



SUSTAINABILITY LEADING PRACTICES

TOOLKIT | 2019



الممارسات الريادية المستدامة
SUSTAINABILITY LEADING PRACTICES





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FIVE SECTIONS IN EACH CHAPTER

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Letter to Stakeholders

The King Khalid Foundation (KKF) is pleased to publish, in partnership with AccountAbility, this practical and insightful Sustainability Leading Practices (SLP) Toolkit on sustainability at Small- and Medium-sized Enterprises (SMEs) in the Kingdom of Saudi Arabia.

King Khalid Foundation continues to advance its vision as a leader and role model in sustainable development in the Kingdom and positively impact people's lives by providing innovative solutions to critical socio-economic challenges. The Foundation has worked and partnered with the corporate sector in the country for the past ten years. The SLP Toolkit builds upon years of experience, feedback, questions and concerns that KSA companies have shared with KKF during the past 10 years and during each annual King Khalid Award process. The Toolkit supports the SLP Training Program by outlining trends and challenges and providing specific sustainability solutions for SMEs throughout the Kingdom.

The Toolkit introduces sustainability in a broad sense, highlights its importance, its relevance, and how it impacts organizations both globally and in the Kingdom. It sets a foundation for a deeper discussion of selected sustainability focus areas that are material to SMEs in Saudi Arabia. The following sections focus on six of these key topic areas of sustainability:

- Stakeholder Engagement;
- Materiality Assessment;
- Environment, Health, and Safety Management;
- Workforce Development;
- Impact Measurement; and
- Responsible Governance.
- SPOTLIGHT: Disclosure & Reporting

These sections give practical how-to guidance, share examples of international and regional (GCC) leading practices, and include interactive exercises to support SMEs in their continuous learning and growth.

The SLP Training Program is the first sustainability training workshop specifically developed for SMEs in the Kingdom. We look forward to building a conversation on the focus areas of this Toolkit together with a broad range of stakeholders in the Kingdom and to contributing to improved sustainability practices and the Saudi Vision 2030. We warmly welcome and value your feedback and comments as we continue a shared sustainability journey.

King Khalid Foundation



Introduction to

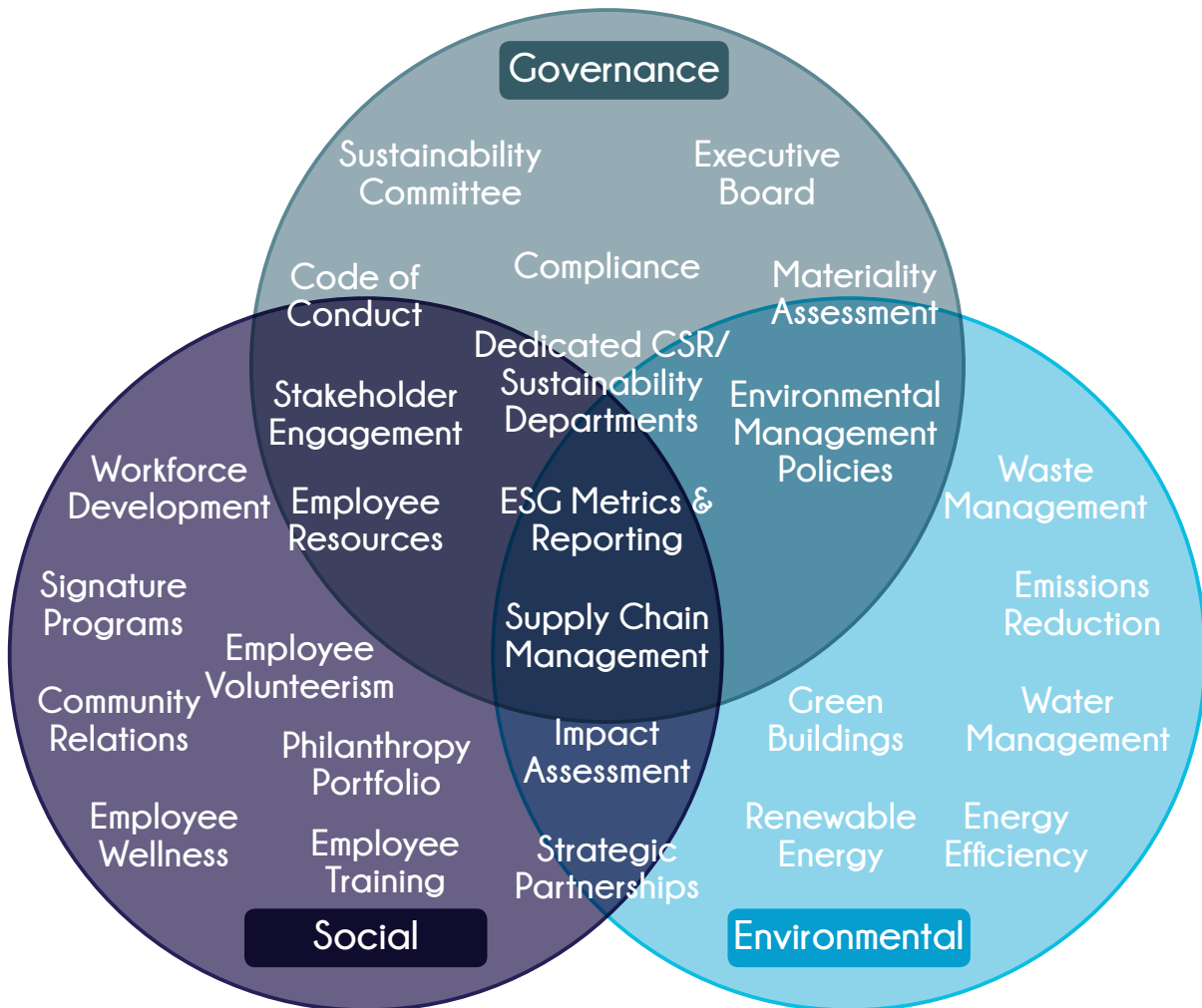
SUSTAINABILITY



What is Sustainability?

Sustainability may be defined as the ability to sustain – the capacity to endure. *It is the responsible management of social, environmental, economic, and governance impact for improved long-term business performance.*

Sustainability can be broken down into three primary categories: Environmental, Social, and Governance – often referred to as “ESG”. These categories capture the most critical components of sustainability management within an organization’s structure, policies, operations, programs and impacts.





Relevant metrics in these categories will help your SME grow sustainably and build strong relationships with your employees, customers, partners, suppliers and other key stakeholders.

People and companies refer to sustainability by different names, including:

- Corporate Citizenship
- Corporate Social Responsibility (CSR)
- Corporate Responsibility (CR)
- Sustainable Development

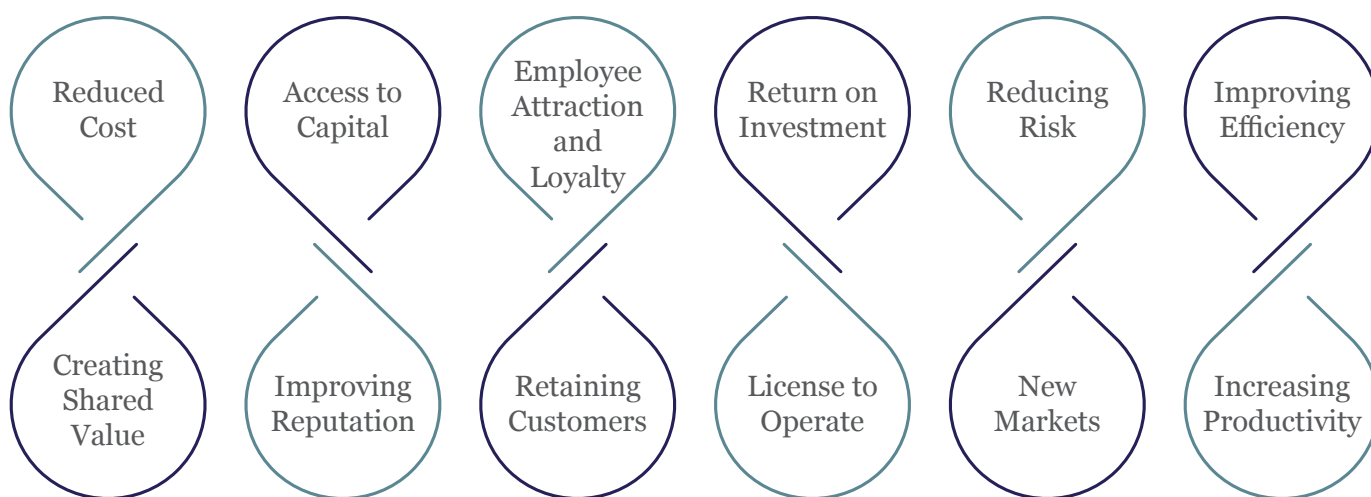
As “sustainability” is the most commonly used within business, this is the term used throughout this Toolkit.



Why is Sustainability Important?

In order to protect the capacity to endure, it is imperative for organizations, both private and public, to integrate responsibility, innovation and efficiency into their practices. The successful SMEs of tomorrow will be those that lead and create value both inside and outside the walls of the organization, in the markets and societies of their operations.

Benefits of Sustainability to SMEs



Sources: Accenture, Nielsen, McKinsey, UNGC, UNPRI, Cone Millennial Cause Group

Sustainability is now recognized as a strategic priority on a number of global business agendas:

- 87% of Fortune 1000 CEOs see sustainability as important to company profits
 - 89% of Fortune 1000 CEOs believe sustainability will be a significant issue in the immediate future
- Consumer behavior has also demonstrated a shift towards sustainability awareness:
- 87% of consumers are concerned about the environmental and social impacts of the products they buy
 - 55% of online consumers across 60 countries were willing to pay a premium for low impact options



Importance of Sustainability

Global Context

Organizations worldwide are committing to sustainable development and aligning to international Sustainability frameworks

SUSTAINABLE DEVELOPMENT GOALS



United Nations
Global Compact

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

National Context

The KSA government and regulatory institutions are promoting holistic sustainable development and expect companies to demonstrate commitment and performance

رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

SME Context

Companies across industries and sectors, at the global, regional, and local levels, are investing in strategic sustainability efforts to derive a variety of benefits and better manage risks

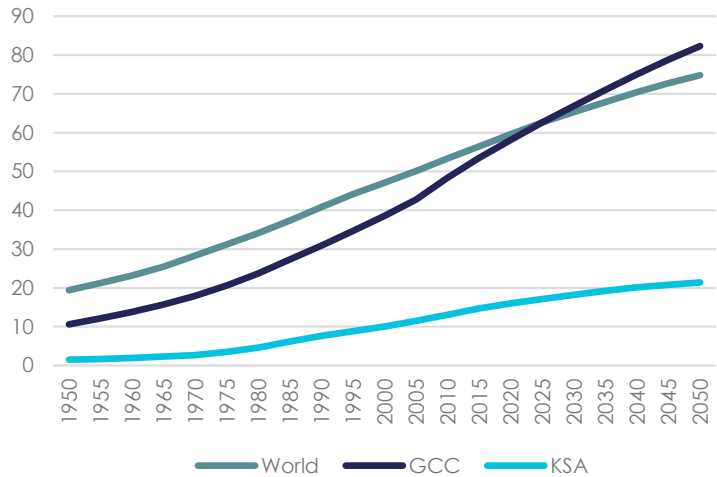
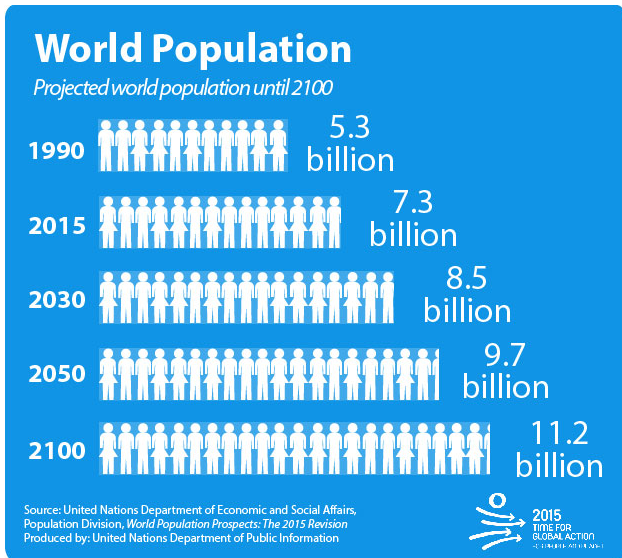


Why is Sustainability Needed?

Within the international, regional and local business communities, sustainability is now recognized as intelligent business practice out of necessity. The following key drivers have pushed sustainability to the core of successful business strategy.

POPULATION GROWTH

In 2011, the global population reached 7 billion and the UN Population Division projects a world population of 9 billion by 2043 and 10 billion by 2083.



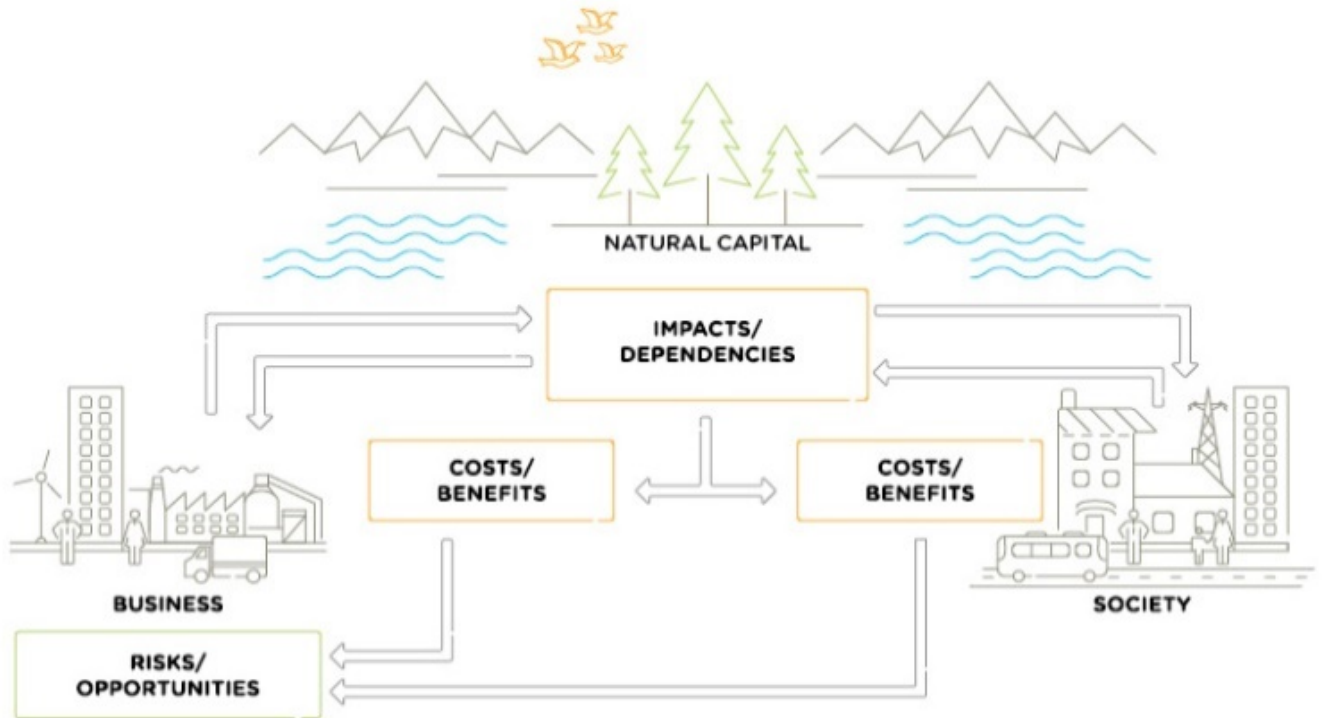
The rapid expansion of the human population challenges the limits of our planet's natural capacity to support its inhabitants and exacerbates economic, social, and health problems. Businesses are recognizing the opportunities and challenges that come with an increasing global population.

Notes:



RESOURCE CONSTRAINTS

As a global community, we depend on the resources available to us to survive and function as a society and economy. According to the Natural Capital Coalition, “Natural Capital” is another term for the stock of renewable and non-renewable resources that combine to yield benefits to people.



Source: Natural Capital Coalition

These include clean air, food, water, energy, shelter, medicine, and the raw materials used for manufacturing, as well as the benefits of flood defense, climate regulation, pollination, and recreation. Population growth has increased demand on natural capital, and climate change has challenged the supply capacity, resulting in resource constraints that have forced organizations to consider resource management and efficiency a key component of their core strategy and operational practices.

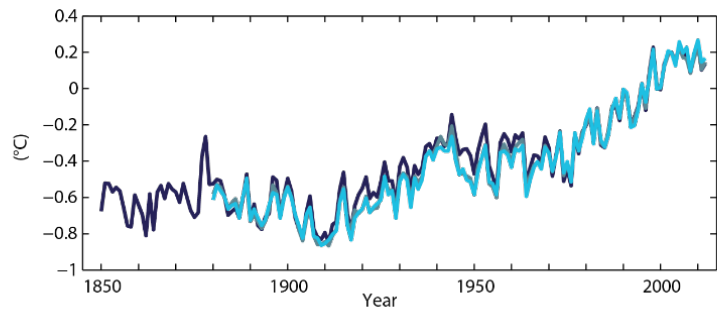
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CLIMATE CHANGE

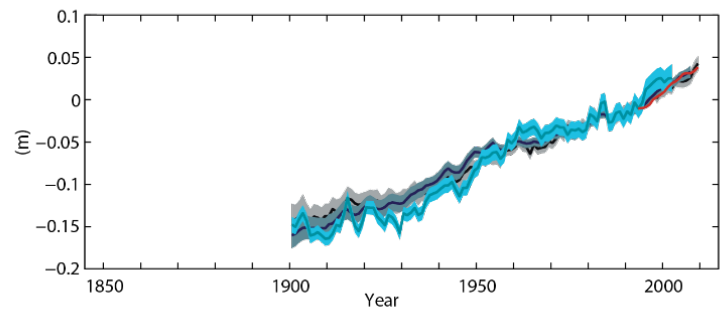
The Intergovernmental Panel on Climate Change (IPCC), the global authority on climate change science, has reported that human influence on the climate system is clear and recent anthropogenic emissions of greenhouse gases are the highest in history, warming the atmosphere and oceans to dangerous temperatures.

This has had a major impact on earth's natural systems, further aggravating economic, social and health challenges for the increasing human population. Government, nonprofit, and private organizations alike have recognized the threats posed and taken action to adapt to and mitigate impact.

Globally averaged combined land and ocean surface temperature anomaly

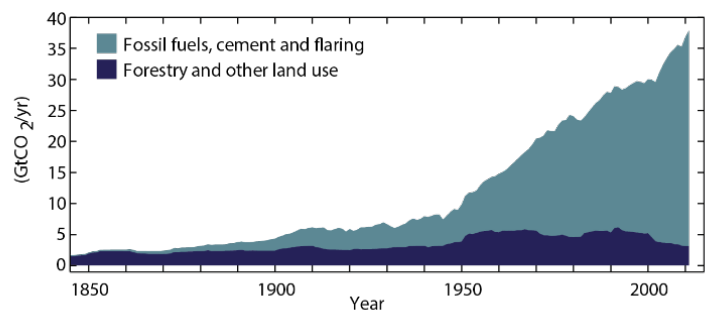


Globally averaged sea level change



Global anthropogenic CO₂ emissions

Quantitative information of CH₄ and N₂O emission time series from 1850 to 1970 is limited



Source: IPCC, Climate Change 2014 Synthesis Report Summary for Policymakers

Notes:



COMPLIANCE



REGULATORY

In 2015, Conference of the Parties 21 (COP21) held in Paris signified a monumental global shift in international collaboration and domestic policy commitments to address climate change. 177 parties signed the Paris Agreement, committing to a temperature rise limit of °2C. This has already led to a focus on domestic policy reform, infrastructure development, reporting mandates, and multilateral collaboration for sustainable development and business practices.



STAKEHOLDER DEMANDS

Corporate stakeholders – including investors and consumers – have become increasingly aware of the impact of their dollar. ESG metrics have grown in popularity among investors as a key performance indicator. Likewise, consumers now recognize the value of social and environmental impact management when it comes to the goods and services they purchase. As a result, transparency and reporting have become a vital component of sustainable business practice. This often requires impact assessment, product labeling, and sustainability reporting.

Notes:

Global Perspective

The United Nations (UN) is widely perceived as a credible authority with regard to sustainable development and promotes best practices on local, regional and global levels. Recently, the UN launched the Sustainable Development Goals (SDGs) – 17 goals with 169 targets – as part of the 2030 Agenda for Sustainable Development, released in September 2015.

The SDGs cover a broad range of sustainable development issues, from poverty and inequality to climate change and now serve as the primary intergovernmental roadmap for the Post2015-Development Agenda. Government, nonprofit, and corporate organizations globally have begun aligning their practices and programs with the SDGs to support these international ambitions and conform to leading sustainability practices.

For SMEs the SDGs are a practical blueprint to identify sustainable development issues that align with their core business models. This helps identify and design sustainability strategies with the maximum potential impact. For example, a small architecture firm might help advance SDG 11 by designing projects for Sustainable Cities and Communities in the Kingdom. The SDGs also overlap with the goals of the Vision 2030, as the same architecture firm would also help advance Goal 3 in the Vision 2030 to have three Saudi cities be recognized in the top-ranked 100 cities in the world.

SUSTAINABLE DEVELOPMENT GOALS





KSA Perspective

In the Kingdom of Saudi Arabia, there is a growing interest in sustainable practices as the country seeks to enhance the long-term prosperity of its economy and compete on a global playing field.

Government departments and private companies alike are taking concrete and often collaborative actions to meet international benchmarks and standards, developing strategies and programs to drive environmental and social impact, and beginning to disclose initiatives and activities to external audiences.

The presidency of Meteorology and Environment (PME) - in alignment with the Saudi Council of Ministers 2008 guidelines – introduced a new decree, offering a 5-year period for all companies to comply with new air, water and noise pollution standards. The King Khalid Foundation, through its Sustainability Award, has been encouraging and working with small, medium, and large companies to improve their sustainability practices for the last 10 years.

Most recently, HRH Mohammad bin Salman bin Abdulaziz Al-Saud, Crown Prince and Deputy Prime Minister, has presented the Kingdom's ambitious Vision 2030 and corresponding National Transformation Program 2020 (NTP), with the support of HRH King Salman Bin Abdulaziz Al-Saud.

Vision 2030 is a new set of initiatives by the Saudi government to pursue a bright future for the Kingdom with the following priorities:

- Global competitiveness
- Long-term economic sustainability
- Citizen wellbeing
- Strong national identity
- Drive international trade

Vision 2030 is built around three themes:

- A Vibrant Society
- A Thriving Economy
- An Ambitious Nation



Within each of these, the government has identified goals and commitments for the Kingdom to aspire to by 2030. Some of the goals that are directly related to SME Sustainability are:

- Increase SME contribution to GDP
- Increase women's participation in the workforce
- Raise ranking in the Government Effectiveness
- Index Raise ranking on the E-Government Survey
- Index Increase private sector contribution to GDP
- Decrease unemployment
- Increase foreign direct investment (FDI)
- Increase non-oil exports

Developed to help fulfill the Vision 2030, the National Transformation Program (NTP) outlines initiatives being pursued and programs being implemented by 24 government entities.

This presents opportunities for SMEs to engage with these entities and capitalize on any programs that they may be able to participate in. Alignment benefits include: enhancing public image, capitalizing on government programs, reducing regulatory risk, contributing to the Kingdom's endeavors and joining a prosperous economic future.

However, there is still progress to be made by most on this journey. It is hoped that this Toolkit will inform, inspire and guide SMEs in the Kingdom to further build on their sustainability efforts to date, align with the Saudi Vision 2030, and seek to capture the value from sustainable organizational practices.

Why is Sustainability Important?

We have selected six key focus areas for this Toolkit, based on relevance to SMEs in the Kingdom of Saudi Arabia, the data and feedback collected from companies participating in the King Khalid Sustainability Award, as well as recognized leading international practices and guidelines. These six focus areas are the most critical practices necessary for SMEs to build a sustainable foundation for improved performance:

- Stakeholder Engagement
- Materiality Assessment
- Environment, Health, & Safety (EHS) Management
- Workforce Development
- Impact Measurement
- Responsible Governance



The Toolkit sections that follow will detail these focus areas, providing useful guidance on:

- What each focus area is;
- Why each focus area is important for SMEs; and
- How an SME can implement these core components of sustainability for success.



Many well-established frameworks are available to guide sustainability progress. Here, we describe three such frameworks: the AA1000 AccountAbility Principles, Creating Shared Value and the United Nations Global Compact's Five Defining Principles.

The AA1000 Accountability Principles are a broadly applicable principle-based framework to enable any organization, regardless of size, maturity, or industry, to successfully address sustainability. The four AA1000 Accountability Principles are:

Inclusivity

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. An inclusive organization accepts its accountability to those on whom it has an impact and who have an impact on it.

Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance, and is realized through decisions, actions and performance, as well as communication with stakeholders.

Materiality

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions and performance of an organization or its stakeholders.

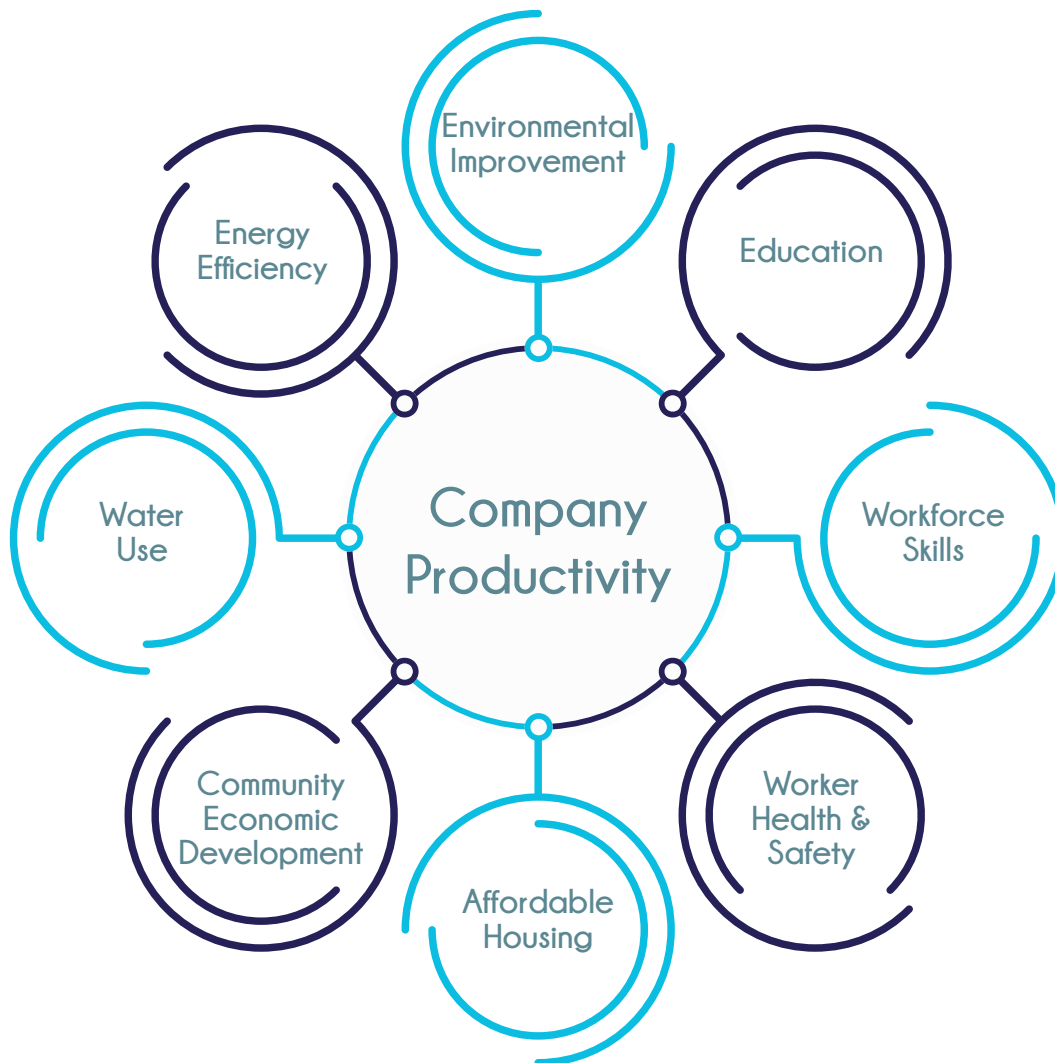
Impact

Impact is the effect of behavior, performance and/or outcomes, on the part of individuals or an organization, on the economy, the environment, society, stakeholders or the organization itself.



Creating Shared Value is the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges. This is done in three primary ways:

- By reconceiving products and markets;
- By redefining productivity in the value chain; and
- By enabling local cluster development.



Source: Michael Porter & Mark Kramer, Creating Shared Value, Harvard Business Review, 2011.

The UN Global Compact (UNGC) Five Defining Principles of Sustainability are recommended for integration into an organization. The UNGC encourages companies to join as members and provides extensive resources on sustainability-related issues. King Khalid Foundation, as a member of the UNGC and associate partner at the world economic forum, is working on creating networks of local companies and promoting the UNGC principles in the Kingdom. The five principles are:

- Responsible operations in alignment with global principles;
- Strengthening the societies where the organization operates;
- Incorporating sustainability in the organizational governance and DNA;
- Effective communication of strategies and impact through reporting process; and
- Local action and impact on the ground.





Sustainability reporting has become a vital element of corporate strategy. The Global Reporting Initiative (GRI) is the most widely used sustainability reporting standard in the world. It provides a structured disclosure mechanism for organizations to communicate their sustainability strategies, policies, programs and performance to critical stakeholders. Sustainability reporting is recognized as a leading practice that compliments all sustainability frameworks.

Discussion Questions

Please answer the following questions for discussion:

1. How important is sustainability to your SME?

- Very Important
- Important
- Not Important

2. Has your SME formally addressed sustainability?

- Not yet. This training is our first step in addressing sustainability.
- Our company has addressed sustainability as a priority internally.
- Our company has addressed sustainability as a priority internally and publicly.

3. Has your SME addressed the following? Select all that apply.

- Materiality Assessment
- Stakeholder Engagement
- Sustainability Strategy
- Sustainability Programs
- Dedicated Sustainability Personnel
- Impact Assessment
- Sustainability Reporting
- None of the above



Focus Area 1

STAKEHOLDER ENGAGEMENT



Definition

Stakeholder Engagement is the process used by an organization to identify its stakeholders, understand their needs, and manage relationships to foster success.

Stakeholders are individuals and groups that affect and/or could be affected by an organization's activities, products or services, and associated performance, including:

Internal Stakeholders*:

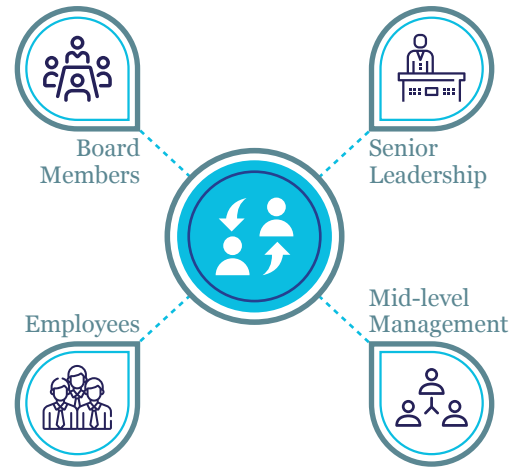
- Employees
- Mid-level Management
- Senior Leadership
- Board Members

External Stakeholders*:

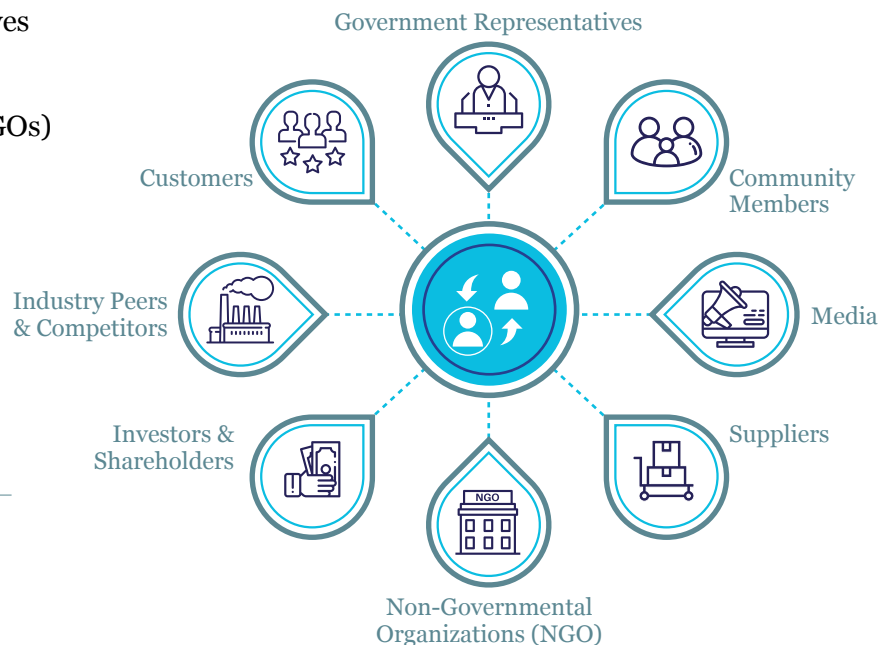
- Government Agencies & Representatives
- Investors & Shareholders
- Community Members
- Non-Governmental Organizations (NGOs)
- Industry Peers & Competitors
- Customers
- Suppliers
- Media

*representative stakeholders

Representative Internal Stakeholders:



Representative External Stakeholders:



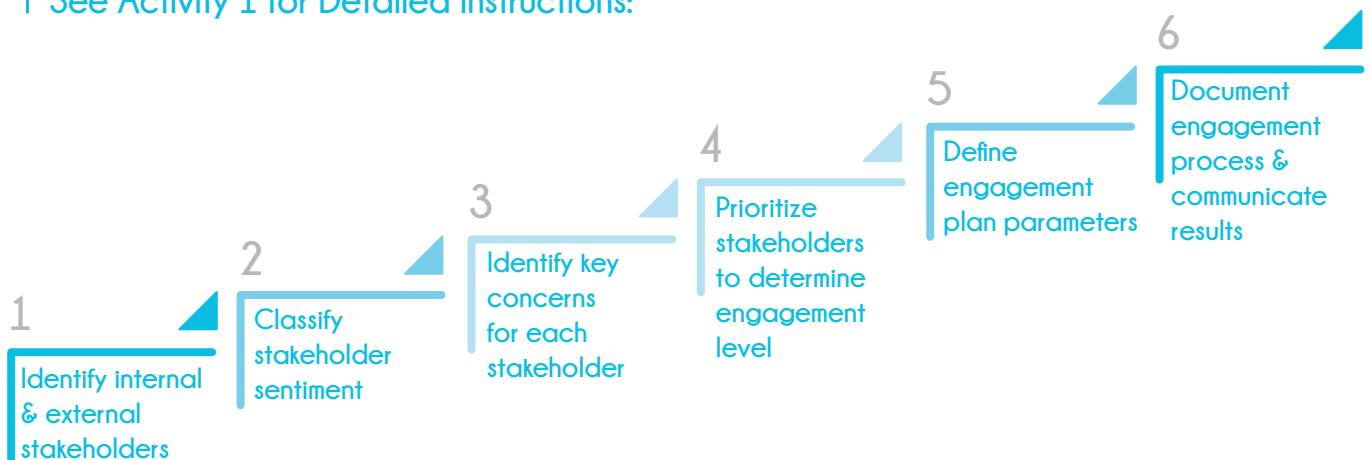


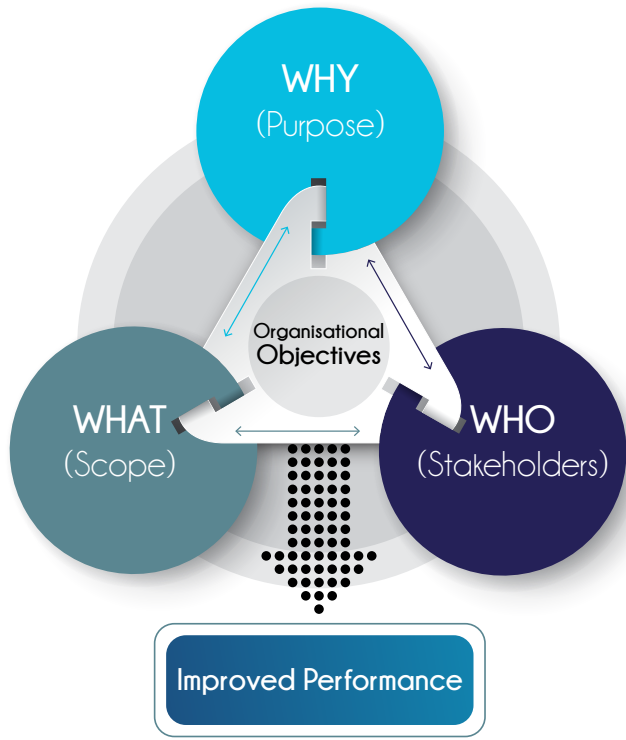
Steps to Implementation

AccountAbility's AA1000 Stakeholder Engagement Standard (AA1000 SES) establishes the benchmark for good-quality stakeholder engagement, built upon the AA1000 Accountability Principles – particularly that of Inclusivity. Steps to performing a quality stakeholder engagement include:

- Identify stakeholders, both within and outside of your SME;
- Classify each stakeholder's view toward your SME as either:
 - a. Positive
 - b. Neutral
 - c. Negative
- Identify key concerns and topics for each stakeholder;
- Prioritize stakeholders to determine those needing active engagement;
- Plan for key engagements by defining the parameters:
 - a. Purpose: What is the objective of the engagement?
 - b. Scope: What topics will be addressed in the engagement?
 - c. Stakeholders: Who is being included in the engagement?
- Document the engagement process, communicate results to stakeholders, and evaluate process for ongoing improvement.

See Activity 1 for Detailed Instructions:





The AccountAbility Stakeholder Engagement Standard (AA1000SES) provides a framework to help ensure stakeholder engagement processes are robust and effective.



Source:
AccountAbility AA1000SES, Stakeholder Engagement Standard





Benefits

Quality stakeholder engagement offers the following benefits:

- Provides important perspective to determine material issues
- Risk & reputation management
- Resource sharing – knowledge, people, money, and technology – to solve problems and reach objectives that cannot be reached individually
- Understanding of complex operating environments, including market and culture dynamics
- Learning from stakeholders, resulting in product and process improvement and innovation
- Improve impact on organization and society by informing, educating and influencing stakeholder decision-making
- Enhanced trust in stakeholder relationships from transparency
- More equitable and sustainable social development through inclusivity; gives underserved stakeholders an opportunity to be considered in the decision-making process

Notes:

Discussion Questions

Please answer the following questions for discussion:

1. Has your SME done a formal assessment of its stakeholders?
 - Yes
 - No
2. What methods of engagement do you currently use with your stakeholders? Select all that apply.
 - Website
 - Social Media
 - Press releases
 - Email outreach
 - Online Surveys
 - One-on-one meetings or Interviews
 - Regular open meetings
 - Conferences or Events
 - Other
3. Who manages stakeholder engagement in your organization?
 - We do not currently have anyone managing stakeholder engagement.
 - A staff member manages stakeholder engagement activity.
 - A manager is responsible for stakeholder engagement activity.
 - Senior leadership manages stakeholder engagement.
 - Other
4. Does your SME document engagement activities?
 - Yes, all engagements are documented.
 - Yes, some engagements are documented.
 - No, our company does not document engagements.



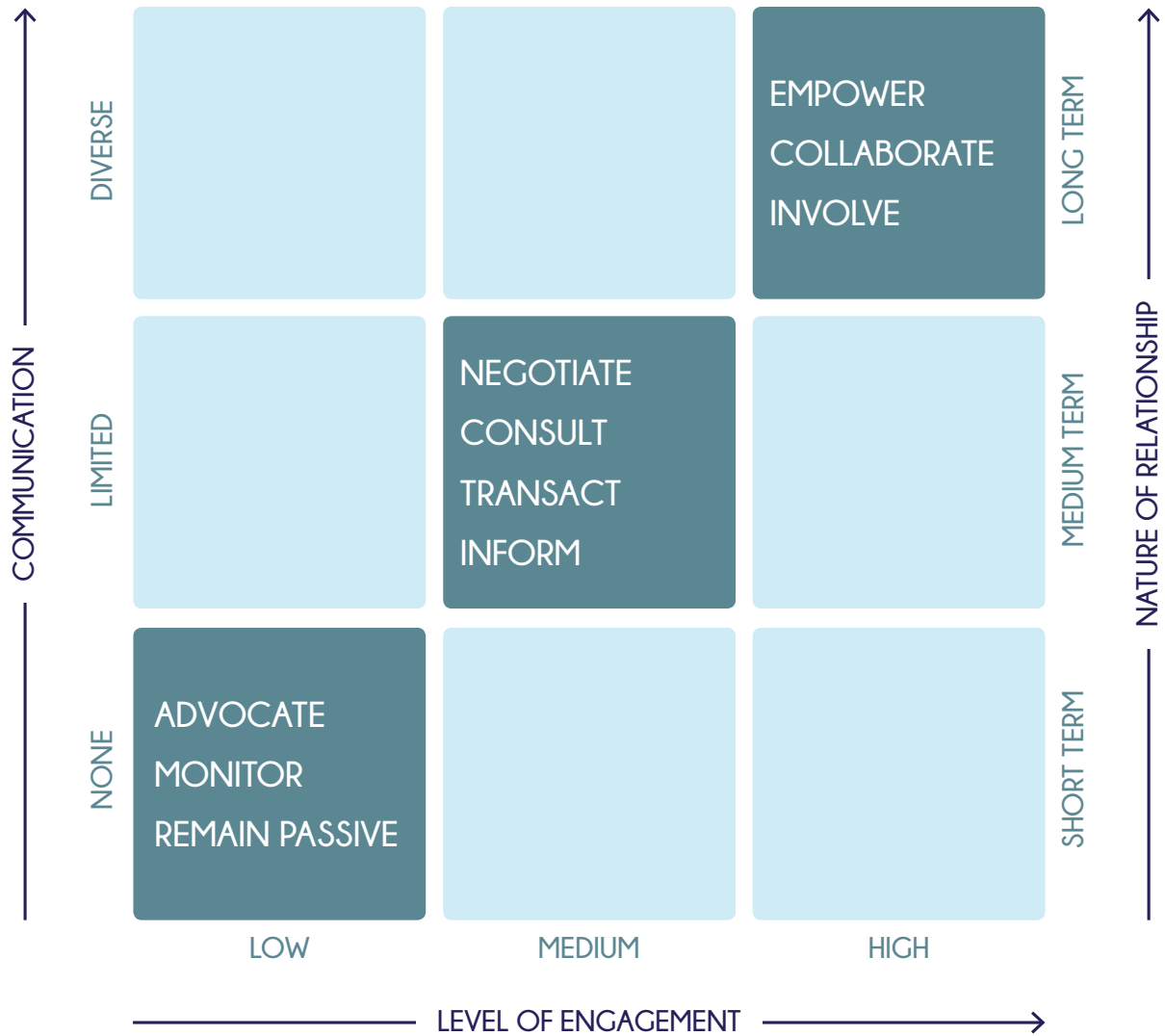
“How To” Activity 1

ACTIVITY INSTRUCTIONS

This activity will guide you through the implementation steps for Stakeholder Engagement that were described in the section above. With the group at your table, please do the following:

1. Select one person at your table whose company will be used for this activity.
2. Together with your group, identify stakeholders for this company. List these on the table provided on the poster at your table (table is also provided on the following page for your reference).
3. For each stakeholder, discuss their view of the company. Does the stakeholder have a positive, neutral or negative view toward the company? Write this into the table.
4. For each stakeholder, identify at least one topic that this stakeholder would care about with regards to your company. Write this into the table.
5. For each stakeholder, discuss and select an appropriate Engagement Strategy from the AA1000SES. Write this into the table.

Notes:





Please note that this table will also be available on a poster at each table during the Training Workshop.

	Stakeholders	View of Company	Primary Concern	Engagement Level
INTERNAL	<input type="radio"/> Employees			
	<input type="radio"/> Mid-level Management			
	<input type="radio"/> Senior Leadership			
	<input type="radio"/> Board Member			
	<input type="radio"/>			
	<input type="radio"/>			
EXTERNAL	<input type="radio"/> Government Representatives			
	<input type="radio"/> Investors			
	<input type="radio"/> Community Members			
	<input type="radio"/> Non-Governmental Organizations			
	<input type="radio"/> Industry Peers & Competitors			
	<input type="radio"/> Media			
	<input type="radio"/>			
	<input type="radio"/>			

KEY	<input checked="" type="checkbox"/> POSITIVE	<input type="checkbox"/> NEUTRAL	<input checked="" type="checkbox"/> NEGATIVE
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Focus Area 2

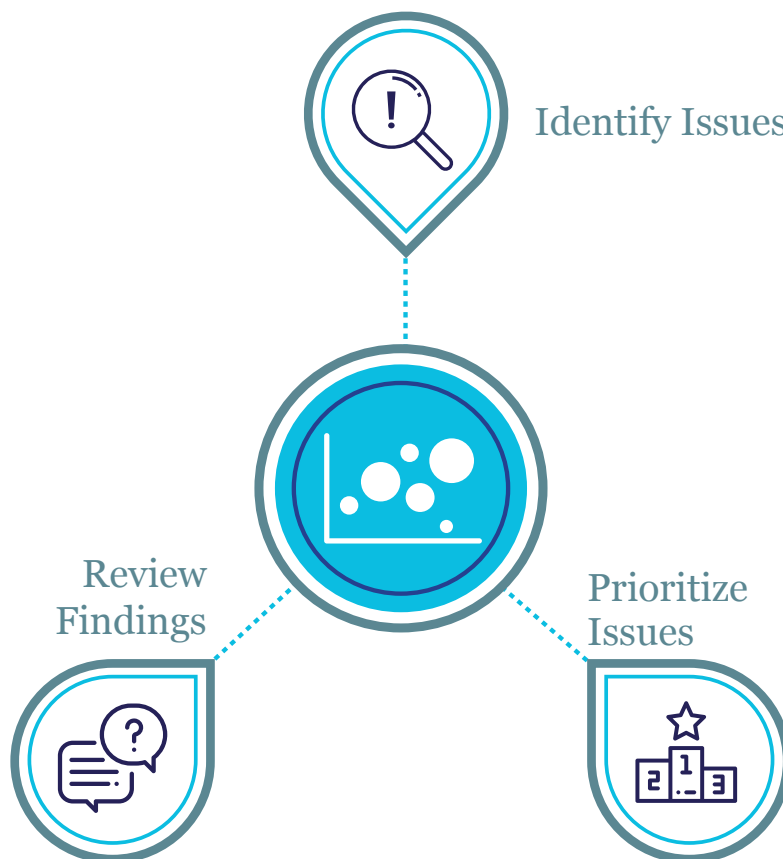
MATERIALITY ASSESSMENT



Definition

Materiality Assessment is the process by which organizations identify and prioritize the most relevant business issues, taking into account the impact each issue has on both the organization and on all its stakeholders. An issue is material if it impacts the finances of a business, such as ESG issues. Elements of a successful materiality assessment include:

- Identification of Issues
- Prioritization of Issues
- Review of Materiality Assessment & Findings

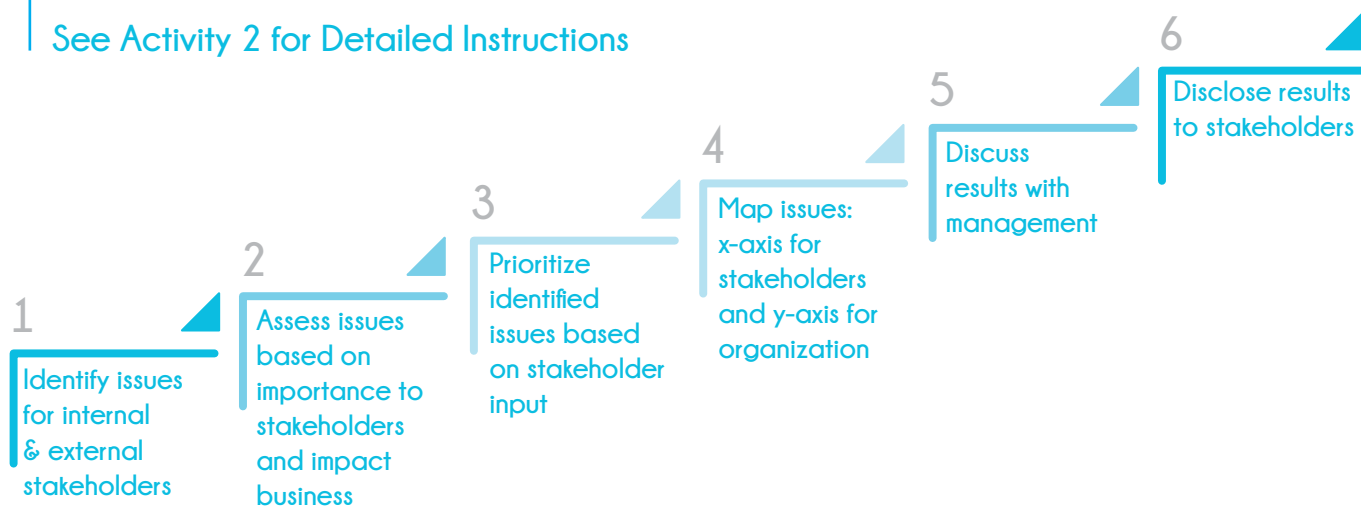


Steps to Implementation

Steps towards a successful Materiality Assessment include:

- Identify issues important to your SME and its external stakeholders;
- Using stakeholder input, assess each topic on two factors:
 - a. Importance to stakeholders
 - b. Impact on business
- Assign a weight for input from each type stakeholder;
- Map issues based on the two factors;
- Discuss results with SME management and embed material issues into company strategy;
- Disclose results to external stakeholders as part of Stakeholder Engagement efforts

See Activity 2 for Detailed Instructions





Benefits

A comprehensive materiality assessment provides significant benefits:

- Ensure your SME's strategy considers environmental, social and governance risks;
- Embed sustainability management in general business processes;
- Identify long-term risks that have significant potential to impact business operations;
- Identify opportunities for new products and services;
- Allocate resources more efficiently;
- Discover gaps in current risk management practices;
- Engage with stakeholders in a more effective and efficient manner;
- Understand how an SME is creating or reducing shared value.

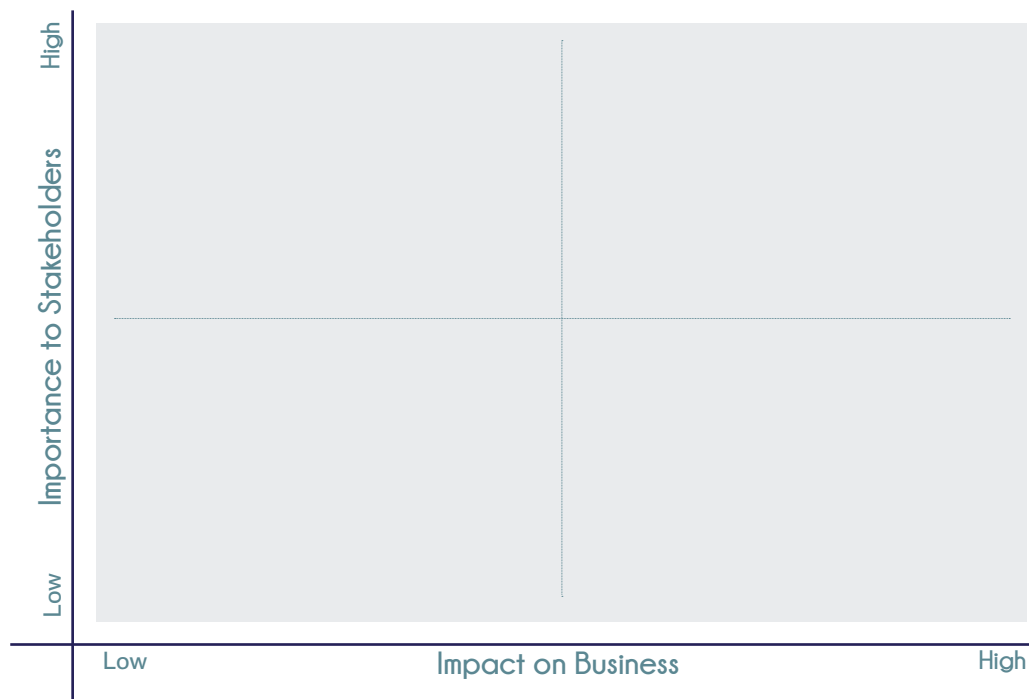
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Discussion Questions

The importance of a materiality assessment for an SME can be assessed through a response to a series of questions, such as:

1. Does your organization ever formally evaluate its priorities?
 Yes
 No
2. Are you aware of differing priorities within the organization?
 Yes
 No
3. Does your SME's strategy take external stakeholder views into account?
 Yes
 No
4. Is your SME ever asked to defend or explain its priorities and strategies?
 Yes
 No

“How To” Activity 2



Please note that this matrix will also be available on a poster at each table during the Training Workshop.



“How To” Activity 1

ACTIVITY INSTRUCTIONS

This activity will guide you through the implementation steps for Materiality Assessment that were described in the section above. With the group at your table, please do the following:

1. Select one person at your table whose company will be used for this activity.
2. Together with your group, identify issues that are important to the SME. Example issues are provided on the following page. Write these issues on the yellow stickers.
3. Identify issues that are important to the SME’s external stakeholders. Example issues are provided on the following page. Write these on the blue stickers.
4. Ask your group members to share their views on each issue, according to two factors:
 - a. Importance to stakeholders
 - b. Impact on business
5. Place the issue sticker on the materiality matrix based on these two factors. The materiality matrix is provided on the poster at your table (matrix is also provided on the following page for your reference).



Notes:

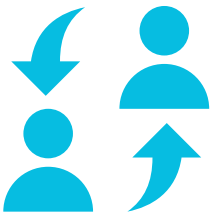
Issue Examples

Internal	External
<input type="radio"/> Working Conditions	<input type="radio"/> Independent Audits
<input type="radio"/> Mixed Gender Workspaces	<input type="radio"/> Annual Reporting
<input type="radio"/> Workforce Inclusion of Women	<input type="radio"/> Carbon Emission
<input type="radio"/> Annual Growth	<input type="radio"/> Water/Energy Usage
<input type="radio"/> Awards & Recognition	<input type="radio"/> Waste
<input type="radio"/> Saudization	<input type="radio"/> Transparency in Governance
<input type="radio"/> Legal Compliance	<input type="radio"/> Employee Health & Safety
<input type="radio"/> Alignment with Vision 2030	<input type="radio"/> Alignment with Vision 2030
<input type="radio"/>	<input type="radio"/>
<input type="radio"/>	<input type="radio"/>



Focus Area 3

ENVIRONMENT, HEALTH, & SAFETY (EHS) MANAGEMENT



Definition

Environment, health, and safety (EHS)

Management is the proactive management of the SME's impact on the environment and its employees. Often this includes compliance with regulations, but a sustainable SME should go beyond that.

Elements of effective EHS management include:

- Reduction of the environmental impact (on water, air, soil and ecosystems)
- Reduction of workplace hazards and accidents
- Improvement of employee health



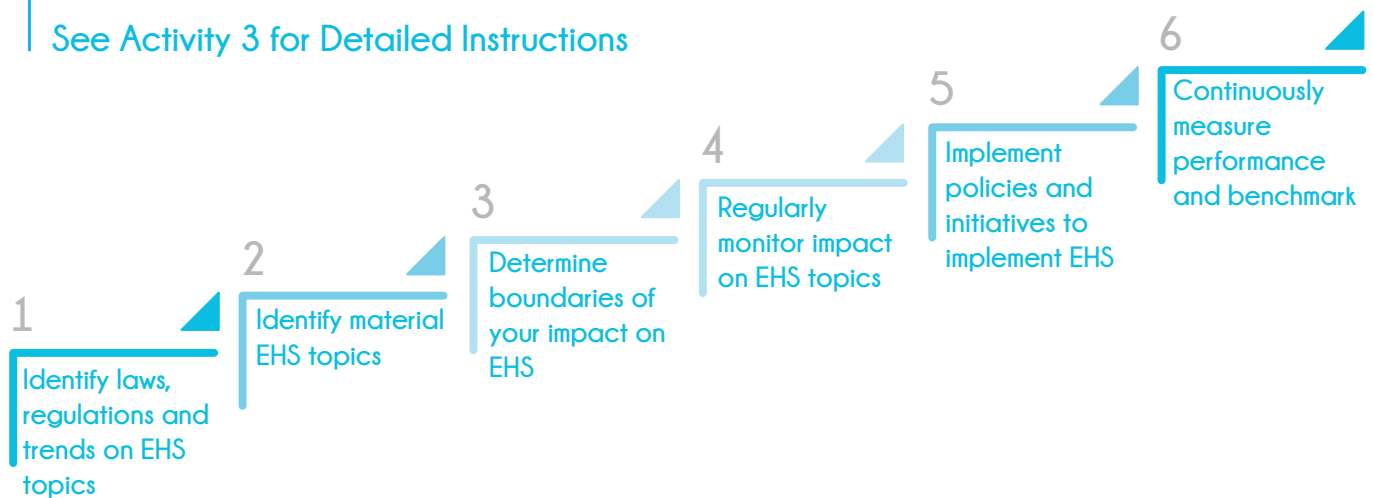


Steps to Implementation

Steps towards responsible environment, health and safety management include:

- Identify trends and local and global laws regulating your SME's environmental impacts and employee health and safety practices;
- Using your materiality assessment, identify material topics related to environment, employee health, and employee safety;
- Determine the boundaries of your SME's impact on these material topics related to environment, employee health, and employee safety (see Impact Measurement module for more detail);
- Begin to regularly measure and monitor your SME's impact on the environment, employee health, and employee safety;
- Implement policies, procedures, or programs to reduce the environmental impact, reduce workplace accidents, and improve employee health;
- Continuously measure performance, benchmark against good practices, and identify areas for improvement;

See Activity 3 for Detailed Instructions



Benefits

Responsible environmental management is a central sustainability issue in the Kingdom of Saudi Arabia and the region. Key issues are perceived as water scarcity and local industry focus on extractives and mining.

Benefits of EHS Management are:

- Increased employee well-being and satisfaction at the workplace
- Better employee health and reduced health care/insurance costs
- Increased employee productivity
- Decreased risk of accidents
- Reduced loss of manpower
- Decreased employee turnover and improved staff morale
- Reduced environmental pollution
- Avoided costs of damage and compensation
- Organizational value created from a positive reputation through better compliance, stakeholder relations and financing activity
- More positive and caring image
- Reduced raw material costs
- Meeting local regulatory and compliance requirements
- Increased positive changes on profit, planet and people

Notes:



Discussion Questions

Please answer the following questions for discussion:

- 1. In your SME, are you aware of any of the following resources consumed or emissions produced?**
 - Energy use (e.g. fuel, electricity, cooling)
 - Water use
 - Land use
 - Solid waste
 - Industrial liquid waste, untreated
 - Greenhouse gas emissions (e.g. CO₂)
 - Emissions of other gases or small particles into the air, e.g. caused by industrial production

- 2. If you are aware of any of the above impacts, do you monitor them?**
 - Yes, all of the important ones
 - Yes, but just some of them
 - No

- 3. Do you provide insurance for all employees in case of a workplace accident or health damage caused over time by work activities?**
 - Yes
 - No

- 4. Do you have protocols to follow in case of an emergency/accident?**
 - Yes
 - No

- 5. Do you provide training for your employees about accident prevention and response?**
 - Yes
 - No

- 6. Do you conduct any initiatives to promote employee health? If yes, discuss your initiatives with other participants.**
 - Yes
 - No

“How To” Activity 3

This activity will guide you through the implementation steps for EHS management that were described in the section above. Please do the following:

1. As a group, discuss which EHS topics your SME could start addressing in the near future.
2. Think about what potential EHS initiatives and programs you could start implementing after the training (next month, after 3 months, and after 6 months).
3. Look at the example KPIs listed on your table and discuss which ones might apply to the new initiatives and programs your SME could start implementing. Complete the exercise sheet and find relevant KPIs for all of the listed programs and initiatives.
4. We will discuss the results as a group.

Notes:



E, H or S?	Potential New Initiatives and Programs	Timeline (Next Month, in 3 Months or in 6 Months?)	KPIs	EHS KPIs
				Water used (gallons)
				Paper purchased (lbs)
				Lost-time injuries (#)
				GHG Emissions (tons CO2 equivalent)
				Employees wearing safety glasses (%)
				Training provided on workplace safety (hours)
				Automobile accidents (#)
				Paper recycled (lbs)
				Average steps per day per employee (#)
				Employee who smoke (#)
				Electricity purchased (kWh)
				Training provided on ergonomics (hours)
				Facilities using low-VOC paint (%)
				Employees exercising at least once per week (%)
				Employees trained on response plan for workplace fire (%)

Focus Area 4

WORKFORCE DEVELOPMENT



Definition

A **competitive workforce** is a group of individuals with an adequate diversity of skills and resources to compete effectively in the global market. Key elements of a competitive workforce at a Saudi SME include:

- Professional Development Opportunities
- Inclusion of Women
- Employment Opportunities for Youth
- Diversity of Technical and Creative Roles

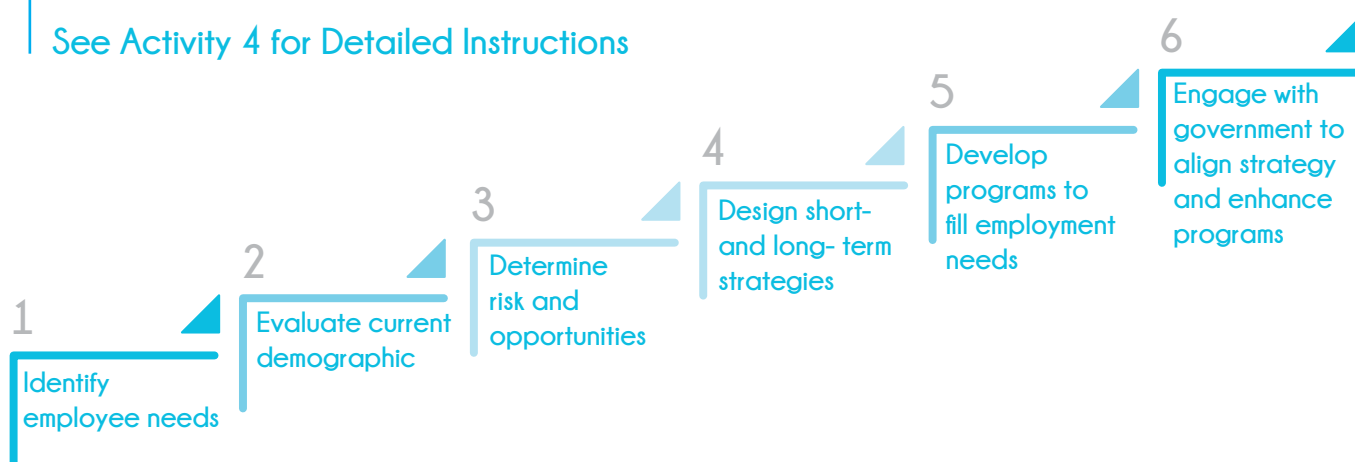


Steps to Implementation

Steps towards building a competitive workforce include:

- Identify and document employee demographics;
- Evaluate current demographics against KSA legal requirements and Vision 2030 Goals;
- Determine risks and opportunities based on current employee development & demographic needs;
- Design long-term plans and short-term steps for enhance opportunities and minimize risks regarding your workforce ;
- Develop programs around attraction, development, and retention of talent;
- Engage with government programs targeting Saudization, youth employment, and women participation in the workforce to receive support and recognition for efforts.

See Activity 4 for Detailed Instructions





Benefits

Building a competitive workforce is of key importance for an SME, notably given the Kingdom’s particular challenges include skills scarcity, the “youth bulge” (over %50 of the population under 24 years old), and a current lack of women in the workforce.

- Increased global competitiveness
- Innovative ideas
- Expanded capacity for technical skills
- Accelerated diversification into non-oil sectors
- Increased employee retention and loyalty
- Facilitated training for high-potential youth
- Building a foundation for partnerships with international organizations
- Enhancing the sustainability of the organization
- Contributing to Vision 2030 and Sustainable Development Goals
- Increasing the number of Saudi nationals in the competitive workforce

Notes:

Discussion Questions

Please answer the following questions for discussion:

1. Does your SME have a diversity of employees and skills?
 - Yes
 - No
2. Has your SME implemented any recruitment or retention programs for employees?
 - Yes
 - No
3. Does your SME offer employee training programs?
 - Yes
 - No
4. What elements of a recruitment program would best help attract young Saudi workers?
 - Internship Opportunities
 - Tuition Assistance
 - International Exchange Programs
5. What elements of a recruitment program would best help attract female workers?
 - Internship Opportunities
 - Tuition Assistance
 - Technical Capacity Building



“How To” Activity 4

This activity will guide you through the implementation steps for Workforce Development that were described in the section above. With the group at your table, please do the following:

1. Select one person at your table whose company will be used for this activity.
2. Identify risks and opportunities for the SME in terms of diversified workforce and professional development of employees.
3. To identify this company’s employee demographics and diversity, please fill out the table provided on the poster at your table. Calculate also the percentages for certain employee groups.
4. To address the risks and opportunities in professional development and diversified workforce, think about an action plan. Write down goals/targets, the timeframe and programs.

	Opportunities	Risks
Diversified Workforce		
Professional Development		

Category	Number / Percentage of Employees							
	Total #	% of Total	# In Leadership	% of Total, In Leadership	# In Management	% of Total, In Management	# Part-time	% of Total, Part-time
Total								
Saudi								
Women								
Youth (25-18)								

	Goal/Target	Timeframe	Programs
Workforce Development			
Diversification Planning			

Notes:



A series of horizontal lines for taking notes, consisting of 28 evenly spaced lines.



Focus Area 5

IMPACT MEASUREMENT



Definition

Performance Measurement is identifying, measuring, and monitoring an organization’s activities. Effective measurement is deliberate and employs predetermined metrics. It provides an opportunity for course correction when metrics suggest initiatives are off-target.

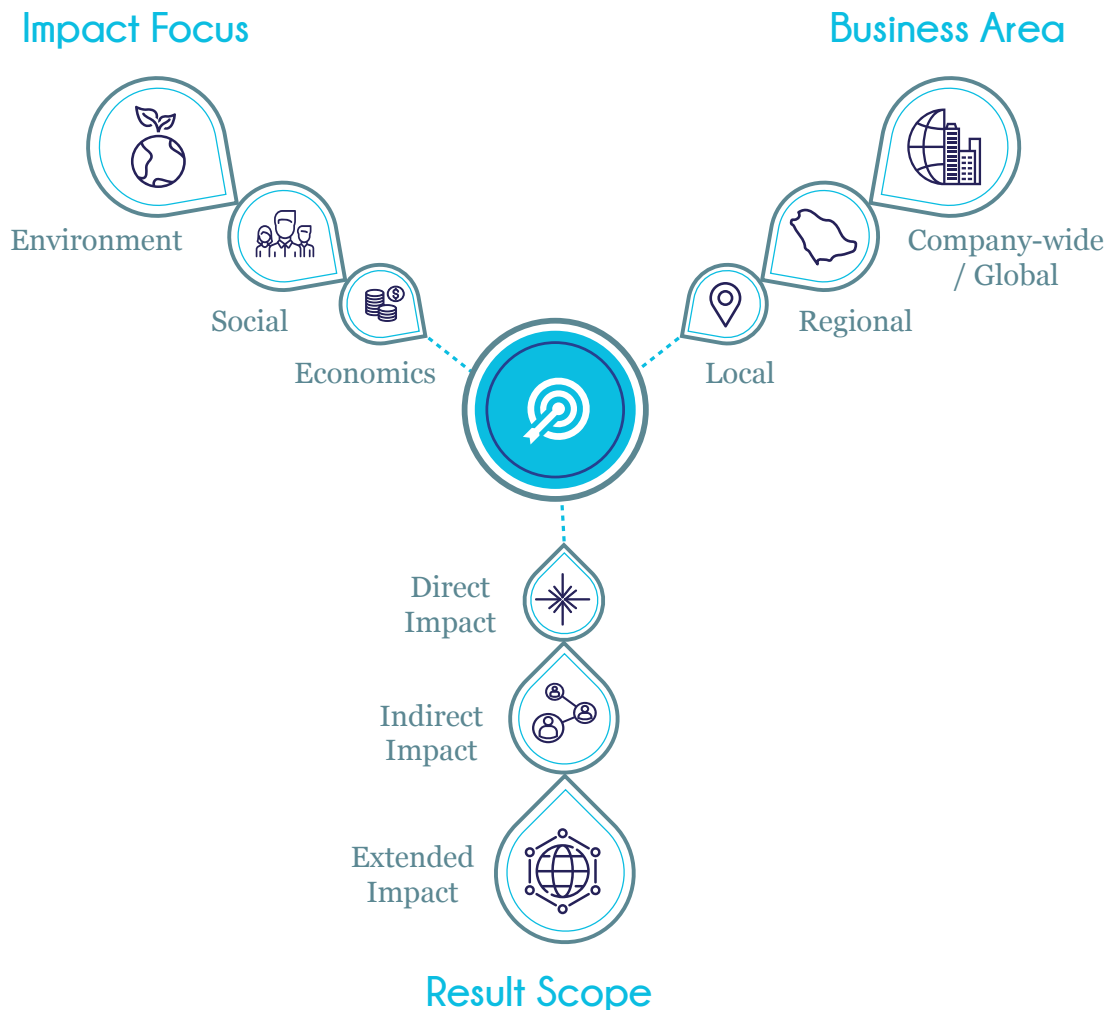
Impact Measurement takes Performance Measurement a step further by identifying, measuring, and monitoring the medium- and long-term effects of an organization’s activities. Impact measurement can be used to evaluate initiatives of all sizes, scopes, or focus areas. An SME should conduct impact assessments for initiatives related to its material topics.

Effectively measuring impact requires defining three boundaries:

- Impact focus
- Business area
- Result scope

Key Performance Indicators (KPIs)

are metrics used in both Performance and Impact measurement. These metrics are customized to an organization’s specific initiatives and designed to provide meaningful insights into the way these initiatives operate and perform.



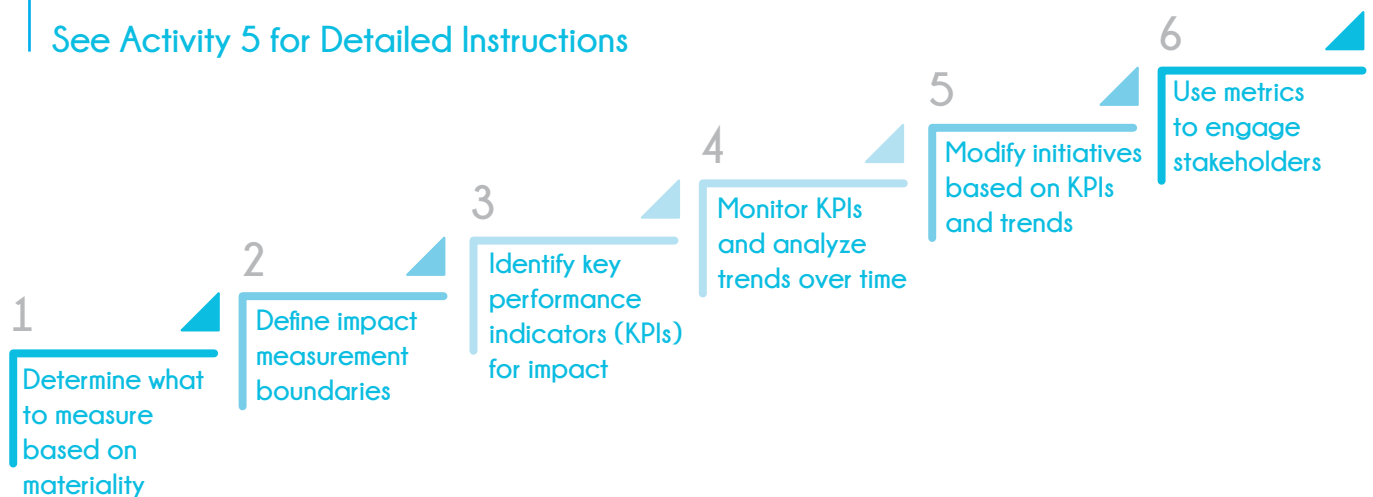


Steps to Implementation

The steps required to design an effective impact measurement program include:

- Determine the initiatives whose impact should be measured by identifying all initiatives related to the SME's most material topics;
- To begin the impact assessment process for each initiative, define the boundaries of measurement: impact focus, business area and result scope (see graphic on the previous page);
- For each impact assessment, identify specific, customized metrics – Key Performance Indicators (KPIs) – that measure impact quantitatively or qualitatively;
- Monitor these impact KPIs and analyze trends over time;
- Use KPI data and trends to identify opportunities for modifying SME initiatives and to inform strategy;
- Use metrics to engage stakeholders.

See Activity 5 for Detailed Instructions



Benefits

SMEs that measure the impact of their operations and initiatives can experience the following benefits:

- Improved stakeholder communication
- Improved risk management
- Social license to operate
- Cost efficiency
- More informed decision-making
- Creation of potential business opportunities
- Increased accountability for delivering impact
- Enhanced brand reputation and increased stakeholder trust
- Better designed products and services
- Increased positive changes to the community regarding social, economic and environmental issues (profit, planet and people)

Notes:



Discussion Questions

Please answer the following questions for discussion:

- 1. At your SME, do you track Performance KPIs for any of the following activities?**
 - Financial or economic performance
 - Social or community issues
 - Environmental issues
 - All of the above
 - None of the above

- 2. If you disclose performance information to your stakeholders, how do you communicate this information to them?**
 - Informal conversations
 - Social media
 - SME website
 - Printed publication
 - Email
 - Other

- 3. At your SME, do you track Impact KPIs for any of the following activities?**
 - Financial or economic performance
 - Social or community issues
 - Environmental issues
 - All of the above
 - None of the above

- 4. If you disclose impact information to your stakeholders, how do you communicate this information to them?**
 - Informal conversations
 - Social media
 - SME website
 - Printed publication
 - Email
 - Other

- 5. Is your SME aware of any impact its initiatives have on the community or environment?**
 - Yes
 - No

- 6. What are these impacts?**

“How To” Activity 5

ACTIVITY INSTRUCTIONS

This activity will guide you through the implementation steps for Measuring Impact that were described in the section above. With the group at your table, please do the following:

1. Select the three most material issues identified during Activity 2.
2. Identify one initiative being undertaken for each material issue.
3. Together with your group, identify the boundaries of impact measurement:
 - a. Identify impact focus of the initiative. Place stickers with the agreed impact focuses in the appropriate boxes.
 - b. Identify the business area affected by the initiative. Place stickers with the agreed business areas in the appropriate boxes.
 - c. Determine the result scope of the initiative. Place the stickers with agreed result scopes in the appropriate boxes.
5. Discuss ideas for Impact Key Performance Indicators to measure each of the three initiatives selected. Make sure these KPIs will measure IMPACT, rather than just performance.
6. List three Key Performance Indicators for each material initiative that measure impact within the boundaries of measurement that you just identified.

Please note that this table will also be available on a poster at each table during the Training Workshop

Material Topic	Impact Focus (Environment, Social, Economic)	Business Area (Local, Regional, Company-Wide)	Results Scope (Direct Impact, Indirect Impact, Extended Impact)	Key Performance Indicator (KPI)
				<ol style="list-style-type: none"> 1. 2. 3.
				<ol style="list-style-type: none"> 1. 2. 3.
				<ol style="list-style-type: none"> 1. 2. 3.



Focus Area 6

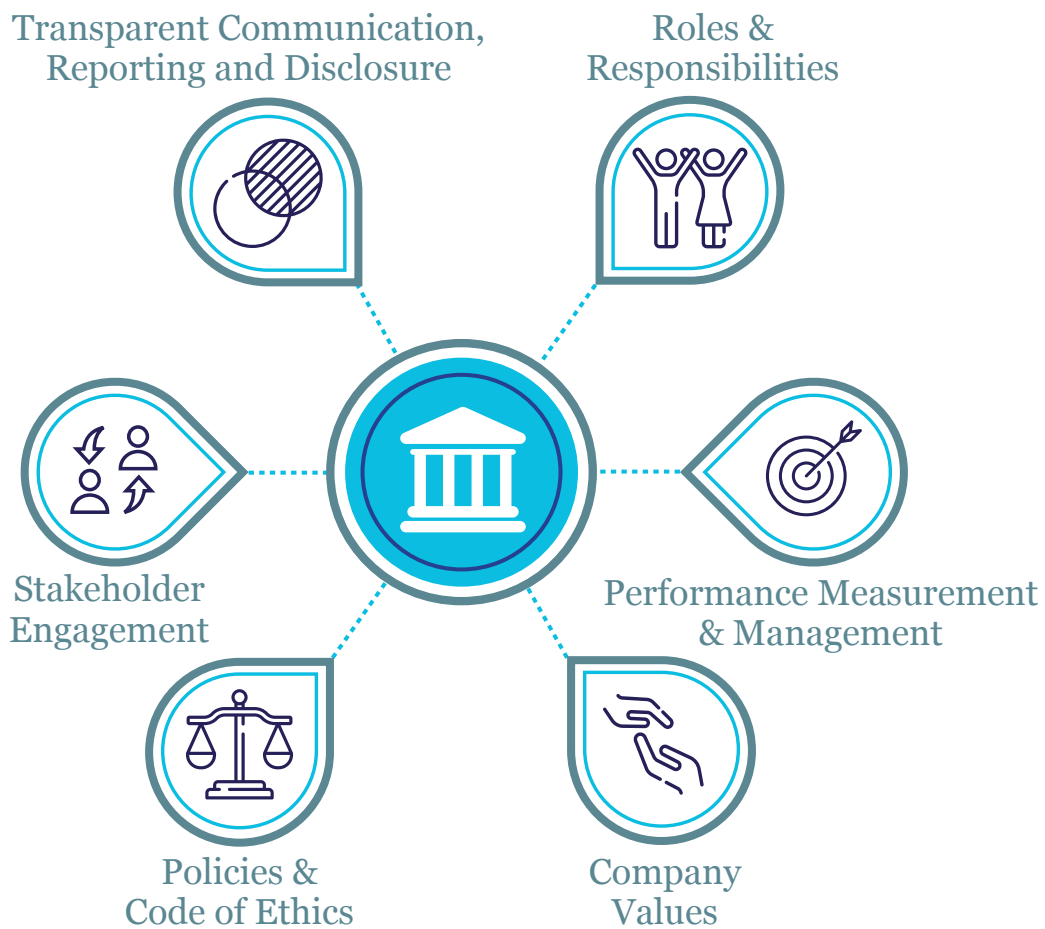
RESPONSIBLE GOVERNANCE



Definition

Responsible governance is how an organization manages its processes and structures to ensure accountability, fairness, and transparency with all its stakeholders. Elements of responsible governance include:

- Stakeholder engagement
- Anti-corruption processes and controls
- Grievance mechanisms
- Impact assessment
- Commitment to non-binding standards
- SME Company Values
- Roles and responsibilities
- Disclosure and reporting (see Focus Area Spotlight at the end of this module)



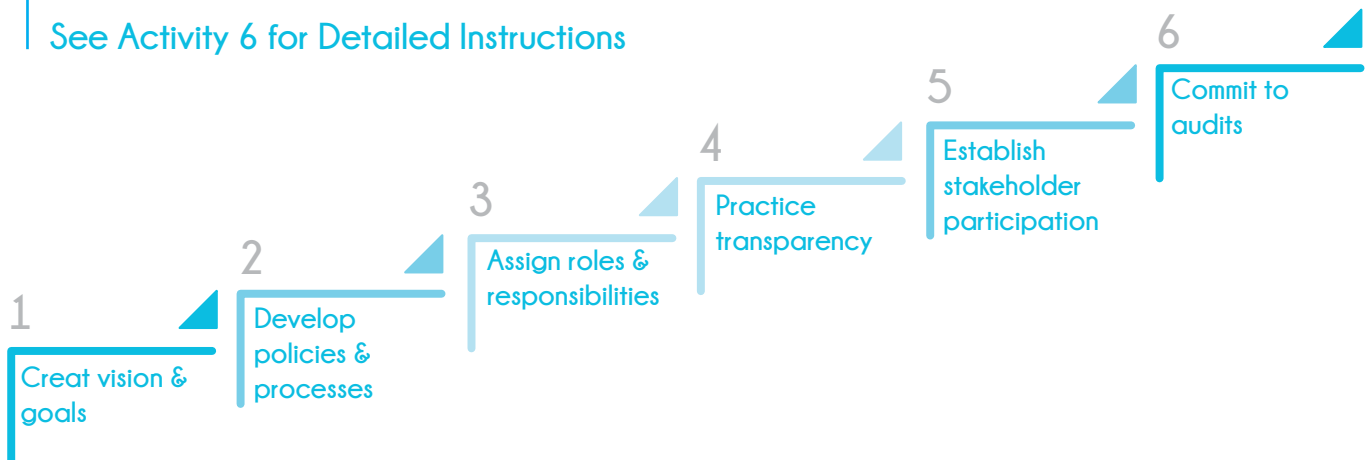


Steps to Implementation

Responsible governance requires good practice in a number of key areas of an SME's operations. Steps towards excellent responsible governance include:

- Create a clear SME company vision, mission, and values and develop mechanisms to track progress on goals;
- Introduce policies and processes for:
 - a. Ethics
 - b. Employee conduct
 - c. Anti-corruption and anti-bribery
 - d. Legal compliance
- Assign clear roles and responsibilities to employees for:
 - a. Quality assurance
 - b. Stakeholder communications
 - c. Sustainability
- Practice transparency by disclosing key information on material issues to your SME's stakeholders through globally accepted reporting frameworks (for more detail, see Focus Area Spotlight at the end of this module);
- Establish stakeholder participation in the decision-making processes;
- Commit to internal and external audits using globally accepted assurance standards assurance.

See Activity 6 for Detailed Instructions

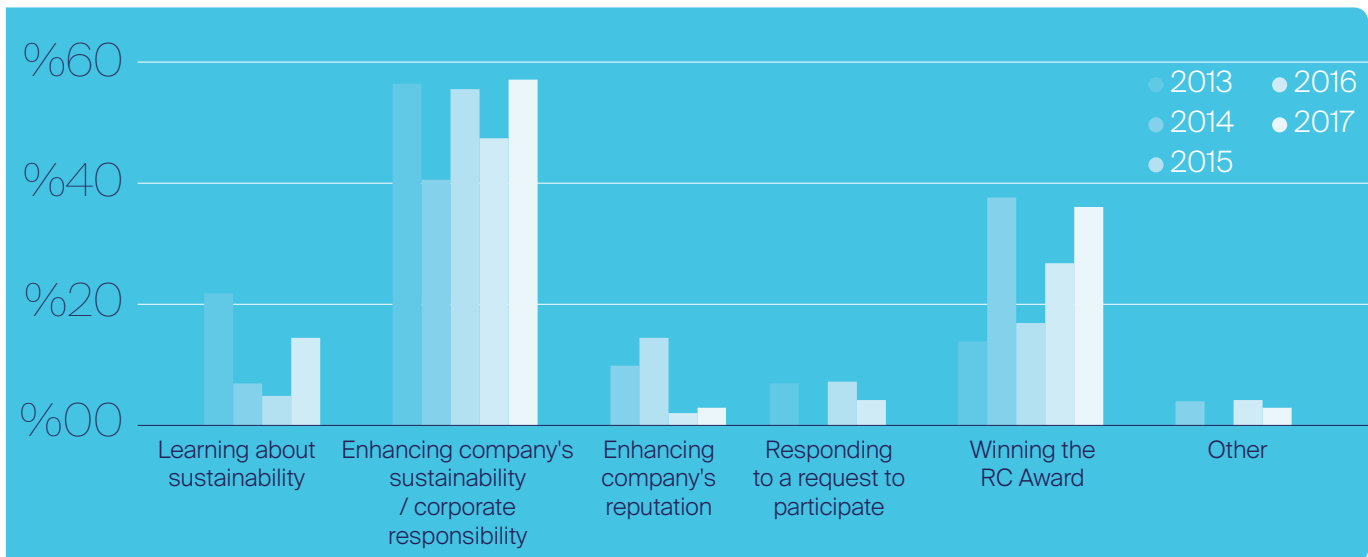


King Khalid Award

Award Schemes, such as the KKF Sustainability Award in Saudi Arabia, view Responsible Governance as a competitive advantage and reward companies that are accountable, fair and transparent with their stakeholders. Applicants consider the Award as a key enabler that helps them improve their sustainability capacity, responsible governance and enhance their organizational performance, systems and practices. The below graph indicates that companies strive to further enhance their corporate responsibility practices.

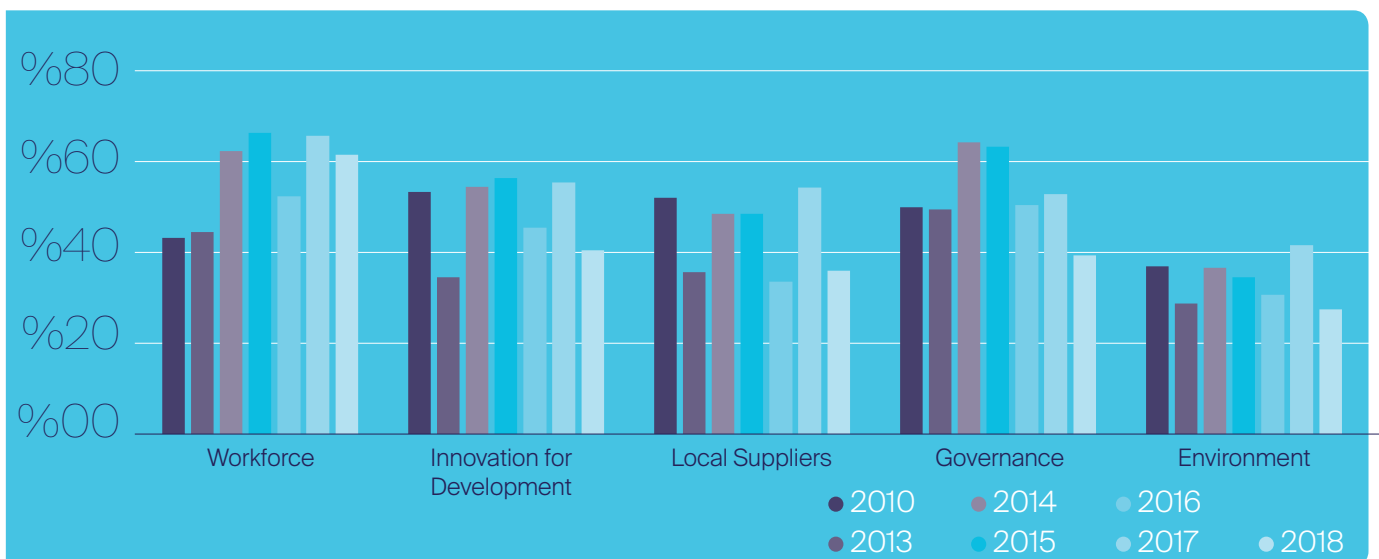
The King Khalid Sustainability Award is an award scheme that rewards companies for responsible governance. The formal scorecards and performance feedback built into the Award process also support applicant companies' growth and performance improvement year on year.

Award participation drivers



The Sustainability Award uses five Core Areas to assess the performance of organizations. Over the years, organizations have demonstrated their commitment to Responsible Governance, as well as other Core Areas

Overall Core Area performance





Benefits

Responsible governance is an important element of sustainability for an SME's stakeholders. It can provide financial and non-financial benefits for the business in terms of reputation, compliance, improved processes and systems, including:

- Improved managerial decision-making processes
- Improved public faith and confidence
- Reduced cost and favorable conditions of financing
- Increased investment opportunities
- Dedicated and effective internal structures
- Solid risk management and compliance mechanisms
- Fewer fines and penalties
- Overall performance efficiency

Notes:

Discussion Questions

1. Do you have clear roles and responsibilities for managing business ethics and sustainability matters?
 Yes
 No
2. Is your SME subject to regional, national, international corporate governance regulation?
 Yes
 No
3. Does your organization implement improvements in processes, systems, monitoring?
 Yes
 No

“How To” Activity 6

ACTIVITY INSTRUCTIONS

This activity will teach you how to approach the implementation steps for Responsible Governance that were described in the section above. Please do the following:

1. On the pieces of paper in front of you, please write:
 - a. Good governance practices you are aware of at your company.
 - b. Gaps in responsible governance that you may have witnessed or are aware of at your company.
 - c. Opportunities areas where you feel your company can improve its governance.
2. When you are finished, please place your ideas into the containers at the front of the room.
3. We will discuss the anonymous submissions as a group.

Notes:



As a reminder, the following are the key elements of responsible governance:

- Stakeholder engagement
- Transparency
- Anti-corruption processes and controls
- Grievance mechanisms
- Impact assessment
- Commitment to non-binding standards
- SME Company Values
- Roles and responsibilities



Examples of Good Practice in Responsible Governance at my SME	Examples of Gaps from Leading Practice in Responsible Governance at my SME

Focus Area 7 | SPOTLIGHT

DISCLOSURE & REPORTING





Definition

Disclosure is the act of making information known. Your SME's disclosure starts from:

- embedding a culture of transparency internally,
- tracking and measuring key performance indicators,
- releasing relevant information externally that provides stakeholders with comprehensive and meaningful picture of the performance of a company relative to its peers,
- communicating both good and bad information, and
- communicating financial, non-financial, historic, and future-projected information.

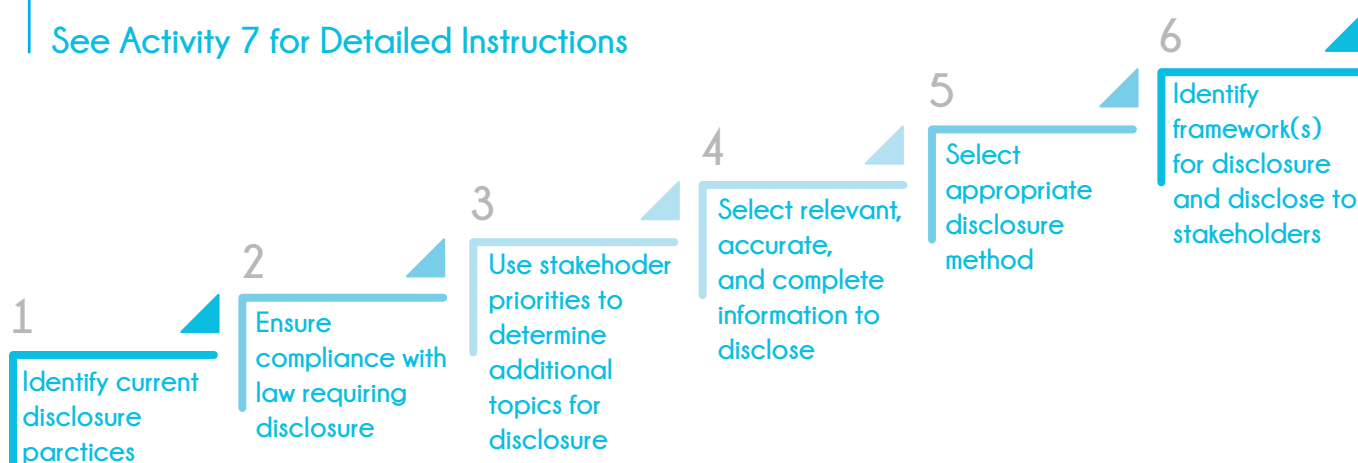
Reporting is an important, formal component of an SME's disclosure that involves written statements to disclose your status to stakeholders. Reporting can be either financial or non-financial.

Steps to Implementation

Steps towards effective disclosure and reporting include:

- Identify what information your SME currently discloses;
- Ensure compliance with laws requiring your SME to disclose information;
- Review topics of primary concern to your stakeholders to determine additional topics whose disclosure could benefit your SME;
- For each selected topic, evaluate available information to select a relevant, accurate, and complete set of information to disclose;
- Select a method to disclose your information:
 - a. Report
 - b. Website
 - c. Newsletter
 - d. Social Media
- Identify the appropriate disclosure framework to share your information with your stakeholders (see Activity for details on Framework options) and then disclose information to stakeholders.

See Activity 7 for Detailed Instructions





Benefits

Reporting and disclosure is an important element of responsible governance. It can provide financial and non-financial benefits for the business, including:

- Improved regulatory compliance
- Improved positive publicity and exposure in media
- Improved relationships with customers, suppliers, and other stakeholders
- Increased differentiation from competitors
- Increased completeness and accuracy of information gathered
- Improved information management
- Identify opportunities for efficiencies in operations and resource management
- Process simplification and improvement
- Organizational learning and capacity building
- Improved decision making and allocation of resources
- Increased contribution to Vision 2030 and Sustainable Development Goals

Notes:

“How To” Activity 7

ACTIVITY INSTRUCTIONS

This activity will guide you through the implementation steps for Reporting and Disclosure that were described in the section above. With the group at your table, please do the following:

1. Together with your group, recall the poster you completed for Stakeholder Engagement. (Table is also provided on the following page for your reference). This activity will build onto this poster.
2. For each stakeholder’s primary concern, make a note if you currently disclose information on that topic. Write this into the table.
3. For each stakeholder’s, primary concern, make a note if you should disclose information on that topic. Is this concern important enough to your stakeholders? Write this into the table.
4. For the primary topics you indicated that you already report on or should report on, select an appropriate disclosure method. Write this into the table.
5. For the primary topics you indicated that you already report on or should report on, select an appropriate disclosure framework. Write this into the table.

Notes:



	Stakeholders	View of Company	Primary Concern	Engagement Level	Does your SME currently disclose information on this topic?	Is your SME required to disclose information on this topic?	Disclosure Method (report, website, newsletter, social media)	Disclosure Framework (see options below)
INTERNAL	<input type="checkbox"/> Employees	Note: These columns will have been populated during the Stakeholder Engagement Activity.						
	<input type="checkbox"/> Mid-level Management							
	<input type="checkbox"/> Senior Leadership							
	<input type="checkbox"/> Board Members							
	<input type="checkbox"/>							
EXTERNAL	<input type="checkbox"/> Government Representatives							
	<input type="checkbox"/> Investors							
	<input type="checkbox"/> Community Members							
	<input type="checkbox"/> Non-Governmental Organizations							
	<input type="checkbox"/> Industry Peers & Competitors							
	<input type="checkbox"/> Media							
	<input type="checkbox"/>							
	<input type="checkbox"/>							

Disclosure Frameworks	Description	Topic Coverage			Voluntary or Mandatory?	Level of Effort to Use		
		Financial	Non-Financial					
			Environmental	Social			Governance	
CDP DRIVING SUSTAINABLE ECONOMIES	Climate Disclosure Project (CDP)	Framework for Disclosure (confidential) & Performance Rating (public)	<input checked="" type="checkbox"/>			Voluntary	Medium – High	
GRI Global Reporting Initiative	Global Reporting Initiative (GRI)	Reporting Framework	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Voluntary	High	
IR INTEGRATED REPORTING	Integrated Reporting (<IR>*)	Reporting Framework	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Voluntary	High	
IFRS	International Financial Reporting Standards (IFRS)*	Reporting Standards	<input checked="" type="checkbox"/>			Yes, starting January 1, 2018	Medium	
رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA	Saudi Vision 2030	<i>It is possible to customize the SME's disclosure and reporting to align to the Vision</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Voluntary	Low – Medium
UN GLOBAL COMPACT	UN Global Compact (UNGC) Communication on Progress (COP)	Disclosure Framework		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Voluntary	Low – Medium

References

Introduction to Sustainability

United Nations, Department of Economic and Social Affairs, Population Division

un.org/en/development/desa/population/theme/trends/

The Population Division of the Department of Economic and Social Affairs (DESA) of the United Nations Secretariat has the task of estimating and projecting levels and trends of populations for all the countries of the world as well as related demographic indicators, namely in the area of fertility, mortality and migration, while using the cohort component method.

Natural Capital Coalition

naturalcapitalcoalition.org/protocol/

The Natural Capital Protocol is a framework designed to help generate trusted, credible, and actionable information for business managers to inform decisions. The Protocol aims to support better decision by including how we interact with nature, or more specifically, natural capital.

Intergovernmental Panel on Climate Change

ipcc.ch/report/ar5/

The Intergovernmental Panel on Climate Change is the international body for assessing the science related to climate change. The IPCC was set up in 1988 by the World Meteorological Organization (WMO) and United Nations Environment Programme (UNEP) to provide policymakers with regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.

United Nations Sustainable Development Knowledge Platform

sustainabledevelopment.un.org/sdgs

Principle Knowledge Platform concerning the UN Sustainable Development Goals, covering research, Key Performance Indicators, capacity building workshops and events related to the goals worldwide.

Vision 2030

vision2030.gov.sa/en

Official website of the Saudi Arabia Vision 2030, covering all aspects concerning the Vision 2030 such as the official document, government programs, and news on progress.

AccountAbility principles

accountability.org/standards/

The AccountAbility Principles Standard (AA1000APS) provides a framework for an organization to identify, prioritize and respond to its sustainability challenges. The other AA1000 standards – the Assurance Standard and the Stakeholder Engagement Standard – are based on the APS principles and support their achievement.

Creating Shared Value

isc.hbs.edu/creating-shared-value/csv-explained/Pages/default.aspx

Michael Porter and Robert Kaplan from Harvard Business School explain the concept of Creating Shared Value, covering key concepts and case studies.

United Nations Global Compact

www.unglobalcompact.org/library/1151

The Guide to Corporate Sustainability lays out five features of corporate sustainability, which the Global Compact asks businesses to strive towards – looking at why each element is essential, how business can move forward and what the Global Compact is doing to help.

Stakeholder Engagement

AA1000 Stakeholder Engagement Standard (AA1000SES) 2015

www.accountability.org/standards/

The AA1000 Stakeholder Engagement Standard (AA1000SES) is a generally applicable framework for Assessing, Designing, Implementing and Communicating stakeholder engagement. AA1000SES builds on, and is consistent with, AccountAbility's AA1000 Series, particularly the AA1000 AccountAbility Principles Standard (2018) and the principle of Inclusivity. The purpose of the Standard is to establish the benchmark for good-quality stakeholder engagement.

Critical Friends: The Emerging Role of Stakeholder Panels in Corporate Governance, Reporting and Assurance

www.accountability.org/our-services/research/

Critical Friends is a research report, produced by AccountAbility and UTOPIES®, which examines the experience of businesses convening stakeholder panels made up of external experts or stakeholder representatives, to help strengthen the company's strategy, performance and accountability in relation to sustainability.

Materiality Assessment

The Global Reporting Initiative (GRI4)

g4.globalreporting.org/how-you-should-report/reporting-principles/principles-for-defining-report-content/materiality/Pages/default.aspx

Reporting Principles and Standard Disclosures and Implementation Manual

Sustainability Accounting and Standards Board (SASB)

www.sasb.org/materiality/sasb-materiality-map/

The SASB Materiality Map is an interactive tool that identifies and compares disclosure topics across different industries and sectors.

The Materiality Report: Aligning Strategy, Performance and Reporting

www.accountability.org/our-services/research/

AccountAbility's thought leadership covers the importance of materiality and its function as a risk management framework for organizations.



The United Nations Environment Program Finance Initiative

www.unepfi.org/fileadmin/documents/fiduciary_duty_21st_century.pdf

UN assessment of Fiduciary Duty in the 21st Century, arguing for the integration of ESG issues into investment and corporate decision making.

Forum for the Future

www.forumforthefuture.org/sites/default/files/project/downloads/five-capitals-model.pdf

The Five Capitals Model is a framework for sustainability that underpins the rationality behind materiality assessment.

Environment, Health and Safety (EHS) Management

International Standards Association (ISO) 14000 series

iso.org/iso/iso14000

ISO 14000 series on Environmental Management Systems provides practical tools for companies and organizations of all kinds looking to manage their environmental responsibilities.

OHSAS 18001

ohsas-18001-occupational-health-and-safety.com/what.htm

The OHSAS 18001 is an internationally applied standard for occupational health and safety management, guiding organizations on how to report their performance.

Global Reporting Initiative (GRI) 300 Series: Environmental Standards

globalreporting.org/standards/gri-standards-download-center/

The 300 series of the GRI Standards include topic-specific Standards used to report information on an organization's material impacts related to environmental topics.

World Bank Guidelines for Environment, Health and Safety

ifc.org/ehsguidelines

The EHS Guidelines are technical source of information with general and industry-specific examples of Good International Industry Practice. The General EHS Guidelines cover environmental, occupational/community health and safety issues that may be applicable to all industries, and should be used together with the industry sector guidelines.

Workforce Development

The Saudi Labor Regulation Royal Decree - No. M/51 of 23rd Sha'aban 1426 Hejra

The Saudi Labor Regulation Royal Decree The main Saudi Arabian statute including provisions on employer-employee relationships and governance.

National Occupational Skills Standards (NOSS) / Saudi Skills Standards (SSS)

www.nqa.gov.ae/en/VET/Pages/NOSS.aspx

NOSS is the guidance criterion that determines the standard of performance required in a given occupation, in other words, it is the minimum threshold for competent performance.

The Global Reporting Initiative (GRI G4)

www.globalreporting.org/resourcelibrary/GRIG-4Part-1Reporting-Principles-and-Standard-Disclosures.pdf

Indicators around labor practices, decent work and human rights, namely the GRI G4 indicators LA-1HR12.

International Labor Organization (ILO) Principles

www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_086223.pdf

Fundamental principles and rights at work covering:

- Freedom of association and recognition of the right to collective bargaining;
- Elimination of all forms of forced or compulsory labor;
- Effective abolition of child labor;
- Elimination of discrimination in respect of employment and occupation.

The Universal Declaration of Human Rights (UDHR)

www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf

A declaration adopted by the United Nations General Assembly in 1948, focusing on the expression of fundamental values on human rights.

The United Nations Global Compact (UNGC) Principles

www.aeca.es/comisiones/rsc/documentos_fundamentales_rsc/pactomundial/after_the_signature.pdf

Principles in the areas of human rights, labor practices and anti-corruption.

International Standards Association (ISO) Standards

www.iso.org/iso/home.html

www.iso.org/iso/catalogue_detail?csnumber=52993

Namely the:

- ISO/TC 260 Human resource management;
- ISO/NP 30409 Human resource management -- Workforce planning;
- ISO/IEC 17024 Personnel certification programs.

www.iso.org/iso/catalogue_detail?csnumber=52993

International Finance Corporation (IFC) Standards

www.ifc.org/wps/wcm/connect/c8f524004a73dae-ca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES

Eight performance standards on Social and Environmental Sustainability.

OHSAS 18001

www.ohsas-18001-occupational-health-and-safety.com/what.htm

The OHSAS 18001 is an internationally applied standard for occupational health and safety management, guiding organizations on how to report their performance.

Impact Measurement

Impact Investing

casefoundation.org/resource/short-guide-impact-investing/

Thoughtful and deliberate investments are one way to make an impact. Impact investing firms and reporting agencies have probably the most developed set of metrics for measuring impact. Many of the KPIs developed for impact investing are transferrable to other areas of impact measurement.

Key Performance Indicators (KPIs)

smallbusiness.chron.com/develop-key-performance-indicators4676-.html

The most difficult, and yet crucial, part of impact measurement is developing meaningful KPIs. This article outlines some of the first steps to consider when creating customized KPIs and setting targets.

Developing an Impact Measurement Strategy

www.socialimpactinvestment.org/reports/Measuring20%Impact20%WG20%paper20%FINAL.pdf

When beginning an impact measurement initiative, it is advisable to first develop a strategy. Having a clear idea of what to measure, how to measure, why it should be measured and an idea of the desired outcomes will help ensure success. This paper provides guidelines and trends on the topic.

IRIS – Global Impact Investing Network (GIIN)

iris.thegiin.org/metrics

The Global Impact Investing Network has developed an online reporting framework for impact measurement called IRIS. This framework outlines hundreds of potential KPIs for companies in every industry to consider when beginning an impact measurement initiative.

Responsible Governance

The Responsible Competitiveness Index (RCI)

kkf.org.sa/ar/KKA/Pages/RCI.aspx

The Responsible Competitiveness Index (RCI) is the leading sustainability index in the region. It serves as a mechanism for disclosure and assessment of CSR & Sustainability practices. Participants in the RCI have demonstrated improved performance in several key areas, based on year-over-year participation.

20. The Corporate Governance Code

www.cma.org.sa/En/Documents/CORPORATE20%GOVERNANCE20%REGULATIONS2011-.pdf

Introduced by the Capital Market Authority Saudi Arabia in 2006, the code incorporates regulations and guiding principles for compliance with the best governance practices that ensure protection of shareholders' and stakeholders rights. The code contains three main parts, namely the Rights of Shareholders and the General Assembly, Disclosure and Transparency and Board of Directors.

21. The Basic Law of Governance referring to the State

www.wipo.int/edocs/lexdocs/laws/en/sa/sa016en.pdf

The law includes articles on state monarchy, features of the Saudi Family, economic Principles, rights and Duties and state authorities.

The Global Reporting Initiative (GRI G4)

globalreporting.org/resource/library/GRIG-4Part-1Reporting-Principles-and-Standard-Disclosures.pdf

Indicators around responsible governance practice that are widely used by companies on an international level, specifically the G4 indicators numbers 34 to 58.

23. The OECD Principles of Corporate Governance

www.oecd.org/corporate/ca/corporategovernanceprinciples/31557724.pdf

The OECD has developed principles of responsible governance practice in six dimensions:

1. Effective Corporate Governance Framework;
2. Rights of Shareholders and Key Ownership Functions;
3. Equitable Treatment of Shareholders;
4. Role of Stakeholders in Corporate Governance;
5. Disclosure and Transparency;
6. The Responsibilities of the Board.

24. The ICGN Global Governance Principles

www.icgn.org/policy

The International Corporate Governance Network Principles are often used as best practice guidelines and reference material covering corporate culture, risk management, remuneration, audit, disclosure and transparency in addition to shareholder rights and responsibilities in relation to the Board of Directors.

25. The UK Corporate Governance Code

www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-April2016-.pdf

The United Kingdom has developed a set of principles of good corporate governance across leadership, effectiveness, accountability, remuneration and relations with shareholders. The Code is used by companies on a global basis as a valid reference of good performance expectations.



Disclosure & Reporting

15. Climate Disclosure Project (CDP)

www.cdp.net

CDP is a not-for-profit that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

16. Global Reporting Initiative (GRI)

www.globalreporting.org/Pages/default.aspx

The Global Reporting Initiative promulgates an international framework for sustainability disclosure. Currently live are the GRI G4 Guidelines. Beginning -1July2018-, GRI users should transition to the GRI Standards.

17. Integrated Reporting (IR)

integratedreporting.org/

Integrated Reporting (IR), put forth by the International Integrated Reporting Council (IIRC) is a framework for disclosing financial and sustainability information in the same report.

17. Vision 2030 Alignment Reporting

integratedreporting.org/

Companies can release a report focused on their contribution to the realization of Saudi Arabia's Vision 2030. AccountAbility's Vision Check report is an example of this type of report.

18. UN Global Compact (UNGC) Communication on Progress (COP)

accountability.org/visioncheck

Companies who have committed to the UN Global Compact should produce an annual report called a Communication on Progress. This can be prepared at three different levels of disclosure, which are detailed on the UNGC's website.

Notes:



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