

# Integrating CSR into Mainstream Business Practice

AKDN Civil Society Programme and IBLF are working together with AKFED companies to integrate Corporate Social Responsibility in business practice and promote civil society development.

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“All around the world, private companies of all sizes are a rapidly growing source of progressive energy. Increasingly, they see corporate social responsibility not as something extra but rather as part and parcel of their basic commercial strategies.”

His Highness the Aga Khan  
Kabul, 4 June 2007

To support the AKDN Civil Society Programme the International Business Leaders Forum (IBLF) have worked with the Aga Khan Fund for Economic Development (AKFED) Companies in Tajikistan, Kyrgyzstan, Afghanistan, Kenya, Uganda, Tanzania, Mali and Pakistan to develop a broader approach to corporate responsibility within the businesses and to encourage these to work more closely with the AKDN Civil Society Programme (AKDN-CSP) in the delivery of their corporate responsibility objectives.

During 2006-2009 forty-seven AKFED companies in the eight countries have improved their understanding of CSR and increased their capacity in CSR strategy development. 10 workshops, the on-line and off-line Corporate Social Responsibility Self Assessment Tool (CSR SAT) completed by 23 companies, and one-on-one consultancies for 15 companies have all strengthened the business case for CSR and enabled companies to effectively integrate CSR into their business practice.

## Understanding where we are



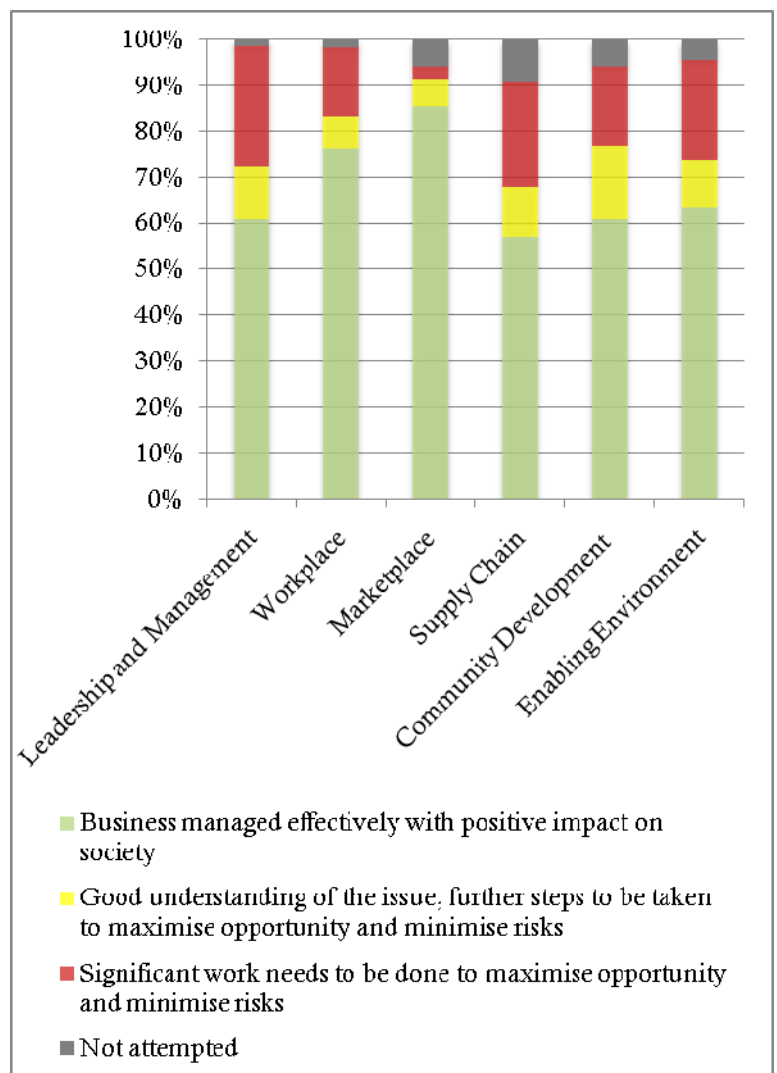
Tajikistan: Introducing the Tool to the Pamir Energy Working Group

23 AKFED companies from 4 sectors (financial services, media, industrial production, and tourism) have carried out their assessments in CSR using on-line and off-line versions of the CSR Self Assessment Tool (CSR SAT).

Based on international experience and IBLF's definition of "Spheres of Corporate Influence", the CSR SAT is specifically designed for AKFED companies. It contains clear guidelines with practical examples and provides a report for further action.

### The CSR SAT of participating companies has shown that:

- AKFED companies are generally conducting business in a responsible manner.
- AKFED companies perform well in leadership and management, and management of the human side of the workplace (equality and diversity, health and safety, and staff development). However, the physical side of workplace management (environmental efficiency and resource management) requires more attention.
- AKFED companies demonstrate strategic engagement in the marketplace. The supply chain management is largely seen to be as important as community engagement. However, there are significant opportunities to improve their engagement with civil society organizations (including AKDN agencies working in social development).
- AKFED companies are also contributing positively in the fostering of an enabling environment: engagement with the media, however, needs to be more strategic.



CSR SAT Results: 23 companies

## Moving forward to strategic CSR

10 Thematic workshops have been conducted for nearly 60 managers with the aim of:

- Building the business case for responsible business
- Developing a CSR strategy
- Improving Stakeholder Engagement

As a result of the workshops all participating companies agreed that:

- CSR has a wider and more strategic scope than community/philanthropic focus and could be integrated into core business activities
- Community engagement opportunities need to align with business goals
- Buy-in from senior management is critical and buy-in from other key staff and stakeholders is important.
- Strategic communications on CSR is key to ensure that all stakeholders are engaged.

15 companies have received tailored support in the following priority areas:

- **Leadership and Management** - for senior management engagement/buy-in
- **Integration into the Business** - for greater understanding by senior managers how CSR is integrated with core business activities
- **Development of CSR Strategy** - for a strategic approach
- **Community Engagement** - to review current community engagement activity and/or develop a Community Engagement strategy.



IBLF: Spheres of Influence Model

“CSR is one of the priorities for us. We are now moving on it. We have integrated CSR as one of our main functions.”

K.Y. Choi  
CEO, KICB, KYRGYZSTAN

“We are happy with what we have learnt from IBLF, and have many ideas about how to implement CSR.”

Bahriddin Najmuddinov  
CEO, CJSC INDIGO TAJIKISTAN

## Results

The programme has changed the attitude towards CSR among AKFED companies, from a general philanthropic to a strategic approach, aligned with core business. 80% of participating companies admit that their understanding of CSR has improved, particularly of the impact of CSR on their business, community and workplace. Although it will take time for them to fully integrate CSR in business practice, the project has positively influenced top managers.

CSR SAT and examples of current practice present useful tools for the future promotion of CSR. Both the SAT and database with additional upgrading and improvements can be used to promote good practice across the group as well as to external audiences.

The strong social mission of AKDN has resulted in a good general understanding of CSR and the role that each of the AKFED companies can play within society.

## Next Steps

- Consolidate AKFED companies in country to ensure continuous professional development of currently participating companies
- Identify local partners and establish CSR platforms at national level to ensure access for AKFED companies and sustainability of existing programmes
- Collect best practice and communicate this to internal and external stakeholders
- Offer the Self Assessment Tool as a finished product for roll out to others beyond AKFED (running it as a social enterprise in the future), and identify new audiences for SAT.

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## List of AKFED companies involved in the action

	Country/company	Workshops Phase1	CSR SAT	Workshops Phase2	Tailored support <sup>1</sup>
	<b>Afghanistan</b>				
1.	FMFB		+		+
2.	Kabul Serena	+	+		+
3.	Roshan	+		+	
	<b>Kenya</b>				
4.	Allpack Industries Ltd.				+
5.	DTB	+		+	
6.	Farmer's Choice Ltd.				+
7.	IPS, Botanical Extracts (EPZ) Limited				+
8.	IPS Frigoken	+	+	+	+
9.	IPS Kenya	+			+
10.	Jubilee Insurance Kenya	+	+	+	
11.	Kenya Litho	+			+
12.	Kenya Pharmaceuticals	+			
13.	Leather Industries of Kenya	+			
14.	Nation Media Group Kenya	+	+	+	+
15.	Premier Food Industries Ltd.				
16.	Printing & Packaging, IPS				+
17.	Property Development and Management	+			
18.	TPS Serena			+	
19.	Tsavo Power Co Ltd			+	
20.	Wire Products Ltd.				+
	<b>Kyrgyzstan</b>				
21.	KCIB		+	+	+
	<b>Mali</b>				
22.	Compagnie Arienne Du Mali		+	+	+
23.	Energie du Mali	+	+		
24.	Embalmali Mali	+	+	+	+
	<b>Pakistan</b>				
25.	FMFB Pakistan		+	+	+
26.	Habib Bank Limited (HBL)		+	+	+
27.	IPS Ltd			+	
28.	New Jubilee Insurance (NJI)		+	+	+
29.	New Jubilee Life Insurance (NJLI)			+	
30.	Serena			+	
	<b>Tajikistan</b>				
31.	FMFB		+	+	
32.	Indigo	+	+	+	+
33.	Pamir Energy		+	+	+
	<b>Tanzania</b>				
34.	Diamond Trust Bank	+	+	+	+
35.	IPS	+			
36.	Jubilee Insurance			+	
37.	Mwananchi	+	+		
38.	TPS	+			
39.	TLL Printing and Packaging	+	+	+	
	<b>Uganda</b>				
40.	Diamond Trust Bank		+	+	
41.	Diamond Trust Properties	+			
42.	Jubilee Insurance	+	+		
43.	Kampala Pharmaceutical Industries		+	+	+
44.	Kampala Serena Hotel			+	
45.	NTV	+			
46.	The Monitor Publications		+	+	+
47.	Uganda Fishnet Manufacturers		+		
	<b>Total</b>	<b>22</b>	<b>23</b>	<b>26</b>	<b>22</b>

<sup>1</sup> This includes the Breakfast Meeting for IPS in Kenya on 15 May 2009