A4S
CFO LEADERSHIP
NETWORK

SUSTAINABILITY ENGAGEMENT IN THE GULF REGION, 2021

CIRCLE OF PRACTICE
CASE STUDIES

THE PRINCE OF WALES'S
CHARITABLE FUND

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FOREWORD

Achieving sustainability across our environment, society and economy is undoubtedly one of the most significant challenges of our time, and we are running out of time to act. According to the World Meteorological Organization, "2021 is a make-or-break year for climate action, with the window to prevent the worst impacts of climate change – which include ever more frequent more intense droughts, floods and storms – closing rapidly."[1]

Addressing the climate emergency is critical, but sustainability is broader than climate alone. Although there are many definitions of sustainability, the Brundtland Commission famously described sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The COVID-19 pandemic has also taken its toll. In 2020, for the first time since the UN's Sustainable Development Goals (SDGs) were adopted in 2015, the global average SDG Index score – which tracks progress against the SDGs – decreased from the previous year.[2] The impact of the pandemic on poverty and employment rates is a significant reason for this decline.

The prosperity of our economy, on a global scale, is dependent on us achieving a stable and thriving state for our society and environment. In the Gulf region too, everyone has a part to play in this process and in addressing the specific challenges we face. Greenhouse gas emissions in the United Arab Emirates are almost six times greater per capita than in the US,[3] and the Gulf region has one of the highest levels of water stress in the world.[4]

At national level, the UAE has committed to several initiatives to make progress on sustainability. Under **Vision 2021**, the UAE will develop infrastructure sustainably, while preserving the environment. The **National Agenda** aims for the UAE to be among the best in the world in the Human Development Index; and the **National Climate Change Plan** is a comprehensive national framework for tackling climate change.

CFOs and finance teams are in a key position to bring sustainability into financial planning and decision making in every area of their organization. This publication, presented by the Gulf Finance Leaders Circle of Practice looks at the finance team's role in enabling sustainable business through eight case studies from across the Gulf region that cover a range of sectors.

The case studies demonstrate that while sustainability trends, including climate change and resource scarcity, pose great commercial risks, they also open up opportunities. They also show the vital role finance can – and needs to – play in the transition to a sustainable economy. We hope that you are inspired by their examples. Now is the time to act.

[1] World Meteorological Organization (2021), 'Warming stripes show that climate change is here and now'.

[2] Sachs, J.D. et al (2021), 'Sustainable development report 2021: The decade of action for the Sustainable Development Goals', Cambridge University Press: Cambridge.

[3] See UAE Government Portal.

[4] UN-Water (2021), 'Summary Progress Update 2021: SDG 6 – water and sanitation for all'.

EXECUTIVE SUMMARY

THE GULF FINANCE LEADERS CIRCLE OF PRACTICE

This document showcases examples of current practice in the Gulf against key themes in the **A4S Essential Guides**, developed to help the finance and accounting community address the practical issues of integrating sustainability into their business processes and decisions. The case studies have been developed based on detailed interviews conducted with finance leaders and senior finance function representatives from leading organizations within the Gulf region.

Each case study details the thinking behind these organizations' sustainability efforts, the key role finance has played and the impact they have achieved. This includes direct effects on the organization itself, the workforce, stakeholders, wider community and the environment. Collectively, they show the importance of incorporating sustainability considerations into organizational strategy, risk management, financing and decision making.

Although some business models will face greater challenges than others regarding diversification and sustainability, this collection of case studies demonstrates that motivation is high and solutions for even the most difficult tasks are achievable.

The Gulf International Bank case study shows how organizations can build sustainability into their vision, strategy and day-to-day decision making. Its refreshed strategy gives the bank the framework and impetus to develop sustainably, with new product offerings and a broader range of clients.

Managing future uncertainty is a major challenge for all organizations, and this is particularly complex for sustainability trends. To help address this uncertainty the energy company Masdar has integrated environmental and social considerations into portfolio risk management to help improve risk management in its portfolio.

When it comes to delivering projects, the case study on The Environment Agency – Abu Dhabi (EAD) offers insight into building sustainability into project appraisal. EAD used financial ratios alongside social and environmental performance indicators in its project to lower groundwater levels in areas suffering from excessive water logging. The project has protected infrastructure, generated an annual cost-saving and permitted rehabilitated land to be used for other purposes.

Emirates NBD calculated a social return on investment to understand the impact of its corporate volunteering programme. The analysis and the result helped them to understand the value they had generated through the programme and where they could do even better in future.

To grow and to invest in sustainability, organizations need financing. To support Majid Al Futtaim's commitment to become net positive in carbon and water by 2040, it has developed a Green Finance Framework. This is now the company's standard approach to raising finance. Under the framework, the company has launched the first corporate green sukuk in the region, raising US$1.2 billion through this Sharia-compliant financing instrument.

The case studies featured here cover a diversity of disciplines and challenges, and we are confident that at least one of them will resonate with you and inspire your efforts. There is always a solution.

"

Leading companies recognize that successful sustainability performance translates to successful bottom-line business performance, and investors are attracted to companies that act in a sustainable manner with a focus on long-term profitability and competitive advantage.

Jessica Fries, Executive Chair, A4S

ETIHAD AIRWAYS

SUPPORTING ALTERNATIVE SUSTAINABLE FUELS FOR THE AVIATION INDUSTRY

WHAT

Etihad Airways is a global aviation group based in the United Arab Emirates. We have committed to progress the development and use of alternative sustainable aviation fuel. Major progress has already been made in the UAE in developing and implementing renewable energy technologies.

In 2010, we became one of the founding partners of the **Sustainable Bioenergy Research Consortium (SBRC)**. The consortium was set up to pursue research into alternative fuels that would support the aviation industry to decarbonize.

The flagship project of the SBRC is for a seawater energy and agriculture system, which may ultimately provide a sustainable, plant-based fuel. Effectively counterbalancing the challenges of the region, where freshwater is scarce, this system uses saltwater as its natural resource. The aquaculture element of the project also addresses issues of food security, fish cultivation and other marine life. These in turn provide the nutrients for the saltwater-tolerant plants.

WHY

The aviation industry has long been dependent on fossil fuel, and it will be reliant on a combustible, liquid hydrocarbon for many years to come. Using a finite source of energy presents an inherent risk, exacerbated by severe price fluctuations, and potentially significant carbon costs in the future. Add the future uncertainty of supply and quality issues in some regions of the world, and we have a major financial risk that needs to be managed across all timelines.

Regulatory changes also create a financial incentive to minimize the industry's dependence on high-carbon fuels. After 2020, a global carbon offsetting scheme will be implemented, as agreed at the 2016 General Assembly of the International Civil Aviation Organization. This market-based scheme caps emissions at 2020 levels, so airlines have to purchase carbon offsets to cover any extra carbon emissions.

Although the industry has made – and continues to make – efficiency improvements, this is not enough to decarbonize the industry. We need to turn to low-carbon fuels.

HOW

SBRC was started through discussions with the Masdar Institute of Science and Technology. The institute is an Abu Dhabi-based postgraduate education centre focused on advancing clean and renewable technology. We are a founding member along with Boeing.

Takreer, the sizable refining entity of the Abu Dhabi National Oil Company, is now also a member of SBRC. It provides essential technical support for developing a jet-grade fuel from our raw plant materials.

The SBRC's seawater energy and agriculture system was successfully trialled in Eritrea, showing that the approach was viable. The system has been replicated, as part of a pilot project, on a two-hectare facility in Masdar City, Abu Dhabi. The UAE government is backing the project by funding the construction and operation of the pilot for the first three to five years.

ADDRESSING UNCERTAINTY

There are still financial uncertainties about emissions-related compliance costs for the industry. The eligibility of carbon offsets will massively influence the industry demand and so the purchase price. Flights using alternative sustainable fuels will be exempt, or partly exempt, depending on the type and quantity of alternative fuel used. In time, this will significantly influence the financial liability of the global offset scheme.

To ensure commercial viability, a comprehensive techno-economic analysis has reviewed the financial and scale-up requirements of the SBRC project. However, there is still substantial work to be done to develop commercial scale alternative fuels.

Despite these uncertainties, we need to stay focused. By making the necessary effort and financial commitment now, we can reduce our long-term liabilities and enable the industry to grow in sustainable way.

Etihad Aviation Group, a diversified global aviation and travel company, is considered to be one of the world's most acclaimed aviation brands. Etihad Airways, the national airline of the United Arab Emirates and a division of the group, was formed in 2003 and quickly went on to become one of the world's leading airlines. In recent years, the organisation has received numerous awards for its superior service and products, cargo offering, loyalty programme, aviation training and Maintenance, Repair and Overhaul (MRO) service.

To learn more, visit **etihad.com**

MASDAR

SUPPORTING SUSTAINABILITY OBJECTIVES THROUGH PORTFOLIO RISK MANAGEMENT

WHAT

Masdar is an energy company in Abu Dhabi that works in the areas of renewable energy and sustainable urban development. We use a portfolio risk management (PRM) function and process to support our decision making on investments and investment risk. PRM is a way for us to embed environmental, social and reputational factors into our processes for assessing investment risk.

PRM enhances our ability to preserve existing and future value and returns. It does this by identifying and mitigating potential risk exposures across assets and portfolios using rigorous, best practice quantitative and qualitative methodologies.

By using PRM, supported by a risk operating model, we can invest prudently. We are more likely to be compensated adequately for risks that we've identified, and we can more readily avoid unwanted risks.

WHY

Our mission is focused on advancing renewable energy and sustainable development to help to overcome sustainability challenges in the United Arab Emirates, the Middle East and internationally. Sustainability is one of our driving values, and we believe that this should be fully integrated into decision making.

As a renewable energy company, we play a critical role in helping to drive a sustainable economy in the UAE through our activities and investments. With a PRM approach, we can ensure that sustainability is built into how we work.

HOW

A risk operating model means we can continuously monitor significant risks to our portfolio. Understanding sustainability factors over time is a key aspect of this. We enhance our understanding of risk through continuous monitoring and by holding risk assessment workshops with risk champions and the portfolio risk manager. The roles and responsibilities of individuals and teams are defined in our PRM framework. Risk workshops are conducted when:

1. Assessing a potential new investment.
2. Moving projects to the next stage of the investment life cycle (the four broad life cycle stages are defined as origination, development, operations and exit).
3. Preparing business unit and corporate risk profile reports.

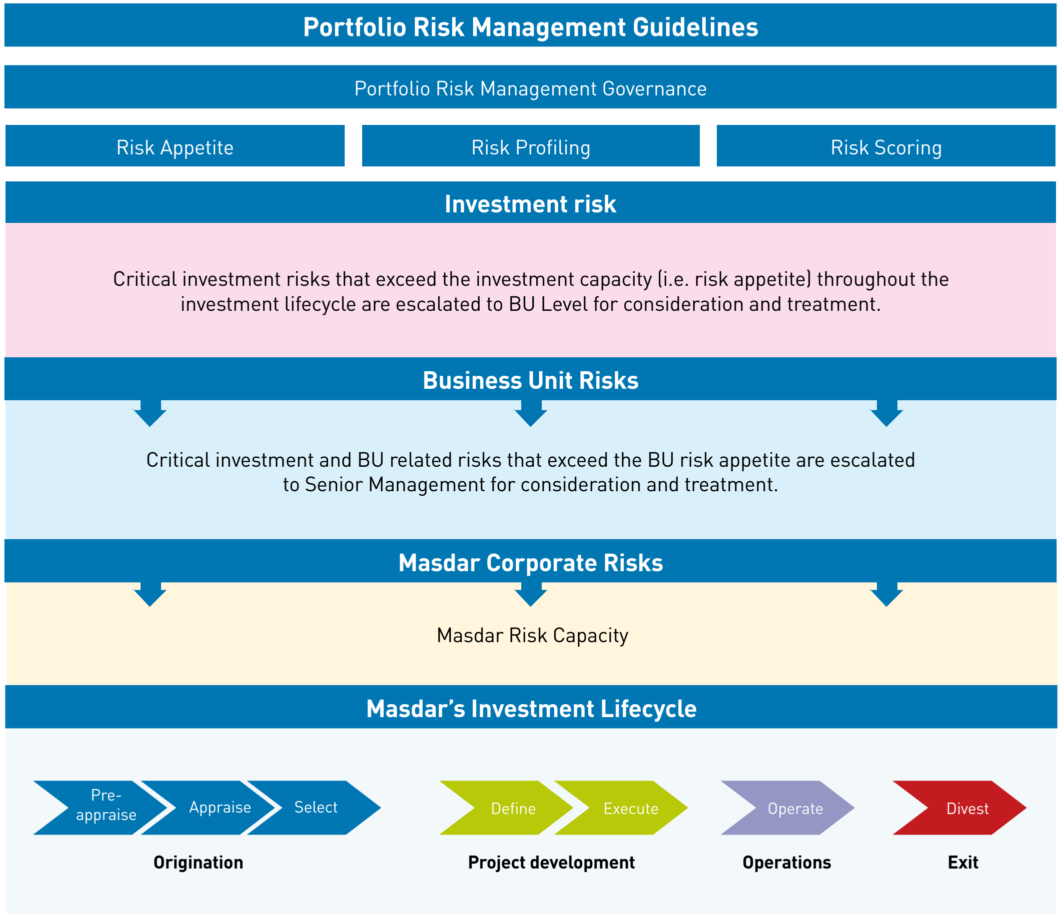
Risks are rated as low, medium, high or extreme based on the likelihood of the risk materializing and the consequence (impact) if it were to materialize. We then quantify the risk based on the impact to value and returns, using net present value analysis and calculating an internal rate of return.

All key risk-related information, including risk escalation levels, is captured in dashboards that are accessible to those involved in the PRM process. Dashboards only contain the information relevant to the end user.

Reputation, Health & Safety and the Environment are core criteria against which risks are assessed. For each of these, sustainability considerations are a key concern – ensuring it is an established part of Masdar's business processes.

The risk monitoring and reporting steps outlined above ensure that sustainability considerations are embedded throughout our risk management activities, and remain a fundamental aspect of management decision making.

Abu Dhabi's renewable energy company Masdar is advancing the commercialization and deployment of renewable energy, sustainable urban development and clean technologies to address global sustainability challenges. Wholly owned by Mubadala Investment Company, the strategic investment company of the Government of Abu Dhabi, our mandate is to help maintain the UAE's leadership in the global energy sector, while supporting the diversification of both its economy and energy sources for the benefit of future generations. Today, Masdar is active in more than 30 countries, including the UAE, Jordan, Saudi Arabia, Mauritania, Egypt, Morocco, the UK, the US, Australia, Serbia, India, Indonesia, Uzbekistan, and many more.



GULF INTERNATIONAL BANK

AN INTEGRATED STRATEGY TO DRIVE SUSTAINABLE INVESTMENT

Gulf International Bank (UK) Limited (GIB UK), trading as GIB Asset Management (GIB AM), is a global asset manager with over US$10 billion in assets under management. It was amongst the first Gulf Cooperation Council-owned asset management firms with global presence in London and New York. It has been providing institutional asset management services for over 40 years.

GIB AM's vision is to scale capital in support of sustainable development. The hallmarks of our approach are our international expertise, deep client relationships and ability to provide customized solutions that meet each individual investment objective, covering active and passive strategies.

WHAT

At GIB AM, we have long considered environmental, social and governance (ESG) factors in our investment decisions for a number of years, through the application of Shariah principles. In 2018, we felt we needed to be more ambitious, and so refreshed our corporate vision and strategy to reflect this and to meet the growing demand for sustainable financial solutions in the market.

Our updated vision and strategy include a commitment to scale-up and mobilize significant capital in support of sustainable development with the vision being split into three main strategic objectives:

- developing products – with a focus on ESG related offerings;
- diversifying our client base;
- embedding sustainability throughout the organization, holding the same standards internally as we expect from others.

Our day-to-day decision making reflects these objectives and we are working with our clients to develop and implement long term, sustainable outcomes.

WHY

We developed our vision and strategy to meet our current and future clients' needs. We are seeing growing interest from clients in our ESG offerings and we expect the benefits from ESG investing to be more pronounced in the coming years. We are tracking a range of factors to measure these outcomes.

Our response also reflects the changing market conditions, such as the adoption of the UN Sustainable Development Goals (SDGs) and the recognition of the role of the finance sector in filling the financing gap.

Acknowledging the positive benefits from the implementation of our strategy and using the expertise gained in the process, GIB Group set up a Sustainability Council to drive the adoption of sustainable financial standards based on **The Principles for Responsible Banking** across the wider Group, including our headquarters (GIB BSC of Bahrain), critical subsidiaries GIB Saudi Arabia and GIB Capital, and branches in the United States and United Arab Emirates. This was in recognition that sustainability was a critical priority for us and required a more strategic and co-ordinated approach.

HOW

We developed our strategy by determining what was most important to us through the twin perspectives of **Saudi Arabia's Vision 2030** and the UN SDGs. This formed the pillars of our framework which underpins our strategic objectives:

- Equality, diversity and human capital development
- Climate, environmental action and water
- Health and wellbeing
- Innovation and infrastructure
- Governance and accountability

This framework is used to structure and drive our investment analysis, to assess the impact of investments and to organise engagement activities. It forms the foundation of our **Responsible Investment (RI)** and **Stewardship** policies.

We have also embedded our strategic objectives into our day-to-day business activities:

- Integrating sustainability into our governance and risk management frameworks. For example, we conducted a climate-related risk stress test for our capital adequacy assessment. The stress test concluded that our portfolios' exposure to climate-related risks was relatively low. However, the results reinforced our focus on developing ESG products, especially as we further developed our understanding of the possible climate-related risks
- Setting ambitious targets and incorporating regular monitoring of metrics into management information.
- Developing a targeted set of research publications on sustainable investment using our in-depth expertise. These include topics such as **ESG: Impacting Impact**; **ESG: Playing by the Rules** and **Sustainable and Responsible Investing**. The publications highlight our expertise and allow us to identify and provide recommendations on gaps or limitations in the markets where we operate.

Working with the Group

GIB AM has worked closely with the Group on its vision and strategy. The aim of being a sustainable finance provider was included as a Group level target in 2019. A Group Sustainability Council, chaired by the Group CEO, was established in 2020 and includes members from the main revenue-generating business lines plus key representatives from supporting areas. The Council draws on the expertise of GIB AM.

After committing to become a sustainable finance provider, the Council is now working towards enhancements across product/service offerings as well as operations.

ESG and Islamic Finance

At GIB AM, we pride ourselves on our ability to offer clients integration of both Islamic finance principles and ESG factors in our products and investment decision-making process. Recognizing the similarities and differences between these approaches is the first step to integrating these principles effectively.

Islamic finance refers to finance that abides by the goals and objectives of Islamic law (Shariah). For instance, five basic elements are protected. These are life, religion, dignity, intellect and wealth. It avoids the financing of prohibited businesses (such as those built on alcohol, pornography or gambling) and businesses that abide by the Islamic prohibition of riba (interest) and excessive gharar (sale of risk). Other key Islamic finance principles are profit and loss sharing and asset-backed financing or investment.

ESG investing means considering ESG factors in the investment decision-making process with the intention to enhance long-term performance and competitiveness.

Application at GIB AM

We have been adopting socially responsible investment (SRI) practices since inception, including through compliance with Shariah principles in some of our mandates.

Our policy

Our RI policy sets out our approach to integrate ESG factors and opportunities into our investment decisions while excluding investments in areas that contravene Shariah principles.

Bespoke mandates

Our mandates are fully customizable and are designed to meet client requirements fully. For example, mandates can be customized to track a certain index (such as an ESG or an Islamic index), and exclude certain sectors, industries, companies and countries.

This means we can provide either conventional finance products, Islamic finance products or a blend of the two depending on client requirements.

Stewardship

We believe that good stewardship practices are necessary to ensure that we act in the best interests of our clients. We actively conduct stewardship activities with companies in which we invest within all funds and discretionary mandates where permitted by clients.

Comparison between ESG and Islamic Finance

The similarities and differences between ESG and Islamic Finance are summarized below to highlight the considerations that are taken into account when we integrate sustainability into GIB AM's strategy and practices.

ESG AND ISLAMIC FINANCE

Similarities	Differences
Shared goal of protecting life ESG incorporates social aspects such as health, safety and supply chain considerations to avoid adverse effects on life. Under Shariah, the elements of life are protected.	**Religious foundation** While ESG can be traced back to 18th century religious groups, it has evolved to become increasingly secular. Islamic finance remains religious. For instance, it relies on the exclusion of 'sin' stocks and industries.
Long term value creation for stakeholders Considering ESG factors is seen as a contributor to the long term investment performance, both by accessing opportunities and by avoiding risk. Such investment performance is achieved whilst also acknowledging other stakeholders such as the environment, workers and communities. Islamic finance considers long term goals and perspectives. It is based on the principles of risk and profit sharing and is therefore stakeholder focused.	**Sale of risk** Initially ESG seemed to have avoided the derivatives market, however both Nasdaq and Eurex have recently launched ESG futures. Other than a limited number of derivatives structured in a Shariah compliant manner, financial derivatives are prohibited under Islamic finance.
Exclusionary screening In ESG investing, exclusionary screening can be used to avoid investments and securities that are not aligned with ESG criteria. In Islamic finance, screening is conducted both at an industry and financial level. Businesses are excluded that contravene the principles of Shariah such as breweries and casinos. With equity investing, exclusionary screening is further applied based on the proportion of impermissible income and the leverage of the company.	**Best-in-class screening** In ESG investing, best-in-class screening allows investors to invest in the top securities when it comes to ESG credentials. Such screening is not generally used in Islamic finance.
Role in achieving development Including ESG factors (such as climate change and diversity and inclusion) in financing and investment decision making is consistent with achieving the SDGs. The principles of Islamic finance are aligned with the SDGs. Examples of this include directing funds to the real economy the promotion of risk and profit sharing, the avoidance of excessive risk and speculation, the limiting of debt to asset values and the social finance tools such as waqf.	**Stewardship** In ESG investing, investors may drive issuers or companies to improve their ESG standing. This can either be done individually or collectively. Such a concept is not generally used in Islamic finance, although there are no issues from a Shariah compliance perspective to steer a company to further improve Shariah compliance or economic performance.

Established in 1975, GIB Asset Management (GIB AM) is a sustainable asset manager that seeks to mobilise and scale capital in support of a more sustainable world. With operations in both London and New York, GIB AM manages approximately $12bn of assets for investors across international jurisdictions. The hallmarks of our approach are our specialist expertise, deep client relationships and ability to provide customised solutions that meet clients' individual investment objectives. This has driven our development of investment capabilities covering active and passive strategies, using sophisticated technology and data-driven insights to construct portfolios. With sustainability and stewardship at the heart of our business, our clients can always be conscious of the imprint and impact of their investments on the world, wherever they are.

ENVIRONMENT AGENCY

ABU DHABI: INTEGRATING SUSTAINABILITY INTO PROJECT APPRAISAL

WHAT

The Environment Agency – Abu Dhabi (EAD) is an environmental regulator in the emirate of Abu Dhabi, within the United Arab Emirates. We launched a project to lower groundwater levels in two areas that were experiencing waterlogging. The project finished in 2018, and we expect to see benefits until 2022.

From the start, our priority was to generate environmental and social benefits as well as economic and financial benefits. During scoping, we prepared a forecast cost–benefit analysis that included environmental and social factors. Throughout implementation, we monitored our performance using financial ratios and performance indicators. These fed into an impact analysis and total value analysis.

Draining, drying and repurposing the waterlogged land had positive environmental and health impacts on the local areas. At the same time, the more efficient and effective distribution of water protected infrastructure – generating annual cost savings – and the rehabilitated land could be used for other economic purposes.

WHY

As an environment agency, much of our work is focused on conserving the environment. We serve an area that is arid, and groundwater resources are a major source of water usage in our emirate. Scarcity is an increasingly pressing issue: only 5% of what is used each year is naturally replenished. To address these challenges, we introduced an integrated water resources management programme. The waterlogging project was part of this programme.

While the waterlogging of two areas presented a problem, it also presented an opportunity to repurpose excess groundwater and offset groundwater shortages in other areas. Complaints made to our customer happiness team were also a major driver of this project. The waterlogging was causing leaks, resulting in wasted water and higher bills for residents. We wanted to resolve the issue in a way that would both serve the community and generate financial savings for our organization.

HOW

The first step was to analyse the complaints to understand the issues and propose a project that would address them. As part of our scoping, we developed a strategy through a series of workshops with a range of stakeholders and prepared an initial cost–benefit analysis. The government of Abu Dhabi approved the scoping, and project responsibility then passed to us.

We began a pilot project, testing a small area to make sure that our proposed approach could deliver the right outcomes. Through the pilot, we got a better sense of the techniques and methodologies that would be appropriate for the full-scale project. We used the results of the pilot project to develop a range of KPIs and to update our forecast cost–benefit analysis and impact analysis.

A project team led the implementation, reporting to our secretary general. The team consisted of technical experts, finance staff, decision makers and senior management, and it was supported by other staff and consultants. Finance staff were responsible for setting budgets and monitoring and reporting. They analysed discounted cash flow models and other ratios as the project progressed, including project gearing and interest coverage.

Where KPI results were not in line with expectations, finance staff worked closely with the capital project team to identify any issues. Monthly and quarterly reports showed progress against the approved indicators, and the project team used these reports to support decisions throughout implementation.

ASSESSING THE INTERVENTION: BEFORE THE PROJECT

To scale up after our pilot project, we started by defining our key ratios and performance indicators. Our social and environmental indicators included: the number of water supply interruptions, how long the supply interruptions lasted, the reliability of drainage water collection and customer complaints. We set indicators for different levels of our work so that we had more detailed analysis. This structure meant that we could drill down to help us identify problems at a more granular level.

The technical team and finance staff reviewed the project to identify the most useful ratios for tracking our financial impact. What was most important to us was understanding the return on investment and optimizing our costs. We selected four main financial ratios:

1. Internal financing: operating cash flow divided by capital expenditure
2. Gearing
3. Interest cover based on Earnings before interest and taxes (EBIT)
4. Interest cover based on cash flow

These ratios would sit alongside our performance indicators, making sure that we were getting a return on the investment financially, socially and environmentally.

We had prepared a forecast cost–benefit analysis during the scoping stage and updated this after the pilot. Our forecast cost was purely financial. We calculated this at AED 41 million: the total costs of subsurface drainage and disposal works and pipe upgrades.

Our forecast environmental and economic benefits included a mixture of quantitative and qualitative impacts.

First, by resolving the groundwater issues, we could bring the land into use as agricultural land by the end of the project. We valued this at AED 800 million, based on the recent price of agricultural land in the relevant areas. Second, because the waterlogging was damaging existing infrastructure, we forecast from our records that the project could save AED 14 million in maintenance costs each year. Third, we estimated that collecting the drained water and recycling it would save AED 16 million each year.

Qualitative benefits included improved environmental and health outcomes. Draining and drying the waterlogged areas would improve soil quality and remove what had become a fertile environment for disease-carrying flies and mosquitoes.

Based on this analysis, we were confident that the project would generate a return on investment.

MONITORING THE INTERVENTION: DURING THE PROJECT

As we went through the project, we continued to monitor our ratios and indicators and make decisions as needed to keep the project on track. We also kept our key government stakeholder, the General Secretariat of the Executive Council of Abu Dhabi (GSEC), informed about our progress.

GSEC wanted to understand the financial and nonfinancial outcomes of the project. So we prepared a total value analysis to capture the real outcomes and benefits for EAD, the government of Abu Dhabi and society more broadly. To prepare the total value analysis, we categorized the environmental, economic and health impacts as low, medium or high impact. We then brought in the total value, drawing on our cost–benefit analysis that had quantified all of the costs and set out a mix of quantitative and qualitative benefits.

The total value was summarized into five main qualitative elements:

1. Lowering groundwater level in two waterlogged areas
2. Rehabilitating and improving the efficiency of drainage in those two areas
3. Reusing drained water for irrigation
4. Protecting existing infrastructure in and around the areas
5. Saving energy by using a subsurface drainage system that uses gravity to collect the drained water

A discounted cash flow analysis was also part of our monitoring processes. We excluded the pilot phase, treating this as a sunk research cost. For the scaled-up project, we estimated the present value by applying discount factors to expected cash flows for the period of the project. Our environmental indicators sat alongside this discounted cash flow, so that decision makers could understand both the financial and the environmental implications of the project.

NEXT STEPS

Our project finished in 2018, and we will continue to look at and evaluate the results. We expect the project to continue generating economic, environmental and health benefits over the following years. In 2022, we hope to understand the real outcomes of the project. We will use what we’ve learned on future projects that are part of our integrated water resources management programme.

TOP TIPS

KNOW YOUR GOALS

We had a clear sense of what we wanted to achieve, which was guided by our mission, the underlying problem and the goals of our overarching integrated water resources management programme. This helped us to clearly define the intended outcomes for the project and to stay on track.

SET YOUR INDICATORS EARLY

It's important to have a range of performance indicators against which you can monitor your progress. Find a way to measure all the different factors that you care about – not only financial indicators. These indicators should reflect and sit alongside your intended project outcomes.

GET A COMPLETE PICTURE OF YOUR COSTS AND BENEFITS

Understanding our costs and benefits helped us to build a case that our project would produce a return on our investment. Not all of our benefits could easily be quantified. Including these qualitative benefits gave us a fuller picture of how our project would create value.

UNDERSTAND WHAT YOUR KEY STAKEHOLDERS NEED

One of our major stakeholders was the government of Abu Dhabi. By recognizing what they cared about, we were able to develop and create an analysis that met their needs. This helped us to keep their buy in throughout the project.

Established in 1996, the Environment Agency – Abu Dhabi (EAD) is committed to protecting and enhancing air quality, groundwater as well as the biodiversity of our desert and marine ecosystem. By partnering with other government entities, the private sector, NGOs and global environmental agencies, we embrace international best practice, innovation and hard work to institute effective policy measures. We seek to raise environmental awareness, facilitate sustainable development and ensure environmental issues remain one of the top priorities of our national agenda.

EMIRATES NBD

CALCULATING A SOCIAL RETURN ON INVESTMENT

WHAT

Emirates NBD, a leading banking group in the MENAT (Middle East, North Africa and Turkey) region. Sustainability is a key part of our corporate strategy including being an active participant and supporter of the UAE's main development and community initiatives including financial literacy and advocacy for inclusion of people with disabilities under our #TogetherLimitless platform.

One of the mechanisms we use to implement the strategy is our Exchanger corporate volunteering programme, established in 2015, which includes activities that cover our support areas: environment, women's empowerment and community development. Between the first and second year of the programme, the number of volunteers increased by 61%. Over 1,000 employees volunteered as 'Exchangers' in 2016. We have been recognised for our leading efforts in employee volunteering and corporate social responsibility by IMPACT2030 the corporate volunteering arm of the United Nations.

In 2017, with the support of consultants, we started a project to calculate the social return on investment (SROI) of the Exchanger programme for 2016. We based our SROI model on the **standard version available** from Social Value International (previously the SROI Network).

The concept of a corporate volunteering programme was completely unique in the UAE at the time, which meant that the SROI for the Exchanger programme in 2016 was high. The final result was an SROI of AED 1:64. That means that for every AED 1 we put into the programme, it generated AED 64 of social value. The success of the programme has led to other organisations following in our footsteps and collaborating with us; corporate volunteering programmes are now more commonplace.

WHY

We recognize that for our organisation to be successful, we depend on the local community. As such, we are committed to creating shared value, and this is at the heart of our approach to social investment.

The Exchanger programme gives our employees the benefits of volunteering, enabling them to broaden their horizons and to use their skills directly in the community. Meanwhile, we benefit from employee development and engagement.

Calculating an SROI for the Exchanger programme was a way to assess the value, in financial terms, that the Exchanger programme creates for us, our volunteers and our programme partners. The result is presented as a ratio, so we can clearly see how much value the programme has generated compared to the investment made.

Through the SROI study, we wanted to learn what had changed for the better for programme stakeholders and what the challenges or barriers to participation had been for the volunteers. This would help us to improve the programme for the future and to understand its current impact.

HOW

We engaged an advisor to conduct the study and calculate the SROI. There were five steps to the process:

1. Map and engage stakeholders
2. Identify what changed
3. Evaluate changes
4. Calculate SROI
5. Confirm and share results

For the purpose of this study, our stakeholders were: 1,091 volunteers, 40 partner organisations that had used Exchanger volunteers; and Emirates NBD as the employer of the Exchangers. We used a combination of qualitative interviews and quantitative questionnaires to understand from our stakeholders what impact the Exchanger programme had made on them.

For the SROI, we needed to monetize both financial and nonfinancial inputs and outcomes. Our inputs included how much we spent directly on the programme itself and the indirect cost of employee time spent volunteering. Our outcomes were the changes that the programme had made, such as a feeling of fulfilment from volunteering.

To monetize the nonfinancial elements of the SROI calculation, we needed to develop proxy financial values. We used both primary and secondary sources to develop these: primary sources were our stakeholders, with information taken from our stakeholder research, and secondary sources included reports and databases.

We also needed to adjust our values for any externalities that would affect the results. We looked at a range of externalities, using these to adjust the final estimated impacts. Once we had financial values for all of the relevant elements, we could put these into our SROI calculation and come up with a final result.

The following sections give more details about our study and SROI calculation.

Finance volunteering

Finance staff are among our Exchangers. In one example, an NGO partner organization was in financial distress and at risk of closing: it needed better structure and processes so that it could ensure a financially sustainable future.
Our finance department identified the issues and what was driving them. The team used that analysis to develop a customized business plan, tailored to fit the NGO's operational model and activities. With the help from our team, the NGO is in a better financial position and has continued to provide vital services to the community.

ENGAGING STAKEHOLDERS

For our qualitative interviews, we held individual open-ended, semi structured interviews with 23 Exchangers. Our sample size was 23 because that was when we reached saturation point: no new information or indicators of change were coming up in the interviews. We also spoke with five randomly selected programme partners. The focus of these interviews was identifying the main changes that had occurred because of the Exchanger programme.

In conducting the interviews, we were careful not to influence the responses or focus only on positive impacts. We asked about changes in many different ways, and also directly asked about any negative impacts, to make sure that we were capturing as full a picture as possible.

After analysing the data from the interviews, we listed the changes that Exchangers had identified in our quantitative, multiple-choice questionnaire. We sent this to all 1,091 Exchangers and received 102 responses.

The questionnaire included questions about the Exchangers' volunteering, how it impacted their work and how it affected their relationship with us as their employer. In some areas, we could cross-check the results. For example, we could see whether what volunteers had reported about applying professional skills to their volunteering matched up with what the partner organizations had said about their experience with the Exchanger volunteers.

The next step was to analyse the results of the interviews and questionnaires to draw out the key changes. This was to identify the outcomes that we would then monetize in the SROI calculation.

Outcomes for the Exchangers – the direct beneficiaries – included an enhanced feeling of self-fulfilment, a healthier lifestyle and stronger business skills, in areas such as leadership, problem-solving, creativity and team management.

Beyond the Exchangers, partner organisations benefited from receiving extra help from the volunteers and having skilled volunteers help them with administrative work. For us, the primary outcome was that employees who had taken part in the programme had more loyalty for the bank and took more pride in working for us.

We also learned that there had been some barriers to how much volunteers could participate in the programme. Transportation was a significant barrier because some volunteering activities took place far from where the volunteers lived. Another barrier was participants' workload, with some Exchangers reporting that a heavy workload meant they had reduced or stopped volunteering.

Taking these outcomes, we developed outcome indicators that we could value for the purpose of calculating our SROI.

CALCULATING THE SOCIAL RETURN ON INVESTMENT

To value our outcome indicators, we applied a revealed preferences approach. This enabled us to monetize the outcome indicators based on the preferences shown by Exchanger volunteers.

We made a list of common market-traded goods in Dubai – to use as proxies for outcome indicators – and listed these, without any prices. With this list, we held four small focus groups with Exchangers. Each group had the list and a description of each good. The groups ranked the goods based on how much participants thought they were worth. After this exercise, we interviewed stakeholders to understand better the ordering and values that they had assigned. The average values from the four focus groups were used in our SROI calculation.

Where primary sources weren't available we used secondary sources, such as employee pay. This was confidential data that we couldn't share with the agency conducting the study. No market value was available for regional pay rates, so we based the cost of volunteers on a United States study. As the city with the closest approximation to the economic situation in Dubai, New York data was used. We then converted the USD value to AED, using an exchange database as a further secondary source.

When we had calculated financial values for each SROI element, we could use these in our calculation. With this data alone, though, the result would have been too high. We needed to refine the calculation by accounting for externalities:

- Deadweight – the extent to which outcomes would have happened anyway
- Displacement – negative outcomes for other stakeholders or groups
- Attribution – other causes that contributed towards the outcomes
- Drop-off – the likelihood that the outcomes will reduce or disappear
- Duration – how long the outcomes are likely to last

For example, there were two key elements of attribution that we needed to account for. First, some of the Exchangers had volunteered before becoming part of the Exchanger programme: some of the changes they experienced might have been attributable to those earlier experiences. Second, volunteering had been an emotional experience for many of the Exchangers and this might have coloured their responses to the qualitative or quantitative stakeholder research.

To factor in the externalities, we adjusted the results of each outcome indicator by a specific percentage for each type of externality. We calculated these percentages – and the extent to which they were relevant to outcome indicators – from the results of our stakeholder research.

INTERROGATING THE RESULT

The SROI ratio we calculated was AED 1:64, which indicates a very high social return for the investment in the Exchanger programme. We settled on this figure as the most likely ratio within a range. At its highest, we estimated that the ratio could be AED 1:70 if we had underestimated the externalities and the impact of the programme. The lowest ratio, if we had taken an overly cautious approach to assigning monetary values, could have been AED 1:46.

There were four key reasons for the strength of this ratio:

1. The total financial investment was low compared to the number of beneficiaries.
2. The impact on beneficiaries was particularly high, with many considering it a life-changing experience.
3. Many volunteers in the programme had not volunteered before and now had access to a wide range of high impact volunteering opportunities through the programme.
4. There were regulatory obstacles to volunteering in the UAE on a personal basis, so many people who wanted to volunteer found it difficult to do so – the programme and the scale of it was unique at the time.

These factors meant that there was a high impact at low cost, with low externalities. Deadweight, for example, was low: given the lack of other volunteering opportunities, beneficiaries wouldn't have been able to volunteer elsewhere easily if the programme had not taken place. So, although the ratio came out at a very high level, the reasons for that were clear and made sense in the context in which the programme operated.

If we did a similar study today, the ratio wouldn't be this high. Regulatory changes have expanded the opportunities for volunteering and the Exchanger programme is no longer unique in the area.

NEXT STEPS

This study was based on the Exchanger programme data for 2016. Since then, the programme has expanded: the number of hours volunteered has grown from 10,968 in 2016 to 34,065 in 2019 (+310%) while the number of volunteering hours has increased from 224 to 514 in the same time period (+140%).

In previous calculations, we looked at the cost across the whole programme. Recently, we have adapted our approach and now calculate the cost per volunteering hour.

We revisit our process from time to time. Every year, we look at what we have achieved, assess whether the programme is still aligned to our mission and plan our approach for the following year. At the moment, we are updating our process to build in aspects that hadn't been included in previous SROI calculations.

TOP TIPS

ENSURE A ROBUST APPROACH

Unlike financial accounting, there is no standardised way of measuring SROI. There are, however, recognised frameworks that set out a robust approach to measuring SROI. We used **The Guide to SROI** which is the result of consultation with practitioners, members, academics and others with an interest in social and environmental value and impact measurement.

PLAN CAREFULLY

Make sure you give yourself enough time to do the work you need to do. A full SROI calculation, including engaging stakeholders, takes time. Build this into your plans so you can take a thorough approach to each element of SROI.

THINK ABOUT YOUR DATA SOURCES

It's best to use primary sources – but sometimes this isn't possible. Think about what you're trying to achieve and make sure that you're using the most appropriate secondary sources. If, like us, you need to use data from another country, apply purchasing power parity to avoid distorting your results.

ACCOUNT FOR EXTERNALITIES

If you don't build externalities into your model, you are likely to end up with an overinflated SROI. Examine the key externalities and use your stakeholder data to assess their weighting. This will also help you to make sense of the final result of your SROI calculation.

KEEP MEASURING

By continuing to measure the SROI of programmes, you can see how the value changes over time and factor this into your decision making. For us, our SROI dropped after 2016 as other volunteering opportunities appeared and we increased our investment. This gave us useful data about how to keep developing the programme.

Emirates NBD (DFM: Emirates NBD) is a leading Banking Group in the MENAT region. As at 31st March 2021, total assets were AED 695 Billion, (equivalent to approx. USD 187 Billion). The acquisition of DenizBank represents a significant milestone for Emirates NBD with the Group expanding its presence to 13 countries, servicing over 14 million customers. The Group is ranked among the top 20 in the Forbes' list of the World's Best Regarded Companies, securing a leading spot among global brands.

The Group has a significant retail banking franchise in the UAE and is a key participant in the global digital banking industry with 94% of all financial transactions and requests conducted outside of its branches. The Group announced the creation of E20., a digital business bank for entrepreneurs and SMEs while Liv., the lifestyle digital bank for millennials continued to be the fastest growing retail proposition in the UAE. Emirates NBD was named `UAE's Best Bank' in 2020 for a fifth consecutive year by Euromoney. In addition, Emirates NBD received the 'Excellence in Leadership in the Middle East' award, introduced in 2020 in light of the Covid-19 impact, as a recognition of its efforts in responding to the Covid-19 crisis. The Bank is ranked 87th in The Banker's list of the World's Top 1,000 Banks. Emirates NBD was named 'Bank of the Year — UAE 2020' for the sixth year and 'Bank of the Year — Middle East 2020' for the third time by The Banker. In addition, Emirates NBD has been assessed as the 'Strongest Bank in the UAE' and 'Fifth Strongest Bank in the Middle East' by The Asian Banker 500 Largest and Strongest Banks Rankings.

The Group has operations in the UAE, Egypt, India, Turkey, the Kingdom of Saudi Arabia, Singapore, the United Kingdom, Austria, Germany, Russia and Bahrain and representative offices in China and Indonesia with a total of 907 branches and 4,032 ATMs / SDMs. The Group has a large social media following, being the only bank in the Middle East ranked among the top 20 in the 'Power 100 Social Media Rankings', compiled by The Financial Brand for 2019. Emirates NBD is a major player in the UAE corporate segment and has strong Islamic banking, investment banking, private banking, asset management, global markets & treasury and brokerage operations.

Emirates NBD is an active participant and supporter of the UAE's main development and community initiatives, in close alignment with the UAE government's strategies, including financial literacy and advocacy for inclusion of People with Disabilities under its #TogetherLimitless platform. The Group is recognised for the pioneering efforts in employee volunteering and corporate social responsibility by IMPACT2030, the corporate volunteering arm of the United Nations. Emirates NBD Group is a Premier Partner and the Official Banking Partner for Expo 2020 Dubai.

MAJID AL FUTTAIM

AIMING FOR NET POSITIVE WITH OUR GREEN FINANCE FRAMEWORK

WHAT

Majid Al Futtaim is a privately owned company that operates across the Middle East, Africa and Asia. We work across multiple industries, including property, retail and leisure. In our property portfolio, we have 27 shopping malls and 13 hotels.

In 2011, we launched our first sustainability strategy. Today, we own and operate over 3 million square metres of space with green credentials. Our current sustainability strategy is supported by three pillars: transforming lives, rethinking resources and empowering our people. As part of this strategy, we aim to become net positive in carbon and water by 2040, replenishing the environment by putting back more than we use.

To support the strategy and our net positive goal, our treasury and sustainability teams developed a Green Finance Framework in 2019. The framework aligns with the International Capital Market Association (ICMA)'s Green Bond Principles.

Under the framework, we launched a green sukuk – the first corporate green sukuk in the region. Through this Sharia-compliant financing instrument, we have raised $1.2 billion through two issuances of $600 million each. Green financing, in line with our framework, is now our standard approach to raising finance.

'OUR PATH TO NET POSITIVE'

WHY

Our Green Finance Framework has evolved out of both our organizational commitment to sustainability and the treasury team's work to diversify our funding streams. Green finance was the natural next step of our broader sustainability work on greening our property portfolio, which has given us a strong pool of assets to support green finance issuances. This gave us the means to tap into growing investor interest in sustainability, attract new investors who align with our values and showcase our sustainability work.

A sukuk structure worked well for our first issuance under the framework. We had issued sukuks before, so we had an existing structure that we knew worked for both us and our investors. As sukuks use a shared profit model, they align with both Sharia law and the community-focused principles of sustainability, in a mutually supportive way. It was also important to us that our first green issuance was Sharia-compliant – we particularly wanted to appeal to investors in our region, where awareness of green finance is still quite low.

Although there wasn't a direct price advantage on this issuance, we think that it paves the way for more sustainable and cheaper financing for us in future.

HOW

Green financing builds on the work we've done on sustainability since 2011. This work started with a sustainability strategy for our property portfolio, and we began to pursue green certification and LEED certification for our assets. Our group-wide sustainability strategy was launched in 2018 and we have embedded it throughout the business.

The central treasury team is responsible for raising all capital for the group. To bring the right combination of internal expertise to our work on green financing, though, treasury collaborated with sustainability staff. The framework was a joint project between these two teams.

Before we took a proposal for the framework to the board, we also engaged with external experts such as structuring advisers and banks. This helped us to find out more about our options, the market appetite and any pricing advantages for green financial instruments. It was an iterative process in which we developed our understanding of pricing and the market. Using this research, we drew up a discussion paper for management that presented the business case for green finance as the next step in our financing strategy.

Then we could move ahead with developing the framework. To get the right governance structure in place, we set up a green finance steering committee made up of staff from the treasury and sustainability teams, chaired by the treasurer. This committee provides crucial oversight of the framework and the green issuances that we make.

CONSTRUCTING THE GREEN FINANCE FRAMEWORK

Once we had board approval, we started to draft our Green Finance Framework. By this point we had already done much of the research and had clear goals for what we wanted to achieve that were in line with our strategy. Having this groundwork in place smoothed the process and we were able to put the framework in place within two months.

We contracted Sustainalytics to perform an independent external review of the framework and provide a second party opinion. This is publicly available on our website. A second party opinion shows that our framework is in line with best practice in the industry, helping us to gain the confidence of investors.

The framework starts by setting out our commitment to responsible business, the three pillars of our sustainability strategy and our pathway to becoming net positive. We have structured the core of the framework in line with the four components of **ICMA's Green Bond Principles:**

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

Use of proceeds: This section establishes four categories of 'eligible projects', which can receive funding under the framework and are mapped to the UN's Sustainable Development Goals. We can use green financing to support green buildings, renewable energy, sustainable water management and energy efficiency projects that meet certain criteria. As we have a large portfolio of assets that meet the green buildings criteria – including our LEED-certified shopping malls – we allocated all proceeds of our green sukuk to this category.

Process for project selection and evaluation: Project selection and evaluation is led by the green finance steering committee. The committee assesses potential new green projects, monitors the existing portfolio of eligible projects and is responsible for maintaining and updating the framework.

Management of proceeds: Green finance is earmarked for eligible projects on a green finance register. The eligible portfolio of green projects should be greater than the total outstanding debt under the framework, and this is monitored by the green finance steering committee.

Reporting: We publish two annual reports. An allocation report shows how finance has been allocated to eligible projects. An impact report shows our performance against impact reporting metrics for each project category.

With the framework in place, we prepared and launched our green sukuk in May 2019.

LAUNCHING A GREEN SUKUK

A sukuk is a Sharia-compliant fixed-income financing instrument that distributes profits to all parties through a joint financing arrangement. For our green sukuk, we applied this sukuk structuring and – for the green element – put the proceeds towards eligible green assets, in line with our Green Finance Framework. Before we pursued this, we explored the idea with our adviser and bankers to assess the market appetite for an instrument like this.

We also approached rating agencies early in the process. The green sukuk would need to go through a rating process, so we wanted to make sure that the agencies understood the structure and were comfortable with how the green finance elements would work. This minimized the risk of any surprises for us later on.

Then we needed to plan how to pitch the first issuance to the market. Our banks helped us to develop a marketing strategy that highlighted the added value of the green sukuk. Treasury and sustainability teams worked closely together, and both teams participated in the investor roadshow. This meant we were well equipped to answer detailed questions from investors on our environmental work and our sustainability work more broadly.

To reach a range of investors globally, we sent one team to London and Paris and another team to Hong

Kong and Singapore. Finally, we held an investor call from Dubai for any investors who weren't able to go to those events. We found that investors were engaged and keen to learn more about the green sukuk and our environmental, social and governance credentials as an organization. This level of interest from investors has continued over a year after the issuance, with investors and portfolio managers holding us accountable for our sustainability performance.

NEXT STEPS

We are continuing to look for other ways to diversify our funding. One option that we are exploring is sustainability-linked transactions, such as loans. We are using the time before our next loan products reach maturity to research our options.

In 2021, we have signed an inaugural $1.5 billion (AED 5.51 billion) Sustainability-Linked Loan (SLL), a financial instrument secured primarily on environmental, social and governance (ESG) related performance.

In line with Majid Al Futtaim's ambitious sustainability strategy, the SLL aims to facilitate and support environmentally and socially sustainable economic activity and growth by incentivising ambitious, predetermined sustainability performance objectives.

Majid Al Futtaim's five-year SLL is structured as a revolving credit facility (RCF) and is the largest corporate, non-government-linked SLL in the region and the largest in the MENA real estate sector, with over a dozen banks participating in the syndicate. The Company's agreement also includes a gender diversity target for women to constitute 30% of board members and senior management roles, aligning with the global aims of the 30% Club, a first for the region.

TOP TIPS

START WITH SUSTAINABILITY

To make a green finance framework as effective as possible, it should build on an underlying organizational commitment to sustainability. Our existing green assets gave us a lot of flexibility when it came to allocating the proceeds of our green sukuk. Being an organization that actively focuses on sustainability also helped us to market our transaction to investors.

ENGAGE THE BOARD

Make sure that your executive management and board support your objectives. You should be prepared to present and defend the business case for introducing green finance into your organization's finance portfolio.

LEARN FROM OTHERS

There is a wealth of guides and case studies out there on green financing, so you don't need to start from scratch. Explore what's out there and see what has and hasn't worked for other organizations.

CONNECT WITH RATING AGENCIES

You can reach out to rating agencies as you're preparing a green financing instrument. This will help you to address any questions or concerns they have early on in the process, before the issuance is rated.

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MAJID AL FUTTAIM

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since grown into one of the United Arab Emirates' most respected and successful businesses spanning 17 international markets, employing more than 43,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 27 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 350 outlets and an online store.

Majid Al Futtaim operates more than 500 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to the consumer finance company 'Najm', and a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon athletica, Crate & Barrel, Maisons du Monde, LEGO and THAT, a Majid Al Futtaim fashion concept store and app. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management.

www.majidalfuttaim.com

TAKING ACTION

INVEST IN YOUR FUTURE NOW

The Circle of Practice was established in 2015 by Abu Dhabi Sustainability Group (ADSG) in partnership with The Prince of Wales's Accounting for Sustainability Project (A4S). It brought together like-minded organizations and finance leaders who believe in embedding sustainable business practices and improving transparency in corporate reporting.

As these case studies demonstrate, there is real and tangible progress being made by individual businesses and partnerships. The organizations featured have recognized that finance is an enabler, and grasped the opportunity. It is time that all organizations followed suit.

As a starting point, engage with your team – start the conversation. A useful way to do this is to assess your finance team against the A4S maturity maps. The maturity maps are designed to help you assess your business's current efforts and identify how you can embed sustainability more deeply into your decision making.

Open a dialogue with an agency such as A4S or the Capitals Coalition to learn more about actions you can take that are specific to your business model and discipline. The A4S Knowledge Hub provides useful tools to get your team started, including webinars, guides and case studies. For more in-depth learning, the A4S Academy equips financial professionals with a range of skills and tools.

This report is the beginning of a process that can help your business to be more resilient and better equipped for the future. By embarking on this journey, you can secure your place among the innovators that will ensure the future of our society and our planet.

The Circle of Practice has collated the first examples of organizations expanding their potential; however, there will be other cases that can instruct and inspire others. If you would like to share your efforts and discuss how your CFO and finance team has embraced sustainability, please do get in touch.

The Circle of Practice aims to:

1 Support the CFO community in the creation of sustainable business models through exploring the commercial benefits of adopting a sustainable approach.

2 Share insights, challenges, and opportunities to accelerate progress towards accounting for sustainability and collaborate with others to increase the reach and impact of member activities.

3 Work together to implement the tools and guidance developed by the A4S CFO Leadership Network to enable sustainability to be integrated into decision making.

4 Influence the environment within which businesses operate through engagement with investors and other stakeholders.

5 Develop further case studies and guidance materials.

ADDITIONAL SUPPORT AND RESOURCES

There is a wealth of support and free resources available as listed below. Below is a list of organizations that offer free resources and support for beginning your sustainability transformation.

1 **Accounting for Sustainability** (A4S) – Get started with the A4S **Essential Guides**, commit to sustainable finance and sustainable business, access free resources and **join the Academy** to achieve your sustainability objectives.

2 **Environment Agency**, Abu Dhabi (EAD) – Access a library of **digital resources** and material and join the **Green Business Network** to facilitate your sustainable development.

3 **Abu Dhabi Sustainability Group** (ADSG) – Access free resources, develop your capabilities and **become a member** of the group, set up by the EAD in 2008.

4 **Abu Dhabi Global Market** (ADGM) – Grow and scale your business through ADGM and join the **Digital Academy**, a centre of excellence and industry expertise.

5 **Emirates Nature** (WWF) – **Join and support** the conservation organization, and **access its library** of publications.

6 **The Capitals Coalition** – Provide decision-making frameworks that enable organization to identify, measure and value their direct and indirect impacts and dependencies on **natural, social and human capital.**

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