Editorial

It has taken a lot of behind the scenes work over the last couple of months, but the new Centre for Responsible Business (CRB) website has arrived! We would like to invite you to visit and explore it!

New features and design makes it much easier to navigate. More options to view reports, conference proceedings, case studies, toolkits, and articles. Most of our resources can be downloaded for offline use, so you may access them to create your own custom library that fits with your individual and corporate needs.

Published in English, the site contains description of all the services CRB offers to the business community such as: Sustainability Network, ENGAGE Dubai, and CSR Label.

The website also includes a News and Announcements area, access to CRB’s Library, Information about the work of the sustainability network task groups, a complete and updated interactive list of companies that offers green and sustainable product and service offerings that help you be a responsible business.

CRB’s directory of case studies of best practice in responsible business is a new addition to the website. This case study bank aims to profile organizations that are doing innovative work in CSR both in the UAE and globally and share the drivers for implementing CSR, how it is being delivered, the impacts and the challenges it faces. In this way, the site focuses on presenting each and every one of the case studies through a variety of options: sector, company, and focus area.

We hope that you will appreciate the new look. Please don’t hesitate to contact CRB if you need more information.

And as always, read about our latest news, announcements and upcoming events.

We hope you enjoy reading this issue of CSR Al Youm!
In keeping with its on-going commitment towards the Dubai Chamber Sustainability Network members to raise awareness and encourage best practices in CSR and sustainability, CRB hosted Sustainability Network member PepsiCo to showcase its best practices in Responsible Marketing.

Mr. Kurt Fernier, Sr. Marketing Director Beverages Middle-East-Africa at PepsiCo who spoke on: what is responsible marketing? How can you manage and balance social and environmental expectations with profitability?

How can you transfer responsibility in your business to the marketplace? Most importantly how can you use integrity to create competitive advantages and grow market share.

The Sustainability Network serves as the focal point for the business community to share and exchange best practices in implementing Corporate Social Responsibility (CSR).

This network has 33 corporate members which are encouraged through these learning sessions to exchange experiences and constitute CSR leadership.

CRB News Sustainability Network Communication on Progress

Six months following the launch of the Sustainability Network Task Groups, the Dubai Chamber of Commerce and Industry’s Centre for Responsible Business, organised a seminar to share with the business community the progress made by the various task groups and to share the groups’ promised deliverables and achievements at the Chamber premises on Thursday.

At a launch in April, the Sustainability Network presented five task groups, now numbering 33 members, to deliver initiatives and resources for the business community on Workplace Wellness, Community Investment, Employee Volunteering, Waste Management & Resource Efficiency, and Integrating CSR into Strategy.

The Sustainability Network Communication on Progress Seminar was presided over by H.E. Hamad Buamim, Director General, Dubai Chamber, and was attended by CEO’s and senior management of the Sustainability Network members, representatives of potential companies looking to join the network as well as the local media.

He acknowledged the important role played by the Chamber’s Centre for Responsible Business in raising awareness and supporting the development and implementation of corporate social responsibility and sustainability practices amongst businesses in the UAE while also providing the network members a connecting platform to share best practice amongst businesses in the UAE while also providing the network members a connecting platform to share best practice and experiences.

The speakers at the progress seminar including Mr. Essa Al Ghurair, Vice-Chairman, Al Ghurair, Mr. Osman Sultan, CEO, du, and Mr. Sandeep Sahlgal, Managing Director for Middle East and Africa, Research in Motion (RIM), led the discussion on the progress of the task groups and shared experiences and best practices with other participants.

The progress seminar also saw the launch of learning resources developed by the various task groups. This includes the CRB developed Case Study Book that features 20 case studies from local and international member companies of the network. The publication provides businesses an insight into how and why they should implement responsible practices in their business using examples from Sustainability Network members focusing predominantly on the four key impact areas of community, environment, marketplace and workplace with additional examples on reporting and communication.

In his update presentation, Dr. Belaid Rettab, Senior Director, Economic Research and Sustainable Business Development Sector, Dubai Chamber, added that the Sustainability Network enhances the status of Dubai Chamber as it leads the concept of corporate social responsibility in the emirate and helps stimulate a constructive dialogue for companies to network, collaborate and contribute towards the sustainability agenda of Dubai.

On the benefits of joining the network, Dr. Rettab added that the Sustainability Network provides an opportunity for companies to present themselves as role models and leaders in CSR, sustainability and corporate governance under the umbrella of the Centre for Responsible Business.

The Sustainability Network consists of 33 high profile businesses, with a record of achievements in sustainable excellence, as well as a determination to lead the business community to the next level and be at the forefront of the importance of sustainability for the future.
CRB News Community Investment Workshop

The Dubai Chamber Centre for Responsible Business hosted a workshop on the 30 September, attended by 25 people from the Dubai business community. This event followed the launch of the "How to develop a Community Investment strategy" guide, developed by the Dubai Chamber Sustainability Network’s Community Investment task group. This workshop shared how Community Investment can be a source of strategic advantage for a company and further built on and explained the information provided in the "how to guide".

The workshop started with an introduction to corporate community investment including the business case and benefits followed by an introduction to the 5 principles of community investment. These 5 principles make up a framework used by many of the world’s leading companies to effectively manage and guide their contribution and engagement with their communities.

The workshop included presentations from two Sustainability Network member companies, Ben Eavis Corporate Responsibility Manager - International from DLA Piper and KPB Menon, Corporate Responsibility Manager – Middle East from TNT Express who brought the 5 principles to life presenting on how this framework is used within their businesses. The workshop finished with an interactive session and exercises which enabled companies to apply the 5 principles to their company and discuss the most appropriate community strategy for their business. To access a free copy of the "how to guide" log onto the Dubai Chamber website.


CRB Announcement New Publications

Publications are available for download in digital format at www.dubaichamber.com/initiatives/crb-new
CRB Announcement Upcoming Dubai Dialogue Conference

Good corporate governance is reflected in fair, transparent, and accountable interactions among a company’s management, board of directors, shareholders, and stakeholders. Good corporate governance attracts financial and human capital to the corporation and is important in reducing risk for investors and improving performance of companies.

Traditionally, corporate governance has been perceived as a one-dimensional practice that focuses on monitoring, compliance and regulation. The key objective of sound corporate governance practices must be to contribute to sustainable business performance and thus enhance competitiveness of firm and the overall economy. Corporate Governance is essentially about accountability and strategic direction.

Hence, the new emerging trend is an integrated approach for applying governance throughout the organization where the key principle is that everyone in the organization is responsible for performance, management of risk and creation of value. Corporate governance that is connected strategically with performance management will enable companies to focus on the key drivers that move their business ahead.

This Dubai Dialogue will focus on corporate governance and its importance in value creation for the business. The conference while looking at emerging trends in corporate governance will also look at the importance of adopting the right structures and the roles of boards in driving corporate governance through people, process, policy and culture.

In the afternoon, delegates will be offered a choice of two workshops; the first, looking at how companies can design integrated corporate governance structures; the second will look at how boards can better identify risk and craft effective internal controls. Delegates will then return to the main hall for two sessions and closing keynote.

Benefits of attending the conference:

- Hear about emerging trends in corporate governance.
- Examine the role of corporate governance in driving sustainable business performance and enhancing competitiveness.
- Understand the emerging role of boards in guiding organizational strategy and risk management.
- Opportunity to hear and interact with prominent leaders and CEO’s and gain a fresh perspective on corporate governance.
- Participate in Interactive Master Classes run by experts.

Dubai Dialogue Conference
Corporate Governance and Value Creation

Let’s Continue the Dialogue!
28 November 2012

Time: 08:30-16:00
Venue: Dubai Chamber, Conference Hall

Details will be announced soon. For enquiries please contact CRB at responsiblebusiness@dubaichamber.com
Ethical and Responsible Marketing: Building Trust between the Company and its Customers

Of all the management fields, the field of marketing raises the most controversy when it comes to the question of ethics. Everyone heard stories of false advertising, pressure selling or even discriminatory pricing practices. Whether in the public opinion or within its own community, marketing is a discipline which provokes much debate.

Very often, this controversy is linked to a lack of understanding of what the actual definition of marketing is. One definition by marketing guru Philip Kotler very often used is “Marketing is human activity directed at satisfying needs and wants through exchange process”. The Chartered Institute of Marketing defines marketing as “the management process responsible for identifying, anticipating and satisfying customer requirements profitably”. The Marketing Society describes it as “the creation of customer-led demand, which is the only sustainable form of business growth”.

While acknowledging the benefits, which can be attributed to the practice of marketing, it is suggested that this field could gain from an approach to ethics. As the practice of marketing, in its almost exclusive reliance on the principle of consumer satisfaction, also creates problems for consumers and society in general. With regard to consumers, the example of tobacco is particularly revealing. In the short term, a need is satisfied which, in the long term, is obtained at the price of the health of consumers.

The theories on marketing ethics can be differentiated between descriptive and normative approaches. Descriptive approaches include attempts to describe or model ethical decision-making and empirical studies of the ethical attitudes and/or behaviors of different populations, such as marketing researchers or salespeople.

On the other hand, normative approaches to ethics identify moral principles and methods of moral reasoning that justify judgments of what is right and wrong. It is normative marketing ethics that is concerned with prescribing what managers “ought to do” when faced with an ethical issue.

With respect to this, and in order to avoid the multiplication of ethical codes, which are often long and complex, an interesting conceptual framework is suggested by Gene Lacznik, which can be understood as a guide, intended to permit marketing people to question the ethical impact of their actions. The objective of this conceptual framework is to provide managers with a guide that is not only utilitarian but also ethical, while at the same time being adaptable to the changing complexity of each organization. The rules of thumb he’s suggesting are:

- **The golden rule** – act in a way that you would want others to act towards you
- **The professional ethic** – take only actions that would be viewed as proper by an objective panel of your professional colleagues
- **The TV test** – always ask if you would feel comfortable explaining the action on TV or in a newspaper
- **When in doubt, don’t** – if you feel uneasy about a decision there is probably reason to question it
- **Slippery slope** – engaging in slightly debatable practices as an exception can serve to make them the norm
- **Kid / mother / founder on your shoulder** – would any of the pre-mentioned be happy with the ethical decision being made?
- **Never knowingly do harm** – e.g. never consciously make or sell a product not deemed to be safe

More and more companies are using this framework other frameworks as well as CSR to transform their corporate identity to include a great amount of responsibility. Therefore, CSR practically has the same effects as advertisements, because it sheds a positive light on a brand or product. That is why CSR can also be seen as an expression of marketing.

It is understandable that in this tough economy a business has to do everything it can to grow sales. But if companies do not maintain an ethical boundary in its practices, we find the foundation of our economy and society – trust – will erode to the disadvantage of everyone.

Luckily, audiences today are more perceptive about how many marketing messages they receive every day. People increasingly see through the shallow manipulations of hype or exaggerated copy. Responsible marketing. It means truthfully representing your product or service and its value, honestly attracting the appropriate members of your audience to it, and then delivering on the pledge. This is just as important aspect of being a responsible company, and will bring you another step closer to the ultimate goal of “sustainability”. By including the brand name in socially responsible campaigns, brand awareness and brand recognition are raised. Therefore, it is safe to label such campaigns as advertisements. Remember that CSR is about building trust between the company and its stakeholders. Responsible marketing is about building trust between the company and its customers.

### Business in the Community Marketplace Responsibility Principles

**The Principles**

- Respect your customers
- Support vulnerable customers
- Seek potential customers within excluded groups
- Manage the impact of product or service
- Actively discourage product misuse
- Actively manage responsibility in your supply chain
- Treat suppliers as partners
- Work with the rule makers
- Have consistent standards

**Best practice behaviors**

- Anticipate trends
- Execute with skill
- Place it at the heart of the business strategy
- Make it part of the culture
- Encourage and motivate responsible behavior
- Make it mainstream
- Share best practice within the business
- Be consistent

Source: www.bitc.org.uk/marketplace/marketplace_responsibility_principles/index.html
A growing number of companies are embracing a new way of doing business, one that puts societal issues at the core of the company’s strategy and operations. This approach differs from traditional “corporate social responsibility.

This new approach to doing business, called Creating Shared Value (CSV) extends well beyond those practices. The concept is currently being promoted by Michael Porter of the Harvard Business School who argues that private companies can enhance their competitive advantage while at the same time advancing the societies they operate within.

Many large companies have been experimenting with this kind of idea over the last few years, rebranding their CSR policies into new sustainability ones. The more innovative policies have already moved away from ‘traditional style’ approaches to CSR that tended to be ‘charitable’ in their principal and not enough to tackle the pressing problems we all face — water scarcity, low quality education systems, an aging population in some parts of the world, a rapidly growing one in others, and so on, to programs that deliberately seek to deliver ‘community benefit’ as part of their core business.

A recent report by the United Nations even stated that some of the world’s largest companies are focusing less on short term shareholder value and more on the value provided to customers as well as to the environment and society at large.

What is CSV?

The concept was first introduced in 2006 by Michael Porter and Mark Kramer in an article published in Harvard Business Review. The article argues that businesses should move past generic CSR principles and learn how societal influences are becoming the new frontier of competitive advantage. The article concludes with the idea that “when a well-run business applies its vast resources, expertise, and management talent to problems that it understands and in which it has a stake, it can have a greater impact on social good than any other institution or philanthropic organization.”

The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.

In brief, the concept of CSV focuses on the connection between societal and economic progress. It is about new business opportunities that create new markets, improve profitability, and strengthen competitive position of companies.

How is CSV Created?

Shared Value is created when companies generate economic value for themselves in a way that simultaneously produces value for society by addressing social and environmental challenges. Companies can create shared value in three distinct ways: by reconceiving products and markets, redefining productivity in the value chain and building supportive industry clusters at the company’s locations. Each of these is part of the virtuous circle of shared value; improving value in one area gives rise to opportunities in the others. The concept of shred value connects companies’ success with societal improvements, it opens up many ways to serve new needs, gain efficiency, create differentiation, and expend markets. The ability to create shred value applies equally across industries and companies though the specific opportunities will differ, and their range and scope is broader than has been recognized.

As the chart below illustrates the differences between CSV and CSR and the advantages of shared value. It shows how CSV is integral to a company’s profitability and competitive position. It leverages the unique resources and expertise of the company to create economic value by creating social value.

In both cases, compliance with laws and ethical standards and reducing harm from corporate activities are assumed.
CSV Case Study: Cisco

At the recent Dubai Dialogue hosted by the Centre for Responsible Business in May 2012, Omar Shaban from Cisco Systems made a presentation on the Cisco Networking Academy which is a great example of creating shared value and how a company is building long-term competitive advantage via a sophisticated social engagement program.

Cisco is a multinational corporation that designs, manufactures, and sells networking equipment. It has 65,000 employees across 400+ office locations of which one-third are engineering/IT employees.

Cisco believe it is not enough anymore for a business to be only a business they must also be a responsible global citizen. The company believes that using their expertise to do CSR strategically benefits people, communities and the planet – as well as their own business and adopt the viewpoint that strategic CSR creates “shared value.”

Cisco’s CSR activities strengthen the business in three primary ways:

- CSR programs demonstrate the environmental and societal value of Cisco’s technologies
- They help Cisco build and deepen strategic relationships with people key to the business’ success – including customers, government leaders, media, investors, and partners
- Authentic commitment to CSR is increasingly important to how the brand is perceived

The global outlook for networks is strong, the number of servers (virtual and physical) worldwide will grow 10 times. The amount of information managed by enterprise datacentres will grow 50 times and the number of files the datacentre will have to deal with will grow 75 times at least. Meanwhile, the number of IT Professionals in the world will grow by less than a factor of 1.5 so there is a tremendous demand for an ICT skilled workforce and the lack of qualified information and communication technology (ICT) professionals to meet the global demand is a real issue.

Cisco Networking Academy is Cisco’s largest CSR program, with an expansive global presence. The global cloud-based initiative offers training in the latest networking technologies through a network of academies developed in partnership with educational institutions locally, national and local government, corporations, and NGOs. Since 1997, the company has invested $350 million to create 10,000 academies in 165 countries. Cisco are currently educating 1,000,000 unique students in 2012.

Students learn online in one of 16 languages with the support of nearly 20,000 Cisco trained instructors. Because Cisco could never hope to establish and maintain a global educational system by itself, the Networking Academy adopted the strategy of embedding courses within existing educational institutions through public-private partnerships. The program maintains control of the course content, manages online delivery and assessments, and offers support and discounted equipment. Local educational institutions, governments, and other organizations choose which courses to offer and determine the context in which the courses are to be delivered, such as making them part of a certification or degree program.

The online courses encourage the sort of e-learning and interactivity that engages today’s students, and also lend themselves to cutting-edge methods and tools such as simulations and individualized feedback. All of Cisco’s curricula help prepare students for industry recognized certifications.

Networking Academies are incredibly diverse, with student of all ages coming from very diverse backgrounds and circumstances. Students range in age from 12 to over 60 and the global percentage of female students is approximately 21% which Cisco aim to increase.

By almost any measure, Networking Academy has proved to be a successful model for innovation, both in the classroom and in the broader world of general education and educational theory and research. The program is also strengthening Cisco’s business as the company’s continued growth depends on a healthy supply of qualified technicians and the academies provide Cisco with preferred access to a skilled workforce creating a win-win for company and society.

In conclusion, driving economic success at the same time creating social value is not only a responsibility but an opportunity for businesses to rethink the way they do business and drive sustainable economic growth.
The Dubai Chamber CSR Label Ceremony
Recognizing Leadership

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

Emirates Transport, Dubai, Ducab, Majid Al Futtaim Properties, DLA Piper, Hilton Jumeirah, and Summertown were presented with the Dubai Chamber CSR Label during a special ceremony held at the Dubai Chamber’s head office on 26 September, 2012.

At the same time, Commercial Bank of Dubai, and Standard Chartered Bank, were awarded the endorsement for a second time after successfully reapplying, meeting higher expectations and criteria.

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.

Congratulations

To the recent recipients of the Dubai Chamber Corporate Social Responsibility Label

As a responsible company, it’s time to stamp your mark on society

To find out how your company can become a CSR leader and more about Dubai Chamber CSR Label, please visit www.dubaichamber.com/crlabel

The Center for Responsible Business is an initiative by Dubai Chamber of Commerce & Industry, which seek to raise the level of awareness, and encourage standards of good practice in organizational ethics, corporate responsibility and governance through the provision of research, training and advisory work for members and stakeholders.

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