



مجموعة أبوظبي للاستدامة  
Abu Dhabi Sustainability Group

A Public-Private Partnership Initiative to Champion Sustainability in Abu Dhabi

# SUSTAINABILITY JOURNAL

Issue 3, Quarter 3, 2014

## Latest AD SG Hiwar Report on Sustainability & Organisational Governance



An interview with Rotana Group  
CEO, Omer Kaddouri



Ann Pettifor provides an insight  
into global money systems



The AD SG strategy  
for 2014-2019



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## A Word From the Editor

As the ADSG strategy gains momentum, I am pleased to showcase in our eJournal several key articles that demonstrate the efforts of the ADSG members, the progress we are making collaboratively towards realising the group's strategy and what's to come soon.

As tourism is a key sector and growth engine in the UAE, how well hotels integrate sustainability is important. An interview with Rotana Group' CEO, Omer Kaddouri, highlights the significant milestones and achievements that have been realised to date.

By incorporating sustainability into governance, organisations can make a positive impact on their local communities, shareholders and investors as well as their bottom line. This was the topic of the most recent Hiwar, which is highlighted in this issue, as well as an interview with Ann Pettifor, which provides an insight into macroeconomics and global money systems and how they relate to a sustainability future.

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The opinions and views expressed in the ADSG Sustainability eJournal do not necessarily reflect the ADSG's policy or position. Special thanks to the members of ADSG for providing information, pictures and support in the production of this Journal.

Photography provided by Rotana & EWS-WWF.



**FSC** The mark of responsible forestry

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مجموعة أبوظبي للإستدامة  
Abu Dhabi Sustainability Group

## ADSG Theme Workshop Energy Management & Forecasting

**Date:** 10th November 2014

**Time:** 9:00 am – 3:00 pm

**Venue:** Al Hur A, 2nd floor  
Al Mamoura (A)  
Environment Agency- Abu Dhabi

As the global need to conserve energy affects virtually every organization, it is important to integrate Energy Management and Forecasting in the organizational structure.



- How is energy consumption connected with Climate Change?
- What are the ways for an organization to predict its energy consumption?
- What is the process for setting future energy related targets?
- What are the techniques for gathering energy related data?
- How can organizations in Abu Dhabi calculate their CO<sup>2</sup> emissions?

These are some of the questions which will be addressed during the upcoming Abu Dhabi Sustainability Group Theme Workshop, on the 10th of November 2014.

The Workshop includes presentation of case studies from organizations in the UAE and abroad, a team exercise to facilitate learning, leading to a better understanding of how to manage and forecast energy consumption.

For registrations please contact [training@adsg.ae](mailto:training@adsg.ae)

## Comment from ADSG Director



Achieving improvements across various areas of sustainability takes an enormous amount of commitment and vision. I am pleased to share with you that the ADSG's soon to be published Sustainability in Practice report will demonstrate how ADSG members have made significant inroads towards sustainable development in the last couple of years.

As a group, we have established our strategic direction together, and we now have a great opportunity to develop our implementation plan and remain focussed on task at hand. Our strategic direction, good governance, is essential for a sustainable future and it is a crucial pillar for success in any organisation which wants to safeguard its future. This inherently requires organisations to be transparent, accountable, and have clear systems of governance. I was particularly happy to see the great interest in our recent Hiwar session on governance which only

reinforced the message that organisations are ready to engage on this topic and to take it to the next level.

Building a positive and constructive relationship with our partners and stakeholders is one of the ADSG's strategic objectives, and it is how we operate on a daily basis. It worth reflecting on the fact that our collaborative efforts, within the membership and with partners and stakeholders, aim to support the delivery of the Abu Dhabi Government Vision 2030 and the UAE Government's holistic policy development approach towards sustainability under a common vision, UAE Vision 2021 and the Green Growth strategy.

Finally, I would like to thank our members for their valuable contribution to our Sustainability in Practice report and for their continued efforts towards sustainability.

Huda Al Houqani,  
ADSG Director

# ADSG Interviews Mr. Omer Kaddouri – CEO & President Rotana Hotel Management Corporation



The ADSG is proud to present this exclusive interview with Rotana CEO, Omer Kaddouri (OK), on their sustainable development approach.

## ADSG: Q1. What is Rotana's growth plan?

OK: Rotana continues its aggressive expansion plans, which are reflected in the opening of a further 12 new properties, some of which will be opening later this year. The hotels add 3,360 rooms to Rotana's existing 12,607-strong room count across the Middle East & Africa. Expanding its global presence, Rotana is developing into 3 new territories including Amman and Istanbul, whilst Bahrain will welcome the management company's first highly-anticipated five-star property in the region; ART Rotana.

With a stand-out vision of 100 hotels by 2020, Rotana has implemented a ruthless development strategy, starting with the opening of listed properties below. The new properties will also create a substantial number of employment opportunities and Rotana plans to hire more than 10,500 colleagues across the next five years to operate the hotels.

The next 12 impressive properties to be managed by Rotana are as follows:

### Boulevard Arjaan by Rotana, Amman, Jordan - Opening Q4 2014

Expanding into new territory, Boulevard Arjaan by Rotana is a modern property designed with up-to-date technology and facilities catering to both long-term guests and families alike. Featuring 400 suites, the very recently opened property is located in the heart of the new downtown, Abdali, which is the largest, single vacant plot in the centre of Amman spanning 35 hectares (350,000 square metres).

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### Sedra Residences by Rotana, Qatar - Opening Q4 2014

Surrounded by the warm waters of the Arabian Gulf, The Residences, a new brand from Rotana, has very recently opened the doors of its latest property, Sedra Residences by Rotana in Doha. Ideal for guests looking for long stays and permanent residency, this property has been designed to reflect home life. Sedra Residences by Rotana boasts 250 rooms and suites, ranging from studios to three bedroom apartments, each with their own kitchens and access to 24-hour maintenance, 24-hour security team and complimentary housekeeping. For the sporting types, guests can also take advantage of the Bodylines Leisure and Fitness Club and outdoor swimming pool.

### ART Rotana, Bahrain - Opening Q1 2015

Rotana's latest five-star property is set to redefine the coast of Bahrain by the end of the year with its stunning architecture. Developed with leisure, corporate guests and families in mind, ART Rotana will boast 311 luxurious rooms and suites, extensive banqueting and conference facilities, a private beach, three swimming pools and a children's waterpark. With eight first-class dining outlets to choose from, as well as 24-hour in room dining service, guests will be spoilt for choice.

### Banader Rotana, Bahrain - Opening Q2 2015

Alongside the highly anticipated opening of ART Rotana, this will be the third property managed by Rotana in Manama, Bahrain. The impressive five-star hotel will comprise of 251 rooms, as well as a number of high-level furnished apartments, suites and entertainment facilities. Located across the 28-floors of the property, guests will have a choice of four dining outlets, each with their own signature cuisine.

### Burgu Kule Arjaan by Rotana, Istanbul, Turkey - Opening Q2 2015

Located on Turkey's longest coastal lane, Burgu Kule Arjaan by Rotana, which is divided into two towers, will have a total of 222 hotel apartments complete with sleekly designed leisure facilities



## Omer Kaddouri President & CEO Rotana

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He became Executive Vice President and COO of Rotana in 2010 where he played an instrumental role in driving the growth and expansion of the company and was a key figure responsible for the successful opening of several new properties across the Middle East and Africa and the creation of a synergy among Rotana properties in all aspects of operations.

He has been the driving force behind the sales and marketing function of the company and opening the international offices in China, India and Russian. His great belief in the online trend has moved the company forward with its investment in technology infrastructure and in its brand website, giving Rotana an even larger opportunity to expand its distribution.

Omer has led many initiatives involving the retention and succession planning of colleagues in line with the company's expansion plans. One of the major programmes being TAROT – The Accelerated Refinement Of Talent – which targets ambitious colleges or university graduates, as well as passionate existing team members who Rotana believes have a bright future. This confirms his belief that Human Resources will remain a key factor in the growth of the company.

Omer himself has received numerous recognitions, including scoring number 5 in the top 10 most powerful hoteliers in the Hotelier Middle East Power 50, 2014.

As President & CEO, Omer is responsible for paving the way for Rotana's aggressive expansion plans to operate 100 hotels by 2020.

Omer Kaddouri assumed the position of President & CEO of Rotana in January 2014, at the helm of the highly successful hotel management company with a portfolio of over 85 properties throughout the Middle East, Africa, South Asia and Eastern Europe.

British-Iraqi, Omer graduated in 1986 from Les Roches in Switzerland. Since then he has gained a wealth of experience in various fields of hotel management and has worked with chains such as Hilton International in UAE and London, Shangri-La in Kuala Lumpur and Rotana over the past 28 years.

Omer's extensive knowledge and innovative approach have been critical to the success of Rotana's projects and its Food & Beverage concepts. He believes that working in Asia opened his eyes to so many new creative, cultural and entrepreneurial ideas. Omer joined Rotana in 1998 as Resident Manager of the Al Bustan Rotana in Dubai. In 2000, he was offered the opportunity to manage the Beach Rotana in Abu Dhabi, with the main objective to prepare for its US\$68 Million expansion project.

In the following years, he took on the Area Vice President role and in 2008 was promoted to Senior Vice President – UAE Operations, overseeing the operation of 23 Rotana properties and the opening of another 14.

## ADSG Interviews Mr. Omer Kaddouri – CEO & President Rotana Hotel Management Corporation



such as the lobby, café, business centre, restaurant, health club and indoor pool, outdoor pool and landscaped areas, as well as five to six meeting and conference rooms. Moments away from the airport and in close proximity to the local shopping malls, Burgu Kule Arjaan by Rotana is the ideal choice for holidaymakers as well as business travellers.

### **Tango Kule Arjaan by Rotana, Istanbul, Turkey - Opening Q2 2015**

Tango Kule Arjaan by Rotana, also located on Turkey's longest coastal lane from Fener to Tuzla, will boast 188 hotel apartments suitable for long-term guests and families alike. With a choice of two restaurants, a swimming pool, sauna and steam room, state-of-the-art Bodylines Fitness Centre, and four meeting rooms, the property is a great base for those visiting the increasingly popular capital city for business or pleasure.

### **City Centre Rotana, Doha, Qatar - Opening Q2 2015**

Connected to the City Centre Doha shopping complex, a stone's throw from the city's business district, Rotana's second Qatari property is set to boast 287 luxurious rooms and suites as well as 94 serviced apartments. Business travellers will

also be able to benefit from the hotel's state-of-the-art meetings and conference facilities, five dining outlets, 24-hour in room dining service and Bodylines Fitness Centre.

### **Centro Doha, Qatar - Opening Q2 2015**

Keeping in line with its namesake, Centro Doha is located in the heart of Doha's business district. The first of the four-star Centro brand, managed by Rotana, to launch in Doha, the hotel will be complete with 229 rooms, four dining outlets and two meeting rooms. Centro Doha will be a contemporary-designed property offering economical comfort and affordable premium accommodation and hospitality which the Centro brand is best known for.

### **Capital Centre Arjaan by Rotana, Abu Dhabi - Opening Q2 2015**

Capital Centre Arjaan by Rotana is Rotana's 14th property in Abu Dhabi. Featuring 259 studio rooms and suites, two dining outlets, recreation and fitness facilities including a swimming pool, Capital Centre Arjaan by Rotana is ideal for both leisure and business travellers. Located 20 minutes from Abu Dhabi International Airport in the Capital Centre development, guests will be able to enjoy all the benefits of the surrounding



conveniences including shops, restaurants, vibrant café culture as well as the local marina.

### **Rosh Rayhaan by Rotana, Saudi Arabia - Opening Q2 2015**

Located on the popular Olaya Street, in the heart of Riyadh, Rosh Rayhaan by Rotana is just a short drive from Riyadh Airport and in close proximity to the shopping districts of the city. Complete with 236 modern rooms and suites, business centre, fitness facilities and a choice of four dining outlets including a speciality restaurant, Rosh Rayhaan by Rotana is set to be a sought after resort for business travellers.

### **Capital Centre Rotana, Abu Dhabi, UAE - Opening Q3 2015**

Capital Centre Rotana, which is set to open in Q3 2015, aims to serve both business and leisure travellers with 315 luxurious rooms ranging from studios to one and two bedroom suites. Featuring four dining outlets, swimming pool, Bodylines Fitness Centre, sauna, steam rooms and massage treatment rooms, guests are guaranteed a relaxing stay.

### **Amman Rotana, Jordan - Opening Q3 2015**

Rotana's second Jordanian property has been designed with up-to-date technology and first-class facilities and will provide its guests with unrivalled comfort and five-star Arabian hospitality. As part of the newly built complex in Al Abdali, a short 20 minute drive from the International Airport, this hotel will feature 412 contemporary rooms and suites, six dining outlets, private swimming pool and fitness facilities as well as fully equipped meeting rooms, ideal for business travellers.

## **ADSG: 2. How do you see sustainability fitting in there?**

OK: With growth comes responsibility. It's a conscious strategy we've embraced not just to follow the pack but to demonstrate a sense of responsibility to our generation and those to follow – to our guests, our colleagues, our environment and the various communities that we operate and live in. Hence we have launched our Global Corporate Sustainability Platform Rotana Earth – a comprehensive framework that addresses environmental, economic and social sustainability, which we started to implement across Rotana's entire portfolio of new and operating hotels, hotel apartments and resorts. The goal of Rotana Earth is to guide our transition to sustainable

development through setting fundamental values and principles that will help build a solid future for the company and the community. To achieve this goal, Rotana Earth promotes the implementation of sustainable business practices that minimize harm and maximize benefit to the environment, the economy and local communities.

## **ADSG: 3. What are Rotana's key priority focus areas in terms of sustainability**

OK: Rotana Earth's strategic sustainability goals commit us to continuously demonstrate leadership in the three bottom lines: economy, society and environment, applied in our key sustainability focus areas: our environment, our colleagues, our guests, our suppliers and our communities, together with the over-arching area of our governance.

In addition to our on-going projects:

- Reducing our impact on the earth's natural resources (water, energy and materials).
- Contributing and engaging more with our communities.
- Inspiring and educating our guests and colleagues with projects related to sustainability.
- Ensuring health, safety and security of our guests and colleagues.
- Ensuring our people's satisfaction, growth and development as well as improving the workplace.
- Increasing the local employment through applying Duroob program.
- Expanding our contribution to the economic development in the countries of operation.

Our focus in 2015 is mainly on the following two programs:

- Sustainability Stakeholders engagement: Our engagement plan and surveys will be implemented to actively engage with Rotana stakeholders, listen to them, build a relationship with them and then respond to their concerns in a mutually beneficial way. It also involves building better relationships with the societies in which we operate, ultimately resulting in improved business planning and performance as well as reduced impact on the earth resources. By conducting an engagement and a sustainability materiality assessment we will be provided opportunities to further align business practices with societal needs and expectations, helping to drive long term sustainability and shareholder values.
- Responsible procurement: By developing a responsible procurement code whereby we will

## ADSG Interviews Mr. Omer Kaddouri – CEO & President Rotana Hotel Management Corporation

continue meeting our needs for goods, services, works and utilities in a way that optimizes product life-cycle value. This will be achieved by cutting long term procurement costs, averting sustainability risks, reducing operating costs, building a marketable image of Rotana brand, benefitting to society and suppliers and minimizing or reducing harm to the environment.

### ADSG: 4. What are your most important sustainability measures right now?

OK: Our sustainability measures involve the integration of sustainable practices in our daily operation to minimize harm and maximize benefit to the environment, the economy and the local communities in the countries in which we operate. Therefore, annual sustainability key performance indicators are set for our hotels to achieve. They are continuously reported and monitored as it is very essential to track our progress and development. Sustainability was set amongst the company's top five business priorities and embedded as part of our culture.

### ADSG: 5. What would you say are the key challenges that Rotana Group is tackling in the next couple of years?

OK: There is increasing consensus that all tourism stakeholders play a main role towards achieving sustainability. This includes our guests, investors, colleagues, communities and government which

may or may not contribute by responding positively to sustainability concerns in the countries we want to expand to.

- The first challenge is strongly connected to the investors' economic priority over environmental concerns and social responsibility which requires more efforts from our management team to educate and raise awareness in order to achieve our sustainability objectives.

- The stakeholders' lack of awareness which makes them believe that implementing sustainable principles is very difficult and will increase their operational cost.

- The hotels' developers and owners' inclination towards sustainability depend sometimes on other drivers such as regulatory pressure from government, local community, and social pressure, negative impacts of environment from development process and demand from tourists.

- Some countries' governments where we operate or are expanding, promote and foster tourism industry as source of economic benefits only. This has developed a negative conviction in the developers and tourism operators' mind stating that hotels exist simply for profit and as such contribute to national economic growth.

- The lack of infrastructure to support sustainable hotels' development in certain countries. This is where developers and contractors may face a significant number of obstacles in finding the right products and technology as well as the skilled people.





**ADSG: 6. Can you share with us what your customers and guests say about your sustainability initiatives and direction? How important is sustainability to them?**

OK: Guests welcomed Rotana strategy for going green upon the announcement of "Rotana Earth" our Global Corporate Sustainability Platform. The number of guests and level of awareness of guests who support our mission in implementing sustainable practices has increased. They are not requesting anymore for example to change their towels or bed linen unless needed in order to participate in our initiative to decrease the harm of detergents' usage. They are assisting in turning off the lights when not needed and separating the trash in the correct receptacles during their meetings. Whenever we inform our guests about new sustainable initiatives and invite them to contribute with us they become very happy and feel that they are doing something big. They don't even mind spending the night in dark to celebrate Earth Hour.

The level of sustainability awareness of guests and corporate clients has really increased nevertheless one of their main concern stays that the hotel keeps the same service quality without increasing the costs. At Rotana we believe that achieving our sustainability goal without compromising on quality is major therefore we take cost-effective and simple measures on a short-term level and build our new properties with sustainability in mind to make a difference and keep the well high service level Rotana is renowned with.

**ADSG: 7. Do you think that sustainability reporting and transparency can help improve performance?**

OK: The benefit of sustainability reporting as a management tool for businesses is significant. The sustainability report provides us with

information on the company's environmental, social and economic initiatives and impacts. It enables us to quantify, measure, and track our performance for which our stakeholders demand more transparency the same way we track our financial performance: with metrics analysed over time. It also highlights the weaknesses and calls attention to the areas of improvement. Its results are in turn accessible for making decisions on capital expenses, retrofits, and programs. It also prompts continual improvement and better data management, which in return improves business performance, operational efficiency and cost savings.

**ADSG: 8. How do you promote sustainability across your portfolio of properties?**

OK: We promote sustainability across our portfolio of properties by engaging with our stakeholders at different levels. Internal training sessions, educational and awareness campaigns and activities involving colleagues and guests which increase our participation in corporate social responsibility activities form one example. Another example is our hotels and colleagues' contribution to the societies we live and work in by supporting local community needs and participating in various activities to engage the guests and local communities and to promote environmental sustainability.

In addition to that we have developed our Rotana Earth website "rotanaerath.com" to share our initiatives and achievements with our stakeholders. We are also ensuring transparent communication and engagement with our stakeholders through our sustainability reporting, thus further promoting sustainability with investors, guests, colleagues, communities and business partners.



## Sustainability and Global Economy, Change is Necessary and Possible

Ann Pettifor (AP), who predicted the global debt crisis of 2008 in her 2003 book “The Real World Economic Outlook” and who critiques conventional thinking in economics, recently spoke at the AD SG Hiwar on sustainability and organisational governance. Fortunately, she made some time to meet with us in September at PRIME offices and shared with us some insights about the state of global economics and sustainability.

### **ADSG: Q1. How can we mitigate the effects of climate change in a way that honours the Earth and puts people before profit?**

AP:, There’s no reason why companies can’t go about transforming the economy and tackling climate change while making a profit and remaining entrepreneurial. The real issue is how much carbon can we continue to emit safely? Can we go on using fossil fuels, and if not, how do we manage without them?

Given the earth’s finite resources and considering the increasing demand for goods and services in the global economy, I cannot see how we will be able to sustain the current economic model for much longer. We cannot continue along the path of exponential rises in the exploitation of both labour and the ecosystem’s resources, and hope for social and environmental stability. This does not mean that we need to restrain economic activity, in particular employment. As we transform our economy away from fossil fuels, labour will increasingly have to substitute for carbon. The consequence of that would be a sustainable economy being transformed into a labour-intensive economy.

The really important thing is that we will increasingly have to substitute carbon-emitting activities with our own human intelligence and labour. For example, we in the UK rely on Kenya to grow green beans for us. We fly it across a whole continent, to be consumed at our dinner tables. Soon we will have to consider growing our own green beans. Of course this may not



*Ann Pettifor speaking at the AD SG Hiwar on sustainability and organisational governance.*

be possible for everything and everyone everywhere, but we are going to have to learn to be more self-sufficient and not think that we can continue to rely on the rest of the world to feed all of us and to provide water for us. For the UK consumer this poses the question: do we need to have Kenyan green beans all year round? Or will green beans become a seasonal delicacy, which we appreciate during its natural season? Previous generations never assumed that they could have green beans all year around. This current assumption of instant gratification of all kinds of products is going to have to change dramatically. It means we will have to become much more entrepreneurial and do much more at home that what we are used to doing. The good news is that that will provide ample opportunities for innovation and entrepreneurial, sustainable initiatives. It's not about humanity going backwards. It is about being smart and selecting priorities in a finite world. The big change we face, which is also a challenge, is how can local people prioritise, and explore profit-making at a much more local level? Climate change will provide opportunities for a range of creative outlets. The good news is that our quality of life and well-being may become more important.

#### **ADSG: Q2. What is a true cost economy?**

AP: A true cost economy would be one which embeds within it, the cost of pollution, the cost of diminishing biodiversity and the cost of consuming the last of our finite resources. Such an economy will naturally make current consumption or pollution of the earth's finite resources (like the atmosphere or Congolese minerals) much more expensive. We are almost wilfully blind to the real cost of any given activity or product, because we don't want to know! For example, this item of clothing may have cost a textile worker their health, their marriage or even their life. We also don't want to know the true environmental and human cost of mineral extraction activities in the Congo – minerals used for the manufacture of our smart phones.

I don't think this is an easy issue to tackle. It's not easy to define the 'true cost', and there are challenges when trying to consider how to go about those definitions and concepts. It starts with the simplest question: who is going to decide what the value or cost is? Having said that, this is an issue that we will have to address - if we don't do this, i.e. reflect the real cost of any commodity, service or product, our existence and that of our children and grandchildren, may not be sustainable. The reality is that the human race is closer to having to face this issue, than any previous generation.

#### **ADSG: Q3. What is the Not-for-Profit Economy? Is it something we should explore and possibly promote?**

AP: The global finance sector today exercises extraordinary power over society. In its current operating mode, the finance system runs the public monetary system for private profit, but the system could equally be directed to deliver for the public good. And yes, an economy ought to have a large proportion of not-for-profit-organisations within it, extending goodwill and charity, and ensuring human and ecological well-being. Social enterprise is also to be promoted and encouraged.

I think we need to talk much more in terms of fairness and about social justice, in the sense that people need to be equally respected for their effort and rewarded fairly for their labour. We have a distorted society where we don't reward people for their contributions towards the community, but seem to think that celebrities, footballers or company CEOs deserve a much greater significant reward for their efforts. Does this mean that nurses, street cleaners or bakers don't? Where would we be without them? When you think about that, you realise that they are each contributing a valuable service or product. Indeed, how could we survive without bakers? What quality of life would we have without street cleaners? How many people would die in hospital wards without the care and help of nurses?

We should consider a model where entrepreneurial enterprises make profits, but are required to recycle a proportion back into their communities – from where they derive their wealth. We need a stable society where all people are fairly compensated for their part in society. The current money system isn't designed to do this. On the contrary, it is designed to funnel money upwards, to the very few. We need to manage it better so that everybody can be confident of a basic income and can lead a dignified existence.

#### **ADSG: Q4. Money: The Invisible Operating System; Only a fundamental shift in the design of the global monetary and banking systems will allow for a viable way of addressing the mounting threats of public and private debts and will make possible a shift towards a sustainable steady-state economy that works for everyone and is compatible with environmental stewardship.**

AP: From my perspective, the rate of interest on loans is fundamental to the healthy functioning of an economy. Yet under our current global financial system we have been relaxed about interest rates, and allowed banks, bankers and other financiers to set rates as they please - assuming that "the market" will manage these rates, and ensure they are repayable. However, the 2007-9 financial crisis proved that "the market" is not able to ensure that rates of interest are fair and repayable. The market needs stricter rules and regulations – such as the rules in the Koran, or in the Ten Commandments – rules that govern all economic life.

The importance and relevance of the rate of interest goes beyond its purely economic impact, and its very important moral implications. Rates of interest have a direct impact on our environment and on the ecosystem. If rates of interest are high, then rates of return on economic activities have to be higher, to ensure repayment. We have to plunder the earth and exploit labour, to raise the revenues to service and repay those debts. As the Koran recognises, the rate of interest is an extraordinary exploitative instrument – it exploits both human vulnerability, and increasingly ecological vulnerability. The rentier demands repayment – regardless of the human, economic or ecological cost. That is why the interest rate – for loans across the spectrum of lending (short and long, safe and risky, and in real terms) – should be managed by the public authorities (i.e. the central bank) and be kept low.

It is for that reason that I am an enthusiastic supporter of the principles of the Islamic banking

system.

However, to achieve changes in public policy means that a greater public understanding of money is required. Only a wider understanding, and enhanced public management of the monetary system will head off another financial crisis/depression and even the economic tensions that lead to war. Money and monetary systems are social constructs. As such they can and must be managed, mobilised and deployed to serve the wider interests of society and the ecosystem – not just a small financial elite. A critical question is how to manage the monetary system and in whose interests should it be managed? Questions that have long been neglected, but given the imminent threat of both financial and ecological crises – should now be addressed.

Reported by Sandra Anani  
Sustainability Communications Consultant



## Ann Pettifor Director of Policy Research in Macroeconomics (PRIME)

Ann Pettifor is Director of Policy Research in Macroeconomics (PRIME), and an Honorary Research Fellow at the Political Economy Research Centre of City University, London. She is also a fellow of the new economics foundation (nef), London. Her latest publication is *Just Money: How Society Can Break the Despotic Power of Finance*, published by Commonwealth Publishing in January, 2014.

Ann Pettifor's background is in sovereign debt. She was one of the leaders in the Jubilee 2000 debt campaign, which succeeded in writing off \$100 billion of debts owed by 42 of the poorest countries. Ann was one of the few to correctly predict the credit crunch of 2007 in nef's Real World Economic Outlook

(Palgrave 2003) and in her book *The Coming First World Debt Crisis* (Palgrave 2006).

Ann is co-author of *The Green New Deal*, a transformational economic programme, published by nef in July, 2008 and designed to substantially reduce the use of fossil fuels while in the process tackling unemployment and the decline in demand caused by the credit crunch of 2007. She is also co-author of the Green New Deal group's *The Cuts Won't Work* and of PRIME's ground-breaking analysis of 100 years of UK public debt and its impact: *The Economic Consequences of Mr. Osborne*. The latter is published by PRIME at [http://www.primeconomics.org/?page\\_id=51](http://www.primeconomics.org/?page_id=51).

# Heroes of the UAE - Private Sector - A Programme Launched by EWS-WWF

Become a  
**Corporate Hero**  
of the UAE and  
get the **recognition**  
you deserve



The private sector and industry contribute 30% towards the UAE's Ecological Footprint and therefore have an important role to play in reducing the country's footprint; 70% of which is due to carbon related activities\*. These carbon emissions are contributing to climate change.

Heroes of the UAE Private Sector was launched in May 2010 to motivate and inspire organisations to reduce their energy and water consumption: the main contributors to carbon emissions. Heroes Private Sector was part of the larger Heroes of the UAE programme launched in partnership with Environment Agency-Abu Dhabi in 2009. There are two components to Heroes Private Sector that encourage organisations to reduce their carbon footprint: the Corporate Heroes Network and the Heroes Business Toolkit. As of 2014, the CHN is no longer accepting applications to join the programme, however the business toolkit is still available for free download via the Heroes website.

Under the Corporate Heroes Network, organisations seeking to effectively reduce their

**Heroes of the UAE Private Sector was launched in May 2010 to motivate and inspire organisations to reduce their energy and water consumption: the main contributors to carbon emissions.**

energy and water consumption committed to the following three pledges towards becoming a Verified Corporate Hero:

1. Develop and implement a measurable strategy to reduce carbon dioxide emissions associated with energy and water consumption by 10% each over 12 continuous months.
2. Document the results achieved and submit to Heroes of the UAE website in a case study. These results were verified by our third-party auditor: Ernst & Young.
3. Commit to develop and implement a long-term strategy for the organisation's annual carbon footprint reduction and allow independent auditors access to the environmental audits and review activities.

By developing local case studies, Heroes of the UAE Private Sector Programme aimed to demonstrate how UAE companies can reduce their carbon emissions by taking simple steps in reducing energy and water usage. Through these case studies, challenges, best practices and lessons learned can help other organisations in moving towards a more sustainable future. The case studies can be downloaded at: <http://business.heroesoftheuae.ae/en/participatingcompanies>

## About Verified Corporate Heroes

In January 2013, five organisations were recognised for successfully fulfilling the three pledges required by the programme, which resulted in each organisation lowering its carbon emissions from energy and water by more than 10%.

Organisation 2013	Electricity: % CO <sup>2</sup> Reduced	Water: % CO <sup>2</sup> Reduced
Archcorp	55%	89%
AUS	12%	39%
Crowne Plaza	21%	31%
Service City	18%	28%
Tecom	11%	29%

In 2014, two more Corporate Heroes were verified through the programme: Liberty Investments and Yas Viceroy Hotel and Resorts:

# Heroes of the UAE - Private Sector - A Programme Launched by EWS-WWF

Organisation 2014	Electricity: % CO <sup>2</sup> Reduced	Water: % CO <sup>2</sup> Reduced
Liberty	27%	29%
Yas Viceroy	14%	12%

Organisations participating in the Heroes programme have gone beyond just being aware – to taking action. What these organisations achieved proves that simple, cost effective changes can reduce energy consumption and provide financial benefits to any organisation. These case studies demonstrate that on average it was possible to achieve a 12% reduction in energy consumption (equivalent to saving 19,460 barrel of oil) and 35% reduction in water consumption with a payback time less than 16 months. This is equivalent to removing 2,695 passenger cars off the road.

Retrofits to achieve these savings included conducting regular air conditioning and office equipment maintenance; setting the thermostat between 23 – 25 degrees; de-lamping; switching to energy efficient lighting, installing light sensors; switching to energy efficient equipment, installing water saving fixtures and repairing leaks.

The case studies highlighted several lessons learned:

- Data collection is often challenging due to lack of access to meters or utility bills and inaccurate data. Having access to data is key in order to identify high consuming areas and track savings.
- Effective staff engagement is also instrumental for achieving savings, where for example, staff support will augment savings through behaviour change and contribution of energy saving ideas.
- Initially focus on implementing low cost, simple measures, as these can be more easily incorporated into existing budgets, while helping to demonstrate success and gain senior management support for larger projects.
- Sharing success - managing data in terms of kwh and dirhams saved helps illustrate the financial case to senior management and gain their support.
- Selecting the best measures to improve energy efficiency will also require a well-trained and capable energy manager to conduct due diligence and evaluate the growing number of products and services now available in the UAE market.

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## Heroes of the UAE Business Toolkit

As mentioned earlier, a second component to Heroes Private Sector is the Heroes Business Toolkit. By downloading available free tools and guides, organisations can learn about effective ways to help them manage their environmental impacts, and make their businesses more sustainable. The available tools include the following:

1. Staff Engagement Posters.
2. Staff Engagement Stickers.
3. Water Animation - Our Contribution to Global Warming.
4. Energy Animation - Our Contribution to Global Warming.
5. Water & Electricity Reduction Tips for Businesses (Revised in 2012).
6. Car Pooling Guide.
7. Carbon Offsetting Information.
8. Applying the One Planet Living Principles to Your Business.
9. Lunch and Learn presentation: Reducing Energy and Water Consumption in the Office.
10. How to Develop a Measurable Strategy for Effective Energy and Water Savings – A Guide.
11. How to Develop a Case Study for Submission to the Heroes of the UAE – A Guide.
12. How to Develop a Long-Term Strategy for Carbon Footprint Reduction

These tools are available for free at:

<http://business.heroesoftheuae.ae>





## EWS-WWF Energy and Water Efficiency Interactive Workshop

EWS-WWF has also developed a board game to further assist organisations in building capacity to reduce energy and water efficiency in their offices. As a result of the board game workshop, participants are able to:

- Understand the benefits & opportunities of efficiency in the office
- Calculate the current consumption of energy and water in the office
- Understand how to choose between energy and water retrofits based on their potential for reduction in order to maximise savings
- Make the business case for energy and water efficiency to senior management

To date, the workshop has been hosted by DSCE for 30 Dubai government entities, presented at the Heroes Award Ceremony, and at local utilities companies.

### Moving Forward

While the Corporate Heroes Network is closed to new participants, we continue to build on our work with individual organisations. We have identified several barriers that are preventing large-scale adoption of energy and water efficiency in the UAE. A private sector survey conducted across the UAE will help identify prioritize barriers and potential solutions for organisations. It will be important to communicate these to decision makers to help facilitate further adoption of energy and water efficiency.

Achieving large-scale reduction in energy consumption across the private sector will require a combination of efforts in terms of development and enforcement of government regulations and policies, as well as action from the private sector. From a government regulatory perspective, having systematic programmes to improve metering and billing would help organisations to access more accurate energy data for their own premises. Availability of accurate data would also allow buildings and companies to benchmark energy use performance. While it's important for individual businesses to manage their own energy, it's also necessary for energy to be managed on a building level – and not just at an occupant level.

Businesses, building owners, and property managers, require financial incentives to implement energy efficiency to lower upfront costs and to improve rates of return. Financial incentives such as more cost reflective energy

tariffs, rebates, duty exemptions, grants, and green loans all have an important role to play. In addition, the UAE needs access to a marketplace with high quality, cost competitive products and services. This can be facilitated by ensuring that existing UAE energy performance standards for energy consuming devices are improved over time, that new appliances are also regulated and that labelling schemes provide appropriate information to enable consumers to make more informed decisions (eg. Payback, CO2 savings).

We also recommend that business should not just wait for government policies to take action. The organisations that we have worked with over the years under the Corporate Heroes Networks have clearly demonstrated that it's feasible and it makes business sense to manage energy efficiency now. For those ready to manage their business more effectively, the first step is developing an energy consumption baseline. With that, organisations should evaluate and select energy efficient measures to implement. It's then important to track energy consumption, document results, and develop a long-term strategy for continued savings.

For more information about the Heroes of the UAE programme, please visit:

<http://www.heroesoftheuae.ae/en>

Article provided by EWS-WWF

## JOIN THE JOURNEY TOWARDS SUSTAINABILITY



### UAE PRIVATE SECTOR SHOWS HOW TO SAVE MONEY AND TACKLE CLIMATE CHANGE

Eight organisations set out on a journey to become more sustainable as part of EWS-WWF's Heroes of the UAE Private Sector Programme. What they achieved proves that simple, cost effective changes can reduce energy and water use and provide financial benefits to any organisation. Their results were documented and those with full data sets are summarised here\*.

CHANGES MADE	TECHNICAL	BEHAVIOURAL
<p><b>THE ORGANISATIONS IMPLEMENTED TECHNICAL AND BEHAVIOURAL CHANGES ACROSS AIR CONDITIONING, LIGHTING, OFFICE EQUIPMENT AND WATER</b></p>	<p><b>Air conditioning</b></p> <ul style="list-style-type: none"> <li>Conducted regular air conditioning maintenance</li> <li>Set the thermostat between 23-25°C</li> </ul> <p><b>Lighting</b></p> <ul style="list-style-type: none"> <li>De-lamped (removed lights from over lit areas)</li> <li>Switched to energy efficient lighting</li> <li>Installed light sensors</li> </ul> <p><b>Office equipment</b></p> <ul style="list-style-type: none"> <li>Switched to energy efficient equipment</li> <li>Conducted regular equipment maintenance</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>Installed water saving fixtures and water efficiency devices such as aerators and dual flush toilets</li> <li>Required leaks</li> </ul>	<p><b>BEHAVIOURAL</b></p> <ul style="list-style-type: none"> <li>Formed green teams to engage staff and lead the sustainability journey</li> <li>Conducted training to raise awareness among staff, customers and others who use the buildings. This was done through installing suggestion boxes, turning off equipment and lights as well as sending updates and newsletters to spread awareness.</li> </ul>

**SAVINGS**

**FINANCIAL**  
7 out of 8 organisations invested between 4,875 AED & 160,000 AED  
The payback time for these retrofits was less than 16 months

**12% ENERGY SAVED**  
EQUivalent TO SAVING 19,480 BARRELS OF OIL

**35% WATER SAVED**  
EQUivalent TO 76 OLYMPIC SIZE SWIMMING POOLS

**16% CO2 SAVED**  
EQUivalent TO REMOVING 2,695 PASSENGER CARS OFF THE ROAD

\*All energy and water savings from the eight organisations were third party verified by Ener & Water

**HOW YOUR ORGANISATION CAN DO THE SAME**

- 1. CREATE A BASELINE TO UNDERSTAND YOUR ENERGY AND WATER USE.**  
You can use data from your utility bills or through technical indirect calculations. See Guide 1
- 2. IDENTIFY AND IMPLEMENT BOTH BEHAVIOURAL AND TECHNICAL MEASURES TO SAVE ENERGY & WATER.**  
Consider savings, cost, payback time and ease of implementation. See Guide 1
- 3. MONITOR YOUR SAVINGS AND SHARE THE RESULTS.**  
Document your results and share them with your senior management, staff and stakeholders and develop a long term strategy. See Guides 2 & 3

Read the 3 Heroes of the UAE - Private Sector Programme Guides to learn how to implement these steps in detail. You can find them along with other free tools at [www.heroesoftheuae.ae/en/hero-of-the-uae](http://www.heroesoftheuae.ae/en/hero-of-the-uae)

The Heroes of the UAE Private Sector Programme is an initiative of EWS-WWF and the Environment Agency - Abu Dhabi with the support of our partners. For more information please visit [www.heroesoftheuae.ae](http://www.heroesoftheuae.ae) and [www.environment.ae](http://www.environment.ae)

# The ADSG Strategy 2014-2019



We have jointly developed a strong and impactful ADSG strategy that we can all be proud of.

The process began back in Q3 2013 and we've been through a number of stakeholder engagement cycles, iteration cycles and approval cycles to arrive at this point. We took the time needed to get it right and we have jointly developed a strong and impactful ADSG strategy that we can all be proud of.

## How did we get here?

One of the key parts of the engagement process was the materiality assessment, this helped us to determine what 'matters most' to ADSG members. What we arrived are four material issues:

1. Governance, Transparency & Accountability
2. Energy Use
3. Water
4. Natural Resource Use/Efficiency

These material issues are broad, but they will help shape and provide an increased focus in our events, communications, training and other activities. In fact, we have already begun this process through our two recent Hiwar events where we highlighted Water in June and Governance more recently in September.

Our strategy for addressing these material issues will support us as a collective to move towards our strategic direction, 'Integrating sustainability governance to achieve impact' with 4 new priorities:

## Alignment:

### Supporting alignment between ADSG members and the 2030 Visions.

All stakeholders repeatedly and strongly made the point during the strategy development that there was a need for ADSG to align with the various other strategies, visions and initiatives in Abu Dhabi. With a particular focus on Abu Dhabi Economic and Environment Visions 2030. Moreover, it was clear that we should avoid duplicating what is already being undertaken and to ensure that we support existing initiatives.

What will members and stakeholders see come out of this priority? Our main activity in this regard will be to develop and produce the ADSG Dashboard – a tool that will be designed to demonstrate the collective sustainability impact of our members. Work on this is already underway to identify relevant dashboards that already exist so please watch this space as we will be coming back to you with more on the dashboard development.

## Network:

### Increase the impact of individual members' activities through enabling shared initiatives and knowledge sharing flagship programmes.

We have repeatedly discovered that among you, our members, there is a huge body of work in the sustainability area that is already underway. That is fantastic and offers a great opportunity to take these activities to the next level. The ADSG as a forum offers the ideal opportunity for members to link up, collaborate, pilot or share their activities to achieve greater impact. Our earlier flagship programmes offered opportunities for learning and sharing. We have also encountered

challenges as part of the process and what we've learned will be applied to new flagship programmes to ensure that we achieve greater impact. In addition, our network extends beyond our membership to key stakeholders who are very willing to work with us. This also represents an exciting opportunity for the ADSG.

**Advocacy:**

**Promote relationships within the ADSG members, Emirate, regional and global stakeholders & build advocacy for integrated sustainability governance, innovation, impact & non-financial reporting and stakeholder engagement.**

ADSG and its members have had some great achievements. It is right that these should be recognised and celebrated. It is our intention that we will improve our advocacy for the ADSG at the Emirate, Federal and international levels. However, the ADSG has also developed a wealth of experience and learnings that are valuable to policy & decision makers. It is important that the ADSG makes its voice heard. We also recognise that the policy environment for sustainability is always evolving at the Emirate, Federal and international levels and ADSG intends to put itself forward to support and contribute to this process.

**Membership:**

**Ensure inclusivity so that the membership of ADSG has the capacity it needs for the future and reflects the diversified focus as outlined in the 2030 Visions through integrating sustainability governance.**

Our membership is the core strength and value of the ADSG. Membership growth now means the group is at 44 members - a fantastic achievement.

With this growth though, comes many challenges. We understand that not all members are at the same level of accomplishment when it comes to sustainability. Therefore, we recognise that the ADSG needs to evolve its services to be fit for purpose and value adding to meet the needs of all the members. This is an ongoing process and once again, watch this space as we will be coming back to you in the near future on this.

In addition, there is a general agreement that our membership profile needs to evolve to be more reflective of the whole of the Abu Dhabi economy. That is why we have selected the '12 engines of growth' from Abu Dhabi Economic Vision 2030 as the basis for identifying new members in sectors that are not currently well represented. This is something you can all help with - if you have a good relationship with an entity that you believe should be part of ADSG, please let us know! You are all ambassadors for the ADSG and we rely on your inputs and insight in this matter.

We have our strategic direction, we know our priorities and the material issues we will address. What we will do now is move to action and in this exciting time, we look forward as ever to your engagement and support.

Article provided by Rahim O'Neill  
ADSG Sustainability & Policy Manager

## ADSG House of Strategy



# Sustainable Business Leadership Rewarded and Celebrated in February 2015

## A new business event in February will debate sustainability in the Gulf region, and beyond, and reward the companies and organisations that are setting the standards

The Abu Dhabi Sustainability Group (ADSG) along with the Environment Agency of Abu Dhabi (EAD) are proud to introduce the first Abu Dhabi Sustainable Business Leadership Forum, taking place in the UAE capital on the 17th and 18th of February 2015.

At what is set to become an annual event supporting and promoting sustainable business, senior executives will gather alongside government, NGOs, academia and the media to discuss the current trends surrounding corporate responsibility and sustainability across the region.

On the eve of the forum, there will be an awards ceremony and gala dinner – which will recognise the efforts of those pushing the sustainability agenda forward regionally.

The conference will take place in the context of a global economy in which the Gulf Cooperation Council region continues to present strong growth potential. The UAE, for example, registered GDP growth of 4% in 2013 and Saudi Arabia is set to grow 4.4% in 2014 according to the International Monetary Fund. These figures come in at more than double most major European economies.

And while the region continues to grow, supported by energy revenues, trade, tourism and the GCC's provision of welfare for its citizens, some innovative and sustainable economic solutions are emerging.

### Education for growth

Improving the quality and reach of education, supporting local SMEs and creating a fertile

environment for young entrepreneurs to thrive, as well as encouraging local people in the workforce, are a few of the solutions that are boosting job creation and the region's young and growing population.

The role of government regulation, impact investing that considers environmental, social, and governance factors, as well as fruitful partnerships between the private, public and non-governmental sectors are among the best regional solutions. These can encourage sustainable business, allowing it to flourish, attracting investment from beyond the region and turning sustainable practice into a dynamic driver of growth.

These opportunities and more will all be covered at the Abu Dhabi Sustainable Business Leadership Forum in February 2015.

Day one of the event will address how sustainability and corporate responsibility has evolved in the region over the last decade. It will cover issues around the distinction between philanthropy and business strategy. A CEO panel will seek to describe what sustainable business leadership means in the GCC region in 2015. A plenary session will highlight the links between responsible business and national competitiveness.

The first day of the forum will also offer examples of best practice around good governance, community engagement, the importance of SME and entrepreneurship support.

On the second day of the event, the focus will be on the solutions and opportunities sustainable business practice can present. From improving education and job creation through sustainability and corporate responsibility in the GCC, to very real efficiency gains in improved environmental management, the forum will end with a forward view, looking at 2015 and beyond, paving the way to a sustainable and prosperous future for the region.

The Abu Dhabi Sustainable Business Leadership Forum will take place on 17th and 18th February 2015 in Abu Dhabi. For more details please contact the Abu Dhabi Sustainability Group via email on: [communication@adsg.ae](mailto:communication@adsg.ae).



مجموعة أبوظبي للاستدامة  
Abu Dhabi Sustainability Group



هيئة البيئة - أبوظبي  
Environment Agency - ABU DHABI

# Abu Dhabi Sustainable Business Leadership Forum 2015

17th & 18th February 2015  
Abu Dhabi

## Conference Day One

February 17th

**Opening Keynote Address:** Her Excellency Razan Al Mubarak, Secretary General, Environment Agency - Abu Dhabi

**Plenary Session:** From philanthropy to business strategy: What does sustainable business leadership mean in the MENA region in 2015? (CEO panel, one hour)

**Plenary Session:** The links between responsible business/organisations and national competitiveness

**Plenary Session:** How can organisational leaders better address the regional / national responsible business challenges in the MENA region?

**Breakout Sessions :** Community engagement best practices, A progressive role for the finance sector, Local SME development in oil & gas, Improving workers rights in construction

**Closing Plenary Discussion:** Lessons learned in responsible corporate governance for MENA based companies.

## Conference Day Two

February 18th

**Plenary Session:** Capital markets and sustainability: How do institutions value responsibility?

**Plenary Session:** The global regulatory outlook for CSR and sustainability issues

**Breakout Sessions:** NGO partnerships that count, CSR as job creation and entrepreneurship support, Efficiency gains in improved environmental management, Addressing climate change

**Closing Plenary Session:** The 2015 outlook and beyond. How can large companies and organisations make sense of medium to long-term trends such as climate change and demographic changes to adapt and prosper with society?

# Hiwar Report: Sustainability and Organisational Governance

The Abu Dhabi Sustainability Group (ADSG), in collaboration with the Pearl Initiative hosted the second Hiwar (the Arabic word for dialogue) session of 2014 on the important topic of Sustainability and Organisational Governance. The session was very well attended by ADSG members and professionals from across multiple sectors interested in Sustainability.



Andrew Robinson, Resident Partner at KPMG.

The aim of this Hiwar was to promote a cross-sectoral dialogue on the theme of sustainability, corporate governance and to integrate sustainability into the core of the organisations. Sustainability depends on more than the activities of its own department and there is a need for organisational sustainability strategies that embrace all areas of activity.

## Background

The Hiwar session brought together high profile speakers and provided a platform for subject matter experts to share their insights and experience with the audience. The session made significant inroads into improving understanding of governance and the challenges faced when organisations integrate sustainability into their organisations, providing valuable opportunities to explore the subject in more details.

## Panelists and speakers:

### Ann Pettifor

Director of Policy Research in Macroeconomics (PRIME), Honorary Research Fellow at the Political Economy Research Centre at City University (CITYPERC) and a fellow of the New Economics Foundation, London. Sustainability Advisor to PWC and Senior Associate of the University of Cambridge Institute for Sustainability Leadership.

### Andrew Robinson

Resident Partner at KPMG.

### HE Khuloud Al Nuwais

Chief Sustainability Officer, Emirates Foundation.

### Robinder Singh

Investor Relations Director at Al Dana Gas.

Panel Moderator:

### Sandra Anani

Sustainability Policy and Communications Advisor, Sustainability to Action

## Panel Debate

### Ann Pettifor

Director of Policy Research in Macroeconomics (PRIME), Honorary Research Fellow at the Political



*Robinder Singh, Investor Relations Director at Al Dana Gas.*

Economy Research Centre at City University (CITYPERC) and a fellow of the New Economics Foundation, London.

**Governance and Sustainability:** The core of successful organisations and economies.

The way we manage our money system has a direct impact not only on the economic system, but also on the eco system. The financial crisis was and is a failure of Governance and of executive management.

The fundamental cause related to the de-regulated nature of the international financial system is a system based on easy money, high rates of interest leading to unsustainable consumption and unpayable debts, for example, easy credit cards and payday quick loans. This 'easy' money leads to high rates of consumption which has a direct relationship with increased energy consumption and higher carbon emissions. This is also a contradiction to basic patterns of growth systems. The global financial system follows an Exponential Growth Pattern, which is totally unsustainable and has a big impact on e.g. our climate. The financial crisis led to chaos in the global financial system with high rates of unemployment, particularly in the Arab region. This is neither socially or economically sustainable.

Sound macroeconomic policies must form the foundation for transparent regulatory regimes and enforcement. There are dimensions of economic, ecological and socially sustainable development and it is important to understand the links between them.

At the moment we are using the planet as a

unique credit card, which has no limit, and with the assumption that it can go on forever, which it cannot. Credit is a social contract and it is based on trust. Similarly, the rate of interest is a man made concept and can be managed. However, economic theory implies that it is a commodity subject to forces of supply and demand. This is a deeply flawed understanding of the nature of interest.

Central to that task of sustainability is the Islamic finance principle of stakeholder finance - as opposed to western finance based on high rates of interest. The Islamic system is less volatile and potentially more stable than conventional financial systems. The advanced economies can learn from the Islamic system in this respect.

"Good governance is essentially about effective leadership and leaders should rise to the challenges of modern governance. Such leadership is characterized by ethical values of responsibility, accountability, fairness and transparency and based on moral duties. Responsible leaders direct company strategies and operations with a view to achieving sustainable economic, social and environmental performance" (King Code of Governance for South Africa 2009)

**Andrew Robinson**

Resident Partner at KPMG

Governance and Sustainability in the region.

The survey conducted by KPMG covered all areas of the key sectors in the UAE; The financial sector,



# Hiwar Report: Sustainability and Organisational Governance

transport and logistic sector and the government areas, which are play a critical role for the economy in the UAE.

**Q1** What process did you go through conducting the survey?

From the 41 countries surveyed from around the world we selected the top 100 companies. This year we included the UAE for the first time. Usually we pick companies from the stock market, but from our market knowledge we have also added on other big companies. This is a process that we have adopted globally.

**Q2** What does the survey say about the state of sustainability reporting in the UAE?

Globally 71% of these companies are producing a CSR report which is publicly available. 80% of these larger companies are developing a CSR strategy and communicating it. This is one of the key factors when we talk about governance. 70% of the companies are also looking at what the issues are globally and focusing on what kind of competitive advantages it might bring. 1/3 of the companies thought that it might improve their market opportunity. Focusing on CSR is very much about market, responsibility and profits.

**Q3** How would you relate reporting in the UAE with the standard of governance of those companies, is there a correlation between the organisations that produce sustainability reports and their governance?

In 2012 when the survey was conducted, 22 out of 100 companies in the UAE produced a sustainability report, so that is 22%. This year (2014) it might be around 40%. Out of the 22% 14 companies were documenting their strategies and communicating it on their websites. Even if 22% is low, it still means that these companies are adopting best practices in terms of governance and their approach to integration sustainability practices. 2012 was still very early days for the UAE, and it is a positive sign that UAE is increasingly following the trend which is happening globally.

## HE Khuloud Al Nuwais

Chief Sustainability Officer, Emirates Foundation.

Governance for sustainable development.

From a global prospective, Companies like Unilever and Mark & Spencer have successfully integrated sustainability into their governance



*Khuloud Hasan Al Nowais, Chief Sustainability Officer, Emirates Foundation.*



model by a commitment from the company to deliver "Plan A" which highlights how they will operate in sustainable manner that is embedded in their operations, business model and governance. The Abu Dhabi Government has similarly been trying to encourage more organisations through the ADGS to work on their sustainability agendas, which in turn supports the delivery of the Abu Dhabi Government Vision 2030 in the long term.

The Emirates Foundation has managed to integrate sustainability into its governance and business model. In 2011 the foundation made a comprehensive review of its portfolio of activities. And to increase its impact it has changed its business model from being a grant based foundation to a venture philanthropy foundation which is more focused approach that measures tangible results. Hence the foundation become focused on youth development and how it can impact the lives of young people positively & permanently. In this way the foundation took a strategic, longer term approach for social investment that was more business based, that helped us identify a social problem that faces young people, create a solution for it incubate this idea, pilot it scale it up to reach more youth and make sure it's sustainable and financially viable. In addition The foundation also introduced Performance units as part of the foundation structure to support the monitoring of their impact/KPIs. This helped them monitor their performance to report back on their results and be more accountable internally and externally to their stakeholders. The foundation started to produce a sustainability report and took a more systematic approach to engage with their stakeholders, donors and business partners.

The organization was restructured so that the team became more focused on delivering the strategy, the outcomes or results that the foundation is trying to achieve, program sustainability and financial viability and operating efficiently to continue to building private sector collaboration. This is reflected in the foundation's new structure which has three Chief Executives and everyone has an important role in achieving the foundations sustainability goals. Through an integrated bottom up approach, all the employees are involved in working on the sustainability plan so there's ownership from everyone to execute their own department goals. An annual sustainability report reflects the foundation's transparency and accountability as it reports it's financial and operational plans to stakeholders and makes a clear commitment to it's beneficiaries.

At the Arabia CSR awards the Emirates Foundation won first place for medium sized companies in

2013. The sustainability program has also helped the foundation to expand their business across the UAE and to reach out to thousands of young people across the country.

### **Mr. Robinder Singh**

Investor Relations Director at Al Dana Gas.

Clean energy for the minor regions tomorrow. Capital markets and investor relations the importance of transparency and good governance in managing those relationships. Challenges and opportunities from a local perspective.

Al Dana Gas is a small company but still has presence in the large markets with open access. It is one of the only energy companies quoted on the Abu Dhabi stock exchange. The company has more than 250,000 shareholders, most of whom come from within the region. When the company was listed in 2005, one of the key parameters the company wanted to look at was corporate governance and putting together a structure that embedded the corporate governance into the company. Something they have remained true to till today.

One of the key issues that companies face is selling the idea of committing to CSR (time, resources, consistency). The easiest way to sell the idea is to show the financial advantages you gain by committing to a sustainability program.

Al Dana Gas has had a consistent growth, despite difficulties such as political issues affecting the industry in Egypt and Iraq. The company follows the triple bottom line ethos and publishes an annual sustainability report. After 2014 they plan to publish their first report as per the Global Reporting Initiative guidelines.

To follow a sustainability program means much more than just gaining economic benefits. It is also about what you do after you have taken the resource which will give you economic advantages. It is about ensuring that when you complete a project and the resources are depleted, you leave the ground in a manner which will create new growth opportunities to the people who live in the area. This is also very important for the gas industries in order to have their license to operate.

Dana Gas's corporate governance structure ensures that the rights of all stakeholders in the company are respected. The impact score card is measured on a regular bases and it is something that is written in the annual report. Access to capital is something that changes depending on how much you report as is reputation and the ability to attract talent and retain people.

# Hiwar Report: Sustainability and Organisational Governance



The Hiwar session was very well attended by ADSEG members and professionals from across multiple sectors interested in Sustainability.

Sustainability is something that is incorporated in everything the company does. Especially in the oil and gas industry you have to be ultra-cautious to embed sustainable solutions in everything you do. Dana Gas has special systems that control and monitor all risks and everything gets reported.

CSR issues can vary from one regional context to another, different parts of the world face different issues and challenges. It is therefore important that you also work within the local environment and context to achieve change.

Sustainability is also about the little things we do in life that are about supporting the environment.

## Questions

**Q1:** What are the three top things that an organization needs to do if it wants to start integrating sustainability into its governance? (Andrew Robinson)

On the top of the list is responsibility. Responsibility for CSR needs to come from board level. In our global survey we found that for 50% of the companies that was the case. In terms of a local context I know that here a lot of chairman have their main activities outside the companies. It is when the chairman of the company understands the relationship between CSR and the performance of his company, that it becomes

really successful. Secondly, it is important to have somebody in the management, a CSR Manager who drives the operation. But the successful organisations are able to embed sustainability within the whole organization and not only see it as the CSR Managers duty. The third factor is that you need to try to link the awards that employees get to how well they have performed on the CSR agenda.

**Q2:** What would you say to a CEO to highlight the importance of sustainability to shareholders and investors? (Mr. Robinder Singh)

Sustainability of reputation. How it helps to build, enhance and sustain reputation. Secondly is cost of funds and access to funds. Many funds will only invest into companies that reports on sustainability. It also reduces your costs of finance which is something every businessman loves to hear.

**Q3:** How often are you being asked questions from stakeholders, potential or existing investors, about sustainability? (Mr. Robinder Singh)

8 years ago not so many people asked, while 6 years ago I started to have more questions and by 2009 and onwards after the financial crisis it really became a hot topic. From about 400 enquiries that I get by year about 20% of them will be interested in our sustainability reporting. Many of them show

really serious interest. Especially the investors. Also in Abu Dhabi there are separate funds that are dedicated to invest only in companies that report on sustainability.

**Q4.** At Emirates Foundation, have you been able to measure the impact that your sustainability program has had on the youth in the UAE? (HE Khuloud Al Nuwais)

One of key things that we have been putting into place is the measurement tools that will allow us to measure the impact since the change in our business model. It is always difficult to measure social impact in a qualitative manner, it's a challenge that the whole sector is trying to address. However, we do this through surveys and we monitor participation of youth in our programs and retention rates, we update our balanced score card on quarterly bases. We also have many success stories that reflect our impact. We track how we have made a difference in young people's lives. It is a continuous improvement process we are working on enhancing our measurement tools.

**Q5.** How do you inspire your employees so that you can build a culture of sustainability?

Start with the basics on informing your employees how important it is that everyone gets involved, and how sustainability should be integrated to their own department. This can be done through fun activities etc. Each team will in the end contribute to the overall strategy or plan.

## Concluding Remarks

### Huda Al Houqani

Director, ADSG

*"Today, our speakers presented a compelling argument that good governance is essential for sustainable development; it is a crucial pillar for success in any organisation. Organisations that want a successful future need to be transparent, accountable, and have clear systems of governance."*

*"Innovative and collaborative partnerships are important for a sustainable future. We are proud to be working alongside the Pearl Initiative to reach members' organisations, stakeholders, and the people within our community to show how integrating sustainability is such an important step."*

The ADSG's work aims to support the Abu Dhabi Government Vision 2030 and the UAE Government's holistic policy development approach towards sustainability under a common vision, UAE Vision 2021 and the Green Growth strategy.

Article Provided by Erika Lindholm  
Sustainability to Action



# ADSG IN A NUTSHELL

## NETWORKING

A unique network of 44 leadership organisations in Abu Dhabi that brings public, private and not-for-profit sectors together to address sustainability challenges through a new cross-cutting institutional platform for collaboration on policy instruments.

## HISTORY

Set up by the Environment Agency - Abu Dhabi with the support of the Executive Council of the Emirate of Abu Dhabi

## TRANSPARENCY

Promotes transparency by encouraging members to report on their sustainability performance resulting in 17 member organisations disclosing reports on their sustainability performance using international best practice.

## AWARENESS

Raised sustainability awareness across Abu Dhabi through building capacity of its members.

## ACCOUNTABILITY AND RESPONSIBILITY

ADSG members are increasingly integrating sustainability considerations into their planning and decision-making processes.

## INTERNATIONAL RECOGNITION

Raised Abu Dhabi's international profile as #1 worldwide by having the highest number of government organisations reporting in accordance with the Global Reporting Initiative (GRI) guidelines.



مجموعة أبوظبي للاستدامة  
Abu Dhabi Sustainability Group

A Public - Private Partnership Initiative to Champion Sustainability in Abu Dhabi