

CORPORATE SUSTAINABILITY MANUAL



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Special recognition goes to:

Ms. Walaa Hamdan, author of the CSR Handbook, SustainOman Project Coordinator, and AIESEC alumna;, and Ms. Jamie Wernet, Vice President of Talent Management for AIESEC in Oman (2012-2013), co-author and designer for the Handbook.

Executive Overview



It is with great pride that I introduce to you AIESEC in Oman's Corporate Sustainability Handbook. This handbook is the culmination of a two-year project that took advantage of AIESEC's unique position at the crossroads of corporations, civil society, and youth in order to contribute something original to the conversation about CSR in Oman.

In 2010, AIESEC in Oman launched the SustainOman project, designed to raise awareness around the topic of sustainability through events, trainings, and student internships.

SustainOman was enabled through a grant from Middle East Partnership Initiative (MEPI) and various other supporters.

Our handbook is meant to summarize the various learnings that AIESEC has gained through the SustainOman project, the events we have conducted, and the discussions we have had with the society at large around sustainability.

Corporate Sustainability encompasses a huge umbrella of actions for long-term impact. Because the scope of the topic is so wide, we found it imperative to include a wide range of stakeholders in our conversations about it. AIESEC, as a leading international youth organization, is in a unique position to bring together youth, the corporate sector, civil society, and government to discuss important issues of our day.

We used this strategic position to organize the Corporate Sustainability Forum, which was held with the support of MEPI, National Bank of Oman, and various other supporters in May of 2011.

We at AIESEC in Oman are excited to have played host to such conversations, and thank all of the supporters and contributors whose ideas and hard work helped make this project a success. I hope this handbook serves as a tool to stimulate discussion, and I look forward to watching the continued evolution of Corporate Social Responsibility and sustainability in Oman.

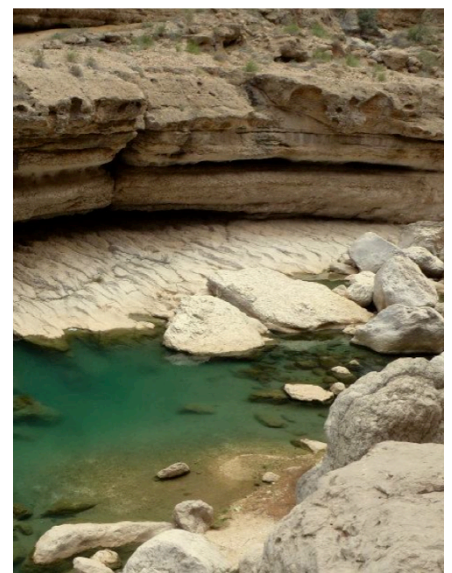
Best Regards,



Rafael Pilliard Hellwig
President, AIESEC in Oman
2011-2012

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Introduction

Corporate Social Responsibility and Corporate Sustainability

Corporate Sustainability is a business approach focused on all dimensions of business and operations and how they interact in the social, cultural, and economic environment. A common way to express this is in the idea of the “triple bottom line” – that is, measuring success based on economic indicators (such as profit and loss), environmental indicators, and indicators of equity (such as human rights).

Corporate Social Responsibility, or CSR, is the method or structure that many companies use to support the sustainability of their organizations.

Corporate Social Responsibility in Oman

Sustainability was only recently introduced into the minds of Omani corporations. Many sustainability programs are really an ambiguous mix of branding activities and CSR. Most corporations do not consider a holistic approach to sustainability and CSR.

The current state of CSR in Oman varies widely from organization to organization. The lack of fact-

gathering or impartial studies makes it more difficult to gather input across various industries and sectors. Until recently data was mostly compiled on a case-by-case basis, and output only shared in-house.

Some of the common mistakes made by CSR departments/responsibles in Oman are as follows:

- I. No follow up and tracking on funding through measures of success (MoS), key performance indicators (KPIs) or reporting on the impact of the funding.
- II. Viewing the funding as a cost rather than as an investment, thus not calculating the return on investment (ROI) from the funding.
- III. Often looking abroad for examples or models of CSR, rather than creating a definition of sustainability that fits the specific needs of Oman.



“Sustainability is a key theme entering Oman’s business jargon, and is shedding its reputation as solely a green term.”

-Hala Srouji
General Manager of Corporate Communications
Port of Salalah



Companies

The ideal CSR partnership is one where two or more entities work together, each one tapping into the resources and expertise of the other, in order to find creative solutions to critical challenges. Companies can consider the following findings from the SustainOman project to improve their CSR programs.

1. Shift from treating CSR as marketing or charity to treating it as a strategic investment

CSR programs are often thought of as charitable contributions – that is, having a one-way benefit. However, if focus is shifted to creating strategic partnerships between CSOs and companies, CSR programs can deliver benefit to both parties, as well as the communities impacted by the program.

2. Run educational campaigns and increase transparency in CSR award criteria to combat public misunderstanding

While many companies are making progress toward creating exemplary CSR departments and programs, they often must field requests from a public that is still used to the old model. Companies should make an effort to educate

the public about the true value of CSR, and should make their policies regarding public bids for funding available and transparent.

Omran, for example, publicizes their CSR award criteria on their webpage, making clear both the types of projects they will consider and the objectives of the CSR department.

3. Adopt sustainability reporting

Reporting on KPIs and indicators of company sustainability can shed light on inefficient or environmentally

unfriendly processes in the supply chain.

In addition, sustainability reporting increases transparency and accountability, which is in itself a move toward responsible corporate citizenship.

4. Ensure consistent company messaging – if your company cares, everyone cares

Senior management should not be uninvolved in their company's CSR initiatives or treat them as an afterthought. For CSR to be truly effective, a consistent and clear message must be communicated across all levels and departments. CSR should be considered a central strategy of investment in the long-term health and sustainability of the corporation.

“CSR is an investment, not a cost.”

His Excellency Stefan van Wersch,
Ambassador of the Kingdom of the
Netherlands to Oman, at the Corporate
Sustainability Forum



Civil Society

Civil Society Organizations occupy a unique position in society; they are able to gather resources and influential people together to create impact in a way that neither individuals nor corporations are able to do.

However, CSOs also face unique challenges. Many struggle on a daily basis to secure enough funding to support operations. In addition, many NGOs also have a board that is not able to commit full-time, which increases the risk of poor financial decisions.

CSOs can consider the following findings from the SustainOman project to support their operations:

1. Capitalize on corporate knowledge

CSOs often think of partnerships with corporations as purely financial. However, CSO management teams often struggle with business strategy and effective management. CSOs should consider securing strategic learning partners to help give their employees and managers a crash course in business logic, proposal writing, and general management.

2. Understand your differentiator

NGO's should be able to answer these questions:

- What makes my programs and my organization different from others in the market?
- Does everyone in my organization understand its mission statement?
- Is the mission statement written, accessible, and implemented?

NGOs often suffer from a lack of direction; it is crucial that each person involved with the NGO can answer these questions in order to maximize the value they add to the

organization.

3. Track and measure impact

All programs should be tracked and reported on, including reports on critical measures of success (MoS) and Key Performance Indicators. CSOs should be able to define the audience of each program and zero in on the exact impact they're having in the community.

4. Aim for three-way added value

A partnership between a company and CSO should add value in three dimensions: to the community, to the CSO, and to the company itself.

5. Cultivate a strong communication and media strategy.

CSR initiatives can only benefit from increased awareness; CSOs should focus on involving many different organizations and individuals in their CSR initiatives to create large-scale awareness through different levels of society.

“Sustainability should be defined by the value it delivers to the individual, the corporation, and the planet.”



It is each individual's responsibility to contribute to the sustainability of the community, whether they be a student, an employee, a volunteer, or a parent. While institutional and organizational change is imperative to a sustainable and socially responsible society, often the changes that are easiest to enact and have the largest impact come from individuals.

Here are some suggestions based on the findings of the SustainOman project to help you to take responsibility over your own impact on your environment:

1. Take small steps to reduce your environmental footprint

It is easy to think that an individual



environmentally friendly (or unfriendly) action will be unnoticed, or won't have a major impact in the long run. However, small practices eventually add up, and make all the difference. There are a thousand small things you can change about your daily routine to reduce your impact on the environment. Commit to starting with just one!

Some actions to consider in your home or work place are the following:

- Unplug any electronic devices if they are not in use.
- Wash clothes in cold water.
- Use cloth bags while grocery shopping instead of plastic
- Get a reusable water bottle and fill it at water stations
- Carpool and combine errands to reduce petrol use
- Eat one vegetarian meal per week

2. Volunteer and support CSOs:

Young people especially should actively seek out opportunities to support CSOs; it can be as simple as paying them a visit to ask if they need any volunteers to support their organization.

Professionals should also be encouraged to volunteer in CSO's as a method of knowledge sharing and supporting them in the management of the CSO

3. Encourage your peers, and share your values

Start sharing ideas with friends, colleagues and family. Spread the word about exciting volunteering programs, or new information about sustainability and the environment. This is where the power of the individual truly lies: activating one's network to become responsible over their environment and society.



Company Profile

National Bank of Oman

National Bank of Oman, the first local bank founded in Oman, has a near 40-year history of serving Oman and its citizens. They have long taken the lead in responsible banking, and have a stated goal of becoming Oman's most sustainable bank. NBO's experience with CSR and sustainability in Oman can provide valuable insights to the emerging CSR community.

NBO's head of CSR & Corporate Communications, Aisha Al Kharusi, is one of the key spokespeople for CSR in the MENA region and a driving force behind NBO's partnership with AIESEC for the Corporate Sustainability Forum. Part of the reason this initiative was successful, in Aisha's opinion, is that the NBO team was involved heavily as mentors for the young people running the project. "The great thing about the Corporate Sustainability Forum was that youth were the driving factor; it was AIESEC and the young people who are involved there. And in the end they were able to send a very effective message to big corporations that CSR can play a huge role in your strategy." This kind of knowledge and experience partnership is an interesting model for civil society to explore.

Aisha is also experienced in managing the difficulties that companies can face when attempting to run CSR programs in Oman. While companies often choose to team up with civil society organizations to maximize impact, she points out that many CSOs do not have formal business training. This often results in proposals that aren't compelling, either because the project impact has not been thoroughly thought out, or because the proposal itself is not well written. This also results in poor tracking of CSR programs, as often CSOs do not understand what exactly they should be tracking.

Aisha and the National Bank of Oman are a good example of a CSR department that places as much importance on investing in key people as in key projects, as well as having a personal connection to programs. "My team gets involved with different projects from A to Z. We want to align our CSR programs with our business strategies, to touch lives through wealth creation and embedding strong values, empowering the youth. We feel it's our responsibility," says Aisha.

CSR is a lifestyle. It's how you raise your kids, how you go to work, it's how you create jobs and live a responsible life."

- Aisha Al Kharusi

Head of CSR & Corporate Communications
National Bank of Oman





Youth and CSR

The potential of young people to impact Omani society is huge. They are the largest demographic, with over 500,000 young people between the ages of 14 to 25. If all of those young people chose to be responsible stewards of their communities and environment, the impact could be huge. However, both youth and companies identified challenges to youth engagement and social responsibility during the Corporate Sustainability Forum.

For example, many people at the Forum thought that young people often have an incomplete understanding of CSR. They do not usually have role models showing them how to act sustainably, so the concept often remains abstract to

“Young people should stop being recipients and start being creators.”

- Aisha Al Mahrami, AIESEC alumnae, at the Corporate Sustainability Forum

them.

Another problem identified was that companies and NGOs could be unsure about how to reach out to young people. While young people may be the target audience of CSR projects, they are not usually asked for input in their creation.

Young people at the Corporate Sustainability Forum saw themselves becoming involved in CSR activities mainly through volunteering, organizing events to support various causes, or promoting the efforts of CSOs through social media.

However, many also described some external limitations that prevent them from participating in these activities, such as:

- Limited opportunities for volunteering.
- Misconception of volunteerism in society as *“free labor”*
- Little societal regard given to the experience gained through volunteering
- Lack of financial support for civil society projects
- Societal support going to initiatives, which are more well known meaning less support for grass root initiatives.

Youth at the forum submitted the following recommendations for their peers on how to overcome these challenges:

- Create awareness around existing projects and NGOs and the impact they are making.
- Take initiative; be the people who are taking action to create change.
- Start with a small-scale activity and involve many people.
- Do not underestimate the opportunities for self-development that volunteering can give.



Conclusion

Sustainability in Oman is close to reaching the tipping point when it will be widely adopted by companies, organizations, and individuals. At that point, CSR programs and corporate sustainability will stop being considered as extraneous initiatives and will be incorporated into core business strategy.

Until the perception of sustainability undergoes that major change, it is important for any initiatives to focus on the involvement and education of all stakeholders.

This handbook is only one piece in the puzzle of sustainability in the Sultanate, which has various other contributors such as NBO, Omran, and Aramex.

What is truly needed to maximize

“Sustainability is not an end result; it’s a process.”

- Walaa Hamdan, AIESEC alumna, at the Corporate Sustainability Forum

the impact of all the CSR and sustainability initiatives run by companies or CSOs is an unbiased body which could streamline systems, define processes, and be a reference for all matters sustainability in the sultanate.

Till such an entity exists, companies, CSO's and individuals should still continue to seek out opportunities for them to cooperate and create sustainable partnerships around important issues.

With all that being said, sustainability is not a goal to be achieved, but a constant process, which requires innovation, sharing of best case practices, and education of the public at large.

