Editorial

At CRB we are dedicated to helping the business community realize the kind of impact CSR has on both, community and environment. The CRB was founded to provide efficient, effective and sustainable solutions and has maintained that focus throughout our eight year history. Our experience, integrity, and positive results have been an integral factor in our success, and the Dubai business community values these traits, therefore, we have an obligation to keep on doing what we do best, guide Dubai business community towards excellence in CSR, corporate governance and sustainability.

As this year draws to a close, we can look back with pride and enumerate the accomplishments of CRB over this year. During 2012, CRB ran 43 events assisting over 1300 business delegates on CSR and Governance, CRB also continued to deepen its relationship with the business community, driving forward CSR management and implementation in companies through the newly established Sustainability Network which grew from 4 members in 2010 to 35 in 2012, and the Dubai Chamber CSR Label which was awarded to 30 companies.

The new Centre for Responsible Business (CRB) website was launched; the new features and design makes it much easier to navigate. There are 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.

CRB’s directory of case studies of best practice in responsible business is a

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.

Finally, we are issuing this Edition of CSR Al Youm in response to the success of the Dubai Dialogue: Corporate Governance Conference. This event was another prime example of what the Dubai Chamber’s Centre for Responsible Business is trying to achieve – bringing cutting-edge thinking into the region and facilitating learning and debate amongst business leaders, practitioners and academics.

We hope you enjoy reading this very special issue of CSR Al Youm!
CRB News ENGAGE Dubai Workshop and Fair

On the occasion of the UN International Volunteer Day celebrations, the Dubai Chamber of Commerce and Industry's Centre for Responsible Business (CRB) hosted a workshop on how to develop an Employee Volunteering Management Programme under its ENGAGE Dubai programme, at the Chamber headquarters on 5 December, 2012.

The workshop, which was followed by the ENGAGE Dubai Fair, saw the launch of the Employee Volunteering Management Guidebook developed by the Centre for Responsible Business in collaboration with the members of the Sustainability Network.

The publication arms businesses with the tools to continue the ever-increasing movement of good corporate citizenship through the integration of workplace volunteering into their efforts. Its goal is to engage more businesses in effective volunteer management to further demonstrate the significant impact a company can make in its communities.

The workshop introduced the audience to ENGAGE Dubai Programme and Employee Volunteering and had company and community presentations on trends, best practices and case studies derived from the Guidebook.

Participating companies and organisations including TNT and Manzil, Mashreq Bank and Injaz-UAE gave joint presentations while there were individual presentations by RIM, The Angel Appeal and Dubai Autism Centre on the progress of employee volunteering in their organisations which highlighted the positive impact that community engagement can have for businesses and the wider community.

With its objective of raising awareness about volunteering and to recognise the efforts of the volunteers and volunteering organisations, the workshop and the ENGAGE Dubai Fair, which had participation by Injaz-UAE, Manzil, Al Noor Centre, Dubai Autism Centre, Operation Smile and The Angel Appeal, was attended by ENGAGE Dubai and Sustainability Network volunteers and companies seeking to develop, innovate and generate added value in the CSR journey of their organisations and become active in the employee volunteering programme.

CRB News Dubai Dialogue Corporate Governance Conference

The Dubai Chamber of Commerce and Industry’s Centre for Responsible Business organised the 7th Dubai Dialogue: Corporate Governance and Value Creation at the Chamber headquarters on 28 November, 2012.

In the presence of top global and local corporate governance experts, the conference discussed the emerging trends in corporate governance, creation of value and the importance of adopting the right structures.

The conference also looked at the roles and responsibilities of board members in ensuring accountability and transparency in decision making.

The conference examined the role of corporate governance in driving sustainable business performance and enhancing competitiveness. It also looked into the effective integration of leadership, risk and process management control, and compliance into a single coherent and consistent business strategy to ensure long-term value creation.

In two different sessions, the speakers shed light on the topics such as Beyond Compliance - A New Era for Corporate Governance, Governance Best Practices for Risk Management and Enhanced Performance, Ownership Structures and Corporate Governance, Emerging Practices in Board Roles and Responsibilities and Family Owned Companies in a Global Competitive Arena. They also dealt with Governance, Risk and Compliance for Financial Services.

The speakers included Ms. Monica Soans, Vice President - Compliance, Mashreq, Mr. James Waweru, VP Finance, North Africa and Middle East, Unilever, Ms. Alissa Amico, Manager, Middle East and North Africa Corporate Affairs Division, Organisation for Economic Co-operation and Development, Dr. John Bullivant, Managing Director, Good Governance Institute, Mr. Mohammed A.R. Al Fahim, CEO, Paris Gallery, Mr. Sajith Kumar PK, Director & CEO, JRG International Brokerage DMCC and Mr. Mahmood Ahmad, Legal Director, DLA Piper.

He further stated, "One thing that is more or less universally accepted is that good corporate governance is a vital part of any business and if ignored can have dire consequences both in terms of increased vulnerability and poor performance."

In a nutshell, good governance should facilitate efficient, effective and entrepreneurial management and one that delivers value to stakeholders over the longer term. Therefore, it is necessary for companies to set out their objectives clearly in a policy or code of corporate governance, said Al Shirawi.

The 2nd Vice Chairman cited the example of Dubai Chamber stating that the Chamber’s code of corporate governance is available to all staff and it clearly states the roles and responsibilities of the Board and Executive Members, as well as policies on corporate social responsibility, disclosure and transparency, and corporate culture and ethics, among others.
CRB News Integrated Reporting Workshop in Partnership with the Pearl Initiative

The Dubai Chamber of Commerce and Industry’s Centre for Responsible Business organised a seminar on integrated reporting in partnership with the Pearl Initiative, the non-profit organization aimed at promoting best practices for corporate accountability and transparency, at its head office in Dubai on 14 November 2012.

The event was attended by CSR, sustainability, finance and strategy professionals from listed companies, public sector, private companies, state-owned enterprises and family firms, with experience and interest in financial and non-financial reporting.

The seminar looked at what integrated reporting is and how it can help businesses take more sustainable decisions and also enable investors and other stakeholders to understand how an organisation is really performing. Companies like Agility and Abraaj Capital also shared their current best practices in this area with the participants.

Speakers at the event included Andrew Robinson, Partner, KPMG, Frank Clary, CSR Director, Agility and Geetha Tharmaratnam, Principal, Portfolio Management & ESG, Abraaj Capital.

An integrated report provides insight into the organization’s strategic objectives, and how those objectives relate to its ability to create and sustain value over time and the resources and relationships on which the organization depends.

In 2011 the International Integrated Reporting Council proposed five guiding principles for preparing an integrated report, these principles include:

1. Strategic focus
2. Connectivity information
3. Future orientation
4. Responsiveness and stakeholder inclusiveness
5. Conciseness, reliability, and materiality

CRB 2012 Publications

Publications are available for download in digital format at www.dubaichamber.com
Prominent businesses in Dubai have joined forces with the Dubai Chamber of Commerce and Industry and the Dubai Municipality for a campaign to promote sustainable waste management by corporate houses.

As many as 11 companies, local and international, have become a part of the "Be Responsible—Rethink Waste" campaign that was launched on 10 October, 2012 at the Dubai Chamber premises. Participating companies included Al Ghurair, Saeed and Mohammed Al Naboodah Group, Nokia, Henkel, Aramex, Eros Group, PepsiCo, HSBC Bank Middle East, CHEP Middle East, Landmark Group, and Majid Al Futtaim Properties.

The campaign that calls on businesses and the public for action to reduce, reuse and recycle is an initiative of the Dubai Chamber Sustainability Network.

The one-month drive included many activities such as a Reduce, Reuse, Recycle campaign at Al Ghurair Centre, and Oasis Centre, a screening of the movie 'Bag It', a world renowned documentary on the impact of plastic on the environment at VOX cinemas at both Mall of the Emirates and Mirdif City Centre, an Industrial and Commercial Waste Conference in partnership with Dubai Municipality for businesses, and a special session on waste management for students of Al Ghurair University.

Industrial and Commercial Waste Conference

The conference sought to address some of the knowledge gaps that exist within the area of waste management in the UAE and offer solutions that can be developed to improve practices.

Businesses also got an opportunity to interact with the authorities on how regulations and policies are being implemented.

The event witnessed the launch of the technical guideline no. (4) 'Requirements of Solid Waste Segregation for Recycling in Shopping Centres', which aims to provide methods to establish and maintain effective recycling systems in shopping malls in Dubai.

Dubai Municipality recently initiated a mandatory waste segregation scheme in Dubai shopping centres, which will be implemented in full from February 2013.

Dubai Municipality in its efforts to implement a sustainable and integrated waste management system in the Emirate of Dubai has initiated the mandatory waste segregation scheme in Dubai Shopping Centres.

This initiative is part of a series of programs that will be implemented by Dubai Municipality to increase waste recycling and reduce waste going to landfills.

The technical guideline no. (4) Requirements of Solid Waste Segregation for Recycling in Shopping Centres, which aims to provide a guide, it also aims to providing methods to establish and maintain effective recycling systems in shopping malls in Dubai.
An Introduction to Stakeholder Engagement Management

Every company communicates with its stakeholders in one way or another, directly or indirectly through various channels such as marketing, contractual relationships, and media.

However, stakeholder engagement refers to the new forms of communication in the corporate community emerging in the last decade which is primarily focused on dialogue with civil society, clients, suppliers, local government authorities, etc.

The "stake" that each of these different individuals or groups has in a project or investment will vary. For example, there may be people directly affected by the potential environmental or social impacts of a project. Others may be resident in another country altogether, but wish to communicate their concerns or suggestions to the project company. Then there are those who might have great influence over the project, such as government regulators, and others active in the local community.

Back to Basics: How to make Stakeholder Engagement meaningful for your company

In July 2012, the above mentioned guidelines, published by Business for Social Responsibility (BSR) outlines their approach for companies to initiate and sustain constructive and cost-effective stakeholder relationships over time. By engaging early and often, companies can create value for stakeholders as well as use the engagement process to inform business strategy and operations. Each brief provides practical guidance and tools on implementing the five steps:

1. Develop a strategy: Review past engagements, determine the company’s motivation for the engagement, and define objectives.
2. Map stakeholders: Define criteria for identifying and prioritizing stakeholders and reflect on the best engagement mechanism such as a single meeting, open forum, social media, or an ongoing stakeholder panel.
4. Engage stakeholders: Conduct the engagement itself by focusing the conversations, making the most of engagement sessions, and mitigating tension when it arises.
5. Establish action plans: Use stakeholder feedback to improve business strategy and operations, build trust with stakeholders, and identify opportunities and plan for future engagements.

Most companies see stakeholder engagement as a sideline, that is a big mistake. Stakeholder engagement should be an explicit part of your strategy and receive all the resources and attention it requires.

Stakeholder mapping in probably the most important step to understanding who your key stakeholders are, where they come from, and what they are looking for in relationship to your business.

It is a powerful diagnostic tool; it helps in identifying and prioritizing your stakeholders. It also helps in identifying your current position in relation to the various interest groups we mentioned earlier.

An easy way to start is by putting your stakeholders in three categories:

1. External: stakeholders outside the company with no direct business link to the company such as community members, media, etc.
2. Internal: stakeholders inside the company such as employees, shareholders
3. Value Chain: stakeholders outside the company with a direct business link to the company such as customers, suppliers, etc.

Identifying and segmenting your company’s (or your department’s) stakeholders will generate further insights into how you interact with them and how they perceive your current sustainability status, all of which can easily become part of your self-assessment.

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<tr>
<th>Stakeholder Engagement Business Benefits</th>
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<tr>
<td>Strategic stakeholder engagement can help your company:</td>
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<tr>
<td>• Increase mutual respect and understanding, unearth hidden issues and opportunities, and identify new ideas to create long-term business value.</td>
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<tr>
<td>• Align engagement on material issues and understand how to address stakeholder expectations.</td>
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<tr>
<td>• Manage risks and opportunities: Work with stakeholders to navigate your complex business environment and incorporate their perspectives into key strategy and operational decisions.</td>
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Case Studies on Stakeholder Engagement

Leaving stakeholders out of the loop is one of the top mistakes companies make when trying to initiate or develop CSR and sustainability. Here are some companies that successfully engage stakeholders on their CSR journey.

Etihad

Etihad cites active and ongoing stakeholder engagement with the broadest range of stakeholders as essential to their CSR strategy and program. During 2010, the CSR team members conducted a series of workshops and stakeholder engagement exercises to identify Etihad’s major stakeholders, to begin to understand their concerns and interests, and to help define the scope of the 2010 CSR Report.

In June 2010 the company conducted their first focus groups, covering employees and customers. The aim of these first discussions was to identify priority areas related to the environment, the workplace, and the community, and to further investigate the best ways of communicating information about CSR activities.

By their 2011 CSR Report Etihad began to refer to their stakeholder engagement as “Collaborations & Conversations” citing their work with the broadest range of stakeholders; notably employees, customers, service providers, industry groups, local businesses, government departments, non-government agencies, industry associations, charities and others as a way to engage, educate, inform and effect change.

In July 2011, a new initiative was launched to facilitate convenient and accessible communication between Etihad Airways and its customers. A range of processes were put in place to encourage customers to; ‘tell us what [they] think’; measure customer feedback clearly and efficiently; and make this information accessible to track productivity and performance. The new systems allow the airline to centralise and streamline all customer feedback and customer relations activity.

Now Etihad is moving beyond the scope of employees and customers as the issues facing aviation are increasingly far too complex to address effectively within the industry and its collaborative efforts are becoming much more extensive. For example the airline industry’s commitment to driving the commercialization of biofuels has resulted in the creation of an airline stakeholder group, the Sustainable Aviation Fuel Users Group, and in cross-industry engagement with many other stakeholders throughout the supply chain.

Timberland

Timberland, the outdoor clothing and Footwear Company, works to integrate CSR into everything they do and their ambitious goals require comprehensive stakeholder engagement. The company understands that as the stakeholder community gets even more sophisticated in their understanding of corporate sustainability issues, they are demanding greater information about the claims Timberland make publicly and that transparency, accountability and reporting must play an integral role in their CSR efforts. To that end, Timberland set up groundbreaking online innovations in transparency and engagement, including:

- A bespoke stakeholder engagement portal www.earthkeeper.com with the aim of widening the diversity of stakeholders they interact with, increase conversations on key issues responsible businesses face, and learn from feedback to improve their approach.
- Quarterly CSR reporting, which allows stakeholders to offer feedback in response to updated performance data regarding the company’s energy, product, workplace and service goals
- Quarterly stakeholder conference calls with CEO Jeff Swartz focused on Timberland’s CSR strategy pillars which are then available as podcasts.

Timberland’s commitment to stakeholder engagement has helped embed innovation across the company and the entire footwear industry. It has helped make the Timberland brand increasingly synonymous with social responsibility and transparency.

Aramex

At Aramex, one of the first companies in the region to produce an integrated annual report combining both financial and sustainability statements, demonstrates a clear commitment to stakeholder engagement and cites stakeholders as “partners” and a vital element in their sustainability strategy.

Aramex engages in dialogue with a variety of stakeholders through a variety of means. Most recently the Dubai Chamber Centre for Responsible Business attended an interactive workshop alongside other stakeholders and representatives from Aramex’s senior management and a third party that facilitated the session. A range of assessment questions were used to capture stakeholders’ key perceptions and knowledge levels concerning the CSR issues which will feed into future strategy.

Aramex provides a detailed guide to their stakeholder engagement (see next page) in their 2011 annual report listing the company’s main stakeholders and the processes, priorities and outcomes of their engagement with each group.

And what happens without stakeholder engagement…

Apple

Where one company has failed to engage stakeholders effectively on the issue of sustainability is Apple. Over recent years Apple has been the target of numerous negative media articles and stakeholder pressure which is a reminder for all executives that failing to monitor stakeholder concerns about sustainability can hurt business.

In 2011 Chinese NGO’s published two reports entitled “The Other Side of Apple,” focusing on pollution and poisoning problems in Apple’s supply chain in China.

Earlier this year, Apple was criticized in a major article in the New York Times about the poor health, safety and working conditions of its suppliers in China.

And more recently Apple was condemned for withdrawing 39 of its computer products from Electronic Product Environmental Assessment Tool
(EPEAT) registry. EPEAT is a leading global registry for greener electronic products.

The tendency for Apple has been to reply to questions from the media with a generic reply, such as: “Apple is committed to driving the highest standards of social responsibility throughout our supply base.” However, the outpouring of negative public reaction and constant consumer pressure in all these cases has meant that Apple has had to backtrack and properly address these situations.

For example, Apple has now committed to spending millions to improve factory conditions in China. And in response to the EPEAT delisting, customers pushed back so strongly, including the City of San Francisco which banned the purchase of Apple products for its 28,000 employees that days later, Apple relented and re-committed to having its products on the registry.

If Apple were to establish a strategic way to engage meaningfully with stakeholders, instead of having a reactive strategy, it could begin to address sustainability concerns before they become negative publicity campaigns.

Sample: Aramex’s Guide to Stakeholder Engagement

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<tr>
<th>EMPLOYEES</th>
<th>ENGAGEMENT PROCESS</th>
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| Our diverse workforce comprises over 9,500 direct employees and around 1,600 indirect employees across the globe; this year Aramex acquired new companies in Asia and Africa, further enriching the diversity of our employees. | • Operational meetings  
• Station meetings, functional meetings and regional meetings  
• Team brainstorming sessions  
• Individual performance appraisals  
• Internal surveys  
• Employee social events  
• Employee satisfaction survey  
• Management retreats  
• Annual leaders’ conferences  
• Online communications (social media, email shots, video channels)  
• Internal collaboration tools  
• Training, education, and workshops |

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<tr>
<th>PRIORITIES</th>
<th>EFFORTS AND OUTCOMES</th>
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| • Development through internal training, executive education and workshops  
• Knowledge sharing  
• Empowerment and ownership of work  
• Performance-based progression opportunities  
• Healthy work environment  
• Maintaining strong corporate culture, values and reputation  
• Job security and safety  
• Competitive salary and benefits | • Feedback-based enhancements to the Aramex Corporate University to improve the quality and effectiveness of training and career development  
• Conducted an independent and comprehensive employee satisfaction survey  
• Continued the Global change Leader’s program, a 12 month process to empower and nurture senior managers, with the aim creating the global leaders of tomorrow  
• Celebrated our frontline employees in “Aramex Courier Day”  
• Regional leaders’ meetings held in various areas of operation  
• Organized sports events, such as the Aramex Gulf Cup soccer tournament and Jordan Football Championship  
• Internal promotion of several regional and national managers |
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.

Unibeton, Palm Utilities, National Bank of Abu Dhabi, Global Village, and UAE Exchange were presented with the Dubai Chamber CSR Label during a special ceremony held at the Dubai Chamber’s head office on 19 December, 2012.

At the same time, the Nail Spa, and QBG, 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.