Or maybe because social media opens the door for anyone to publicly comment and worse case publicly attack companies. Greenpeace for example has successfully run social media campaigns against high profile brands such as Barbie, Kitkat, Dove, Kleenex and BP.

But it is time to move with the times, it is a central theme within CSR, that in order to be perceived as a responsible company, one needs to communicate with stakeholders. Ten years ago it was an innovative concept to publish a CSR report but the role of sustainability communications has grown as related issues such as climate change and social causes became more important to the general public. Also the public has started embracing social media to share conversations and give feedback on companies. It is interesting that for all the money, time and effort that goes into producing CSR reports, just a small number of companies make those reports accessible and discoverable through social media.

Social media can create a stronger link with stakeholders and support traditional communication methods. It can transform CSR reports into dynamic social media content; it is one thing to mention your good supply chain practices in the annual report but imagine tweeting when you are in the field doing social audits.

It’s an exciting time for CSR and social media so why not consider combining the two. Just make sure that you know and understand how to use the tool to its full capacity.

There are lots of social media tips out there but here are some of the most important when it comes to CSR.

- Promote values and issues as well as achievements. Research suggests that most stakeholders want to know that a company cares, even more than they want to know what the company is doing. But if you do talk about improving 100,000 lives make sure this is true! There will be those keen to disprove you so set the quality control bar high.

- Small can be better - forget about big numbers and heading straight for facebook. As with any communication consider which channel is the most suitable for you message, experiment with blogs for example, research shows blogs are trusted information sources. It is better to have 10 engaged stakeholders than 10,000 silent sheep.

- Remember it is an opportunity for progressive communication with stakeholders, which means it is a two-way method of communication and not a one-way promotional channel. To capitalize on it listen to and analyse consumer conversations in order to turn the information into insights that will turn into a direct impact to the bottom line. ... the best strategies consist of 90% listening and 10% activation.

- Do not put the intern in charge of the company’s social media! Just because they are young does not mean they understand social media or are capable of communicating the management vision of CSR and representing the company in stakeholder dialogue.

- Lastly, set goals, measure and analyze the results of the social media initiative, otherwise how do you know it was a success? What gets measured gets managed.
SMEs in the Socio-Economy

From an individual street vendor to a complex multinational enterprise, every business entity has its stakeholders and its impacts on society and the environment, both positive and negative. The notion of corporate social responsibility (CSR), broadly defined as the overall contribution of a business to sustainable development (SD), refers to the ensuring of economic success for an organization by integrating social and environmental issues in its processes so that the organization can adequately manages the impact of those processes on both the environment and local communities. Therefore, this should be equally valid for large and small enterprises. But when CSR is discussed in academia, the media, and wider civil society, the focus tends to be on the largest companies. Small and Medium Enterprises (SMEs) are often overlooked.

Yet, SMEs count. They are in many countries, at the core of the economy, and a major source of entrepreneurial skills, innovation and employment. On average, they represent over 90% of businesses and account for 50-60% of employment at a national level. In Dubai, SMEs constitute 90-95% of all businesses contributing 30-35% to the national gross domestic product (GDP), and their contribution to the national economy also results in social benefits by employing about 61% of the total workforce. As such they play a fundamental role in society, and can potentially have a huge impact on both environment and community.

With their strong influence on economic, social, and environmental matters, impacts attributed to SMEs' activities are certainly significant, not only the magnitude but also the diversity. Thus, the social and environmental performance of SMEs remains weak in many parts of the world and it is believed specifically that the environmental damage caused by SMEs will grow unless innovative strategies are devised. But SMEs today work in markets affected by a global pattern of supply and demand that favors larger companies. Therefore, CSR concepts were mainly developed with large companies in mind and many concepts and instruments have been developed to address their environmental and social impacts. Before going any further, it is important to make a note on terminology.

Although the term ‘SME’ is frequently used it is seldom defined. In the UAE, different definitions have been used. Until recently, the Dubai Chamber of Commerce and Industry considered companies with less than 10 employees micro, those with less than 20 or 25 small, and those with less than 100 medium-size, provided turnover is less than 100 million Dirham/year. In late 2009, the Dubai government set a general definition for SMEs, which is differentiated by sector and takes both turnover and workforce size into account.

Challenges to Adopting CSR Concepts

Although SMEs are considered the core of the economy, they are viewed as a challenge in the sustainable development debate. They apply considerable pressure on both society and the environment, not individually, but collectively. For example SMEs are avid consumers of resources and energy and the result is a significant generation of waste by-products. There are also a number of problems that deprive SMEs from achieving their full potential: they use outdated technology; lack finance; lack access to export markets; lack market information; are resistant to change; and, the decision-making is done by the owners of these companies. These problems contribute to disregard of social issues and environmental degradation. Therefore, they are seen unconcerned by environmental and social issues even those relevant to their businesses. They also escape the scrutiny of activists and campaigners, given their small size and their lower profile in the marketplace.

Another barrier facing SMEs is that they do not appear to have a cradle-to-cradle understanding of the social responsibility agenda, i.e. how the different areas of environmental and social responsibility can combine to bring improvements across the triple-bottom-line (economic, social and environmental) performance. Yet, in SMEs it is much easier to get full buy-in to responsible business and understanding of what the commitment means in practice.

One of the characteristics of current economic globalization is that large companies increasingly contract suppliers in emerging economies either to manufacture their components and/or products or to provide services to their (local) operations. These suppliers often produce the bulk of the components and services that go into a final product sold under a large company's brand. Suppliers are often SMEs, or sub-contract SMEs, in emerging economies. Nowadays most of the...
economic, environmental and social impacts of MNEs occur through their supply chain and a significant proportion occurs through SMEs in those chains.

Integrating SMEs into the CSR Agenda

Integrating CSR throughout an SME can be undertaken through practical, simple and cost efficient actions, and does not need to be complex or expensive.

Owing to their small size, and their potential for being more flexible and innovative, SMEs may in fact provide particularly good opportunities for social responsibility. Nevertheless, SMEs are incapable and/or indifferent to conform to socially and environmentally-friendly practices due to financial constraints, lack of proper information and a lack of motivation.

Promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability.

For example, the ISO26000 for Social Responsibility, states that CSR for SMEs involves the adoption of an integrated approach to managing a company’s activities and impact.

It also states that “a company should address and monitor the impacts of its decisions and activities on society and the environment in a way that takes account of both the size of the organization and its impacts.” of course It may not be possible for a company to mitigate immediately all negative consequences of its decisions and activities. It might be necessary to make choices and to set priorities.

Also recognizing the need of meeting the specific requirements of SMEs with regard to CSR, is UNIDO which became the fifth core UN agency in the Global Compact in 2003. UNIDO based its CSR program on the Triple Bottom Line (TBL) Approach, which has proven to be a successful tool for SMEs in the developing countries to assist them in meeting social and environmental standards without compromising their competitiveness.

The TBL approach is used as a framework for measuring and reporting corporate performance against economic, social and environmental performance.

It is an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations.

CRB Tip
Identifying Stakeholders: SMEs Approach

The GRI offers a simple process and practical how-to advice, helping SMEs to easily and effectively create sustainability reports. In guiding SMEs to identify stakeholders it proposes three steps:

- **Review your core business activities and goals.** This helps the enterprise to identify its internal goals: those related to core business activities, as well those related to its sustainable development goals.

- **Map your stakeholders and their interests.** SMEs can identify which actors are important to their business internally and externally. A matrix linking each stakeholder to “key business priorities” such as enhanced reputation and increased staff motivation can help SMEs get a grasp of the strategic dimensions of their stakeholders relations and how they could benefit from more pro active alignment with them.

- **Identify the aspects to report on.** As stakeholders have different concerns and information interests, selection is based on the identified stakeholders. What are the issues that mainly concern key stakeholders? The answer can help adjust the communication towards the specific needs of the target audience.

**Why CSR?**

The long-run benefits SMEs can realize by adopting CSR strategies can indeed be significant and involve the following key dimensions:

**Cost Savings:** adopting CSR practices leads to operational savings (less waste, energy and material inputs, higher efficiency in resource use, etc.) resulting from environmental and productivity improvements within an eco-efficiency perspective.

**Enhanced Staff Loyalty:** offering advanced human resource development programs, and safe workplaces can result in higher level of loyalty and lower level of absenteeism.

**Enhanced Reputation:** the positive image effects of implementing CSR can be a decisive actor for future market development. It is an excellent tool for benchmarking the performance of business partners in different areas and documenting the efforts undertaken in that respect.

**Improvements in Productivity and Quality:** greater efficiency and better management encouraged by adopting CSR practices can help SMEs improve the quality and productivity of their output.

**Consumer Response and Customer Satisfaction:** while responsible consumer behavior is still somewhat confined to niche markets, it appears to be growing rapidly. In the field of customer satisfaction, adopting CSR practices will improve SMEs performance in particular with respect to lower defect rates and delivery on time.

**Better Alignment Access to New Markets:** SMEs will find it easier to enter into specific contracts or trading relationships with Transnational Corporations or companies in OECD markets with demanding supplier codes. However, export-oriented CSR can only succeed if it is matched by product quality and service, which meet international market standards – a factor which should be taken into consideration when developing a CSR strategy.

SMEs shouldn’t just consider CSR an ethical issue, they must see the business relevance of what they do. If they don’t, they may miss out on important business opportunities.
The Dubai Chamber CSR Label Ceremony
Recognizing Leadership

Four major Dubai-based companies have been awarded the Dubai Chamber CSR Label for their efforts to become leading businesses in corporate social responsibility and sustainability.

Commercial Bank of Dubai, Standard Chartered, 3W Networks and FedEx were presented with the Dubai Chamber CSR Label during a special ceremony held at the Dubai Chamber’s head office recently. They are the second round of companies to be given this recognition standard by Dubai Chamber following the first CSR Label presentation in May 2011.

During the ceremony, H.E. Hisham Al Shirawi, second Vice Chairman of the Dubai Chamber, stressed on the fact that The CSR Label helps establish a new standard in terms of transparency regarding CSR challenges and will inspire the whole business community to develop their own strategies on responsible practices.

More companies than ever understand now the comprehensive approach of CSR. The gap between the corporate communication and the operational reality is decreasing but the road is still long. The Dubai Chamber CSR Label will definitively help companies that want to manage efficiently this global trend that impacts all organizations.

CRB Publications
CSR Toolkits

To provide support to companies interested in the Dubai Chamber CSR Label, CRB has developed six CSR Toolkits to assist them in becoming more competitive and innovative in addressing their social and environmental impact. The toolkit includes separate guidebooks on:

- **Strategy and Stakeholder:** this toolkit provides guidance on how to engage stakeholders in the development process of a CSR strategy/initiative. It is a management tool to guide the process and ensure successful implementation.

- **Workplace:** this toolkit outlines best practices for companies wishing to improve their diversity, health and safety standards, work culture, employee satisfaction and engagement, talent retention, ethics, attracting and retaining staff.

- **Marketplace:** this toolkit outlines the business case for implementing responsible supply chain practices. It also explores evolving consumer behavior and expectations of organizations today.

- **Environment:** this toolkit outlines best practices for companies wishing to take a leadership position in the field of environmental management as well as for those who are just getting started.

- **Community:** this toolkit outlines best practices for companies wishing to make a leadership position in the field of community investment.

- **Communication:** this toolkit provides guidance on designing the right internal and external communication plan to make stakeholders aware of the companies social and environmental behavior.