



From Add-on to Value Creation: The Future of Sustainability in the Arab World[©]

Sustainable Conference

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Sharjah Chamber of Commerce

Habiba Al Marashi

Board Member UN Global Compact

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Concept of Sustainability

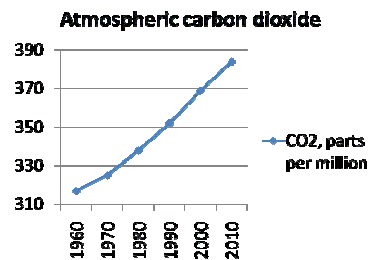
- Sustainability can be defined as, “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”
- Sustainability is about maintaining and sustaining. In today's world, it amounts to ecological, social and economic sustainability.

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Looming Threats...

- Before 1820 atmospheric CO₂ = **280** parts per million (ppm).
- August 2010 atmospheric CO₂ = **388.15** ppm and rising
- Already the earth has experienced an average 0.8 °C temperature rise, and even if we stop producing CO₂ completely, there will still be an additional rise of 0.5 °C.



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Resource Depletion and Exhaustion of Raw Materials

As global population grows, humanity continues to deplete the Earth's resources at an alarming rate. Resource depletion, caused by human activity, is a huge environmental and economic concern. Businesses are using up resources day by day through:

- Over-consumption
- Industrial development
 - Mining
 - Pollution
 - Erosion
- Construction

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Major Environmental Issues in the Region

- Acute desertification
- Production of huge amounts of waste
- Severe shortage of water resources
- Rapid consumption of natural resources
- Rapid industrialization and construction
- Man-made modifications to marine areas and resources
- One of the poorest regions in the world in terms of water availability
- Extensive desert regions (not supporting vegetation)
- Energy-intensive industries such as the oil sector



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The Arab World Committed to Green Energy

Commitment of countries in the region can be seen in the following:

- Abu Dhabi's and Kuwait to produce 7% and 5% of their energy using renewable energy sources by 2020, respectively
- Dubai Municipality establishing building regulations that focus on green principles
- Oil field lighting, traffic signals and advertisement boards powered by solar energy in Saudi Arabia
- The Masdar initiative in the UAE
- Establishment of the International Renewable Energy Agency (IRENA), the first global inter-governmental agency fully committed to renewable energy, in the UAE.

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Options for the future sustainability in the Arab Region

1. Human welfare is the ultimate objective
2. Education as a tool for sustainable development
3. Strengthening and empowerment of existing institutional frameworks
4. Specifying roles on various sectors
5. Focusing on solutions and innovations
6. Partnerships in resource sharing
7. Emphasis on cultural diversity
8. Capacity building

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How to increase Sustainability in the Region

- Changing the mindset of consumers
 - Education
 - Role of Media
- Implementation of CSR policies



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Sustainability as the key driver for competitiveness

- Environment-friendly business processes lowers cost, because companies end up reducing the resources they use
- Business processes that consider the preservation of the environment generate additional revenues from better products and also enables companies to create new businesses



Sustainability challenges, competencies and opportunities

Stage 1	Stage 2	Stage 3	Stage 4
Viewing Compliance as an opportunity	Making Value Chains Sustainable	Designing Sustainable Products and Services	Developing New Business Models

Reference: Ram Nidumolu, CK Prahalad, and MR Rangaswami. *Why Sustainability is now the key Driver of innovation?* Harvard Business Review. September 2009



Sustainability and the UAE

The UAE has:

- The second highest per capita CO2 emissions in the world
- Per capita water consumption of 550 liters per day
- Waste production per capita is also one of the highest in the world



Photo: alemarati.net



How Being Sustainable Can Help

- Enter into the positive feedback loop
- Reduced carbon footprint, increased economic gains
- Increased business transparency and responsibility
- Shift in customers view of product
- Powering new industries in the 'green' sector, creating more jobs, and preparing for the 'post oil' era.

Thus, being a win-win situation for all!



How to Incorporate Sustainability Principles into Your Business

- Resource efficiency
- Supply chain sustainability
- Cradle to cradle design
- Integration with corporate strategy
- Reporting and transparency



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Resource Efficiency

- Sustainable sources of energy are fast becoming more cost-effective and popular
- Energy efficient solutions are now widely available
- The Life Cycle Analysis is a valuable tool
- Increased awareness to conserve energy and water
- Growing consumer demand for sustainable products

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Supply Chain Sustainability

- Consumers and clients are demanding sustainable products
- Clients demand that their suppliers conform to universal standards
- Requires increased collaboration and coordination with suppliers.

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Cradle to Cradle Design

- Products are designed with their life cycle in mind
- Nothing is ever thrown away or wasted
- It incorporates environmental, social and economic aspects
- Any part of the product that is not biodegradable is designed to be reused or recycled to produce a new product.

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Integration with Corporate Strategy

- Sustainability is key in the corporate strategy
- Views of stakeholders are important
- Ongoing stakeholder dialogue, is essential to be incorporated into corporate strategy



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Reporting and Transparency

- UNGC Principles, GRI Guidelines and AccountAbility's AA1000 standards
- These frameworks require a high level of transparency
- Sustainability-driven companies are listed on the Dow Jones Sustainability Indexes (DJSI)
- Socially Responsible Investment (SRI) has rapidly grown to over 10% of the total global investment market.

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Success Stories in Sustainability (Global)

- General Electric: GE developed the Ecomagination product line to reduce energy consumption and greenhouse gases.
- Cradle-to-cradle waste elimination in Nike's value chain with the Nike Grind shoes saved US\$ 700 million in one year
- Walmart drives sustainability savings in all its supply chains



WAL*MART

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Success Stories in the UAE

- Masdar Initiative
 - DIFC
- Jumeirah Emirates Towers
- Bee'ah The Sharjah Environment Company

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How Businesses Can Be More Sustainable

There are some basic steps that can be undertaken in order to make your business more sustainable. These include:

- Internal Reviews
- Get Certified
- Be involved with community Initiatives
- Be involved with environmental projects
- Think – Cradle to Cradle
- Become involved with the UNGC Local Network
- Report annually on your sustainability efforts

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The Role of Government in Sustainability

1. Stimulating the market through research and policy formulation about:

- Opportunities and trends on land use, transport as well as manufacture and use of sustainable products
- Defining the criteria on sound production
- Eco-labeling of products

2. Compliance monitoring

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Thank You

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