



Project on the uptake and use of **ISO 26000** on **Social Responsibility** within the **MENA region**



## Case Study

**Country:** Lebanon

**Organization:** Banque Libano-Française (BLF)



## The MENA ISO 26000 project (1/2)

- **Donor agency:** Swedish International Development Cooperation Agency (Sida)
- **Implementation period:** 2011 - 2014
- **Beneficiary Countries:** Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Syria\* and Tunisia

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\* Syria was suspended from the ISO membership in July 2013 and has not benefited from the project thereafter.



## The MENA ISO 26000 project (2/2)

**Project Goal:** To contribute to achieving sustainable development through effective integration of social responsibility principles and practices (ISO 26000) in the MENA region, using the national standards body (NSB) as the central pivot

**Project Purpose:** To build capacity in the MENA region through the creation of pool of national expertise supporting selected pilot organizations to implement social responsibility principles and practices (ISO 26000).

**Output 1.1:** National human and institutional capacity built on ISO 26000 and its application in the pilot countries within the MENA region

**Output 1.2:** Improved national awareness on social responsibility among the MENA region

**Output 1.3:** Technical support provided to selected pilot organizations operating in the MENA region to facilitate their application of ISO 26000

**Output 1.4:** Joint Coordination Committee (JCC) on SR within the MENA region operational

**Output 1.5:** Regional exchange mechanism on Social Responsibility set-up



# The MENA ISO 26000 project – Achieved Results in Lebanon (1/3)

## ▪ At project output level

<i>Output 1.1: National human and institutional capacity built on ISO 26000 and its application in the pilot country</i>	<i>Output 1.2: Improved national awareness on social responsibility among the MENA region</i>	<i>Output 1.3: Technical support provided to selected pilot organizations operating in the MENA region to facilitate their application of ISO 26000</i>
<ul style="list-style-type: none"><li>• 16 trained national project experts</li><li>• 128 staff trained in pilot organizations</li></ul>	<ul style="list-style-type: none"><li>• 6 national awareness-raising events</li></ul>	<ul style="list-style-type: none"><li>• 13 participating pilot organizations</li><li>• 9 POs delivered all deliverables</li><li>• 28 training events by NEs for POs</li></ul>



# The MENA ISO 26000 project – Achieved Results in Lebanon (2/3)

## ▪ At project purpose level

<i>Number of POs completing key project deliverables – as assessed by IEs</i>	<i>Number of good case studies prepared by POs – as assessed by PO</i>	<i>Performance of national project experts – as assessed by IE</i>
<p><b>Measured results:</b> 9 pilot organizations completed the deliverables. General feedback: Four pilot organisations were still in the process of finalizing their long-term strategies at the end of 2014. The general quality of the deliverables was good although based on too many different tools.</p>	<p><b>Measured results:</b> As agreed, Lebanon submitted three case studies.</p> <p><b>General feedback:</b> The three selected pilot organisations from Lebanon delivered good quality case studies according to the agreed template. The case studies include:</p> <ul style="list-style-type: none"> <li>• AL Khawtar (secondary school), illustrating improved procurement and reduced consumption</li> <li>• Banque Libano-Francais (bank), illustrating stakeholder engagement and work on sustainability strategy</li> <li>• Chateau Ksara (wine), illustrating environmental and consumer focus</li> </ul> <p>Some of these organisations now have some information on their external website regarding their work on ISO 26000 and sustainable development.</p>	<p><b>Measured results:</b> Thirteen out of fourteen showed good performance and participated actively. With some further mentoring and training they are able to offer training and advice to future organisations.</p> <p><b>General feedback:</b> The project experts need to stay up-to-date with standards and tools, as well as current sustainability affairs, relevant to the application of ISO 26000. There are some examples of project experts taking voluntary initiatives to promote ISO 26000 and the project also outside the project.</p>



# The MENA ISO 26000 project – Achieved Results in Lebanon (3/3)

## ▪ At project goal level

<i>Level of integration of SR in pilot organizations – as assessed by POs</i>	<i>Quality of advice provided by national project expert – as assessed by PO</i>	<i>Overall rating of project effectiveness – as assessed by PO, NE and NSB</i>	<i>Uptake of SR in country – as assessed by NE and NSB</i>
<p><b>General feedback:</b> Most pilot organisations in Lebanon indicate that the project has helped them move towards a more proactive approach. Some pilot organisations indicate that they have stayed at the same level of performance in some parameters, for example governance and decision-making, external networking, sphere of influence. This is understandable as these changes require more time than was available through the project. One pilot organisation indicated having moved from reactive to inactive approach decision making related to responsibility issues. This may be due to the increase in issues to be handled.</p>	<p><b>General feedback:</b> All of the national project experts were recommended by the pilot organisations to other organizations looking for advice on ISO 26000. The quality of the advice provided by the project experts improved over the project period.</p>	<p><b>General feedback:</b> In general the project is seen by POs, NEs and the NSB as having had a significant positive impact, especially in the areas of executive and practitioner understanding of social responsibility, and changed approach to managing social responsibility. Areas that were seen as having medium positive impact include improved understanding throughout the whole organisation (including the NSB) and the sphere of influence, as well as changes to the core strategy. In general the project was seen as having had a minor impact on engaging with other organisations and initiatives on SR.</p>	<p><b>General feedback:</b> Uptake of ISO 26000 improved as a result of the project based on perceived stakeholder interest. 30 % of the project experts strongly (45 % and the NSB partially) agree that project has improved the understanding of social responsibility and ISO 26000 outside the project. Levels of national sales of the standard ISO 26000 before and after the project are unknown.</p>



# The MENA ISO 26000 project – Intergating SR throughout organaization

Figure 4 from ISO 26000:2010 illustrates what is expected from an organization using the standard

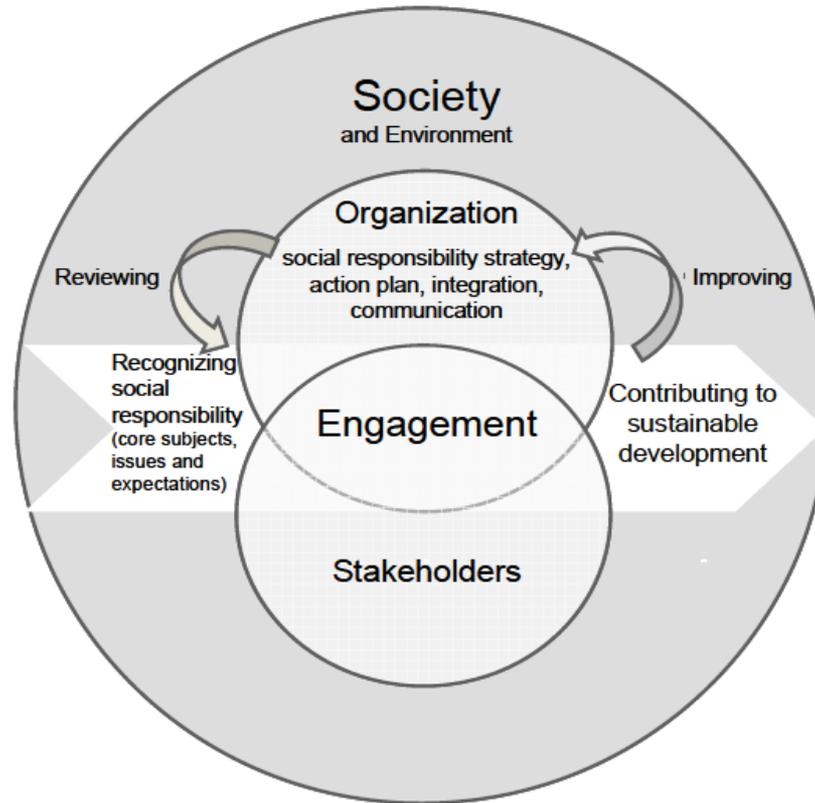
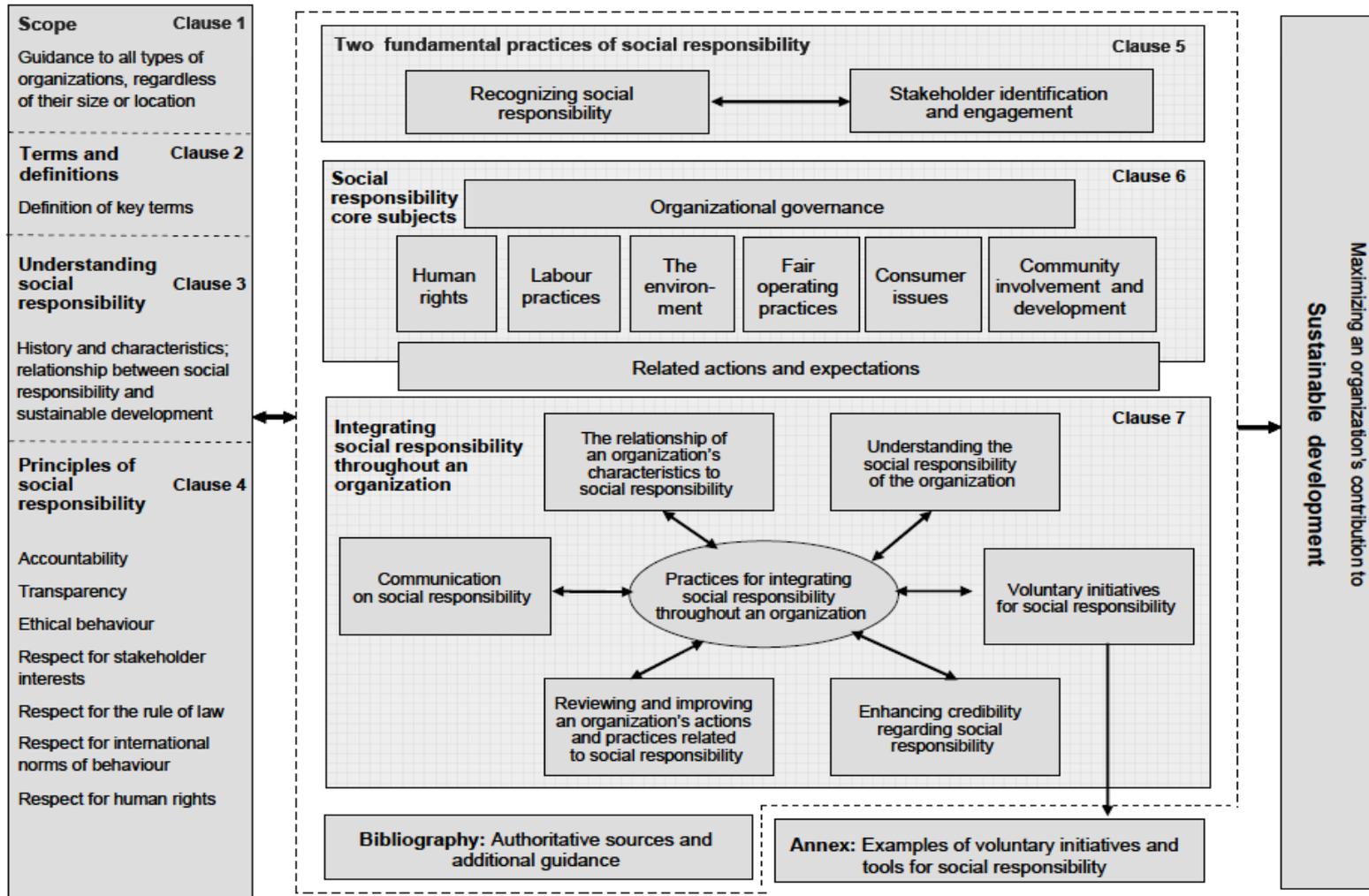


Figure 4 — Integrating social responsibility throughout the organization

Figure 1 in ISO 26000:2010 offers a schematic overview of the steps an organization is expected to take.





## How ISO assisted the pilot organizations

1. Pilot organizations (POs) and national project experts (NEs) were identified together with the NSBs
2. The top management of the selected POs expressed commitment towards the application of ISO 26000
3. ISO appointed international experts (IEs) to build capacity of the NEs through training, refresher training, country visits and distance mentoring
4. NEs with the support of the IEs assisted POs by providing technical advise during the project period to apply ISO 26000 resulting in:
  - developing project deliverables such as gap-analysis, action plan, stakeholders map, progress reports, etc.
  - providing training and awareness raising events for the staff



# Banque Libano-Française

- **Type of organisation:** Banque Libano-Française was organized as a joint stock company (Société Anonyme Libanaise, SAL) in 1967.
- **Main activities:** It provides banking services in five principal areas: Commercial Banking, Retail Banking, Investment Banking, Private Banking and Correspondent Banking.
- **Location:** Its Head office is located at Beirut Liberty Plaza Building, Hamra District, Beirut, Lebanon. It operates through a network of 54 branches across Lebanon. Its international footprint includes subsidiaries in France, Cyprus (Banque SBA), Switzerland (LF Finance Suisse), Syria (Bank Al-Sharq), Representative Offices in United Arab Emirates (Abu Dhabi) and Nigeria (Lagos) and a branch in Iraq (Baghdad).
- **Number of employees:** 1136 employees in Lebanon, 1341 employees in overall Group as at end of December 2014
- **Website:** <http://www.eblf.com/en/Home>
- **Website related to social responsibility/ sustainable development:**  
<http://www.eblf.com/en/CSR>



## How Banque Libano-Française used ISO 26000:2010

- A CSR Project Team was created composed of the Head of Communications Division, Head of International Division, Head of Human Resources Division, Head of Organizational and Strategic Planning Division and two of his team, as well as the Senior CSR Officer to conduct the Stakeholder Identification, Gap Analysis, Stakeholder Engagement and Development of Action Plan.
- Regular meetings were held among the Project Team, as well as with the 2 National Experts to conduct the above.
- To follow up on the implementation of the Action a CSR Committee was created in 2015, including the Chairman and General Manager, General Manager, Head of Communications, Head of International Division, Head of Human Resources, while the CSR project team remains operational.



# Banque Libano-Française's vision and mission

Banque Libano-Française (BLF) vision and mission (the parts highlighted in red were added to integrate sustainability as a result of following ISO 26000):

Banque Libano-Française is a Lebanese, universal, highly performing bank, renowned for its professionalism and financial strength.

BLF aims at being a leading player and a reference in the banking sector in Lebanon. BLF is committed to constantly developing their skills to ensure expertise and quality of service, and to maintain and strengthen the trust relationship with:

- BLF clients who see us as a real partner,
- BLF staff to whom we offer opportunities for self-accomplishment and a promising future,
- BLF shareholders who are looking for capital preservation and appreciation,
- the Lebanese banking sector by spearheading its drive towards sustainable growth, and
- the Lebanese economy towards the prosperity of which we are strongly committed.

In addition, BLF aims at creating shared value while supporting community needs and protecting the environment.”



# Banque Libano-Française's values and policies

## **BLF values**

Responsibility, integrity, skills, humanism and commitment

## **BLF main policies**

The Code of Conduct is disclosed in the Bank's Employee Handbook, in the Bank's Corporate Governance Guide and introduced to new employees during an integration seminar. The Code includes the following policies: time attendance, banking secrecy, professional secrecy, operational risk, respecting the Bank's values, respecting all national and international regulations, political neutrality, dress code, power abuse and harassment, conflict of interest, social media, smoke-free workplace, paper recycling, respect of copyright and intellectual property, etc.

## **Changes made during the project**

No changes were made to the values of the Bank as they already reflect social responsibility. As a result of following ISO 26000 recommendations, BLF decided to work on creating the following new policies between 2015 and 2019: Human Rights and Environmental Policy, Suppliers Policy and Sustainable Procurement Policy.



## Banque Libano-Française's stakeholders

- BLF external /internal stakeholders were identified as follows: Ministry of Finance, Board & Executives, Centre de Traitement Monétique, BDL, Shareholders, Suppliers, Clients, Media, Civil Society, Competitors, ABL, Sodeco Gestion, Syndicats, NSSF/Employees, Interns. Before the project BLF used to refer to the following as its stakeholders: Clients, Staff, Shareholders, Lebanese Economy.
- A stakeholder engagement On-line CSR survey with the use of a self administrative questionnaire was conducted with Employees, BDL, ABL, Ministry of Finance, Banking Sector, Suppliers, Media, Correspondent Banks and Board Members to assess what they viewed as most important to address.



## Banque Libano-Française's most significant issues to be linked with the strategic targets

BLF has conducted an Issue by conducting Gap Analysis on the 7 Core Subjects and identified several issues to be addressed to reach Sustainable Banking:

- Creation of shared value by linking SR to core business
- Social and environmental impact assessment prior to lending
- Environmental Strategy
- Promotion of Human Rights
- Fair contractual practices
- SR governance framework
- Equal employment opportunities (for handicapped)
- Awareness raising on SR
- Engagement with stakeholders



# Banque Libano-Française's revised strategic targets based on the most significant issues

- Target 1: Sustainable lending
- Target 2: Sustainable financial innovation
- Target 3: Sustainable support to community
- Target 4: Sustainable environmental strategy
- Target 5: Sustainable engagement with stakeholders



# Actions related to the strategic targets (1/5)

## Target 1

Sustainable lending (2015-2019)

## Planned actions

1. Incorporate environment and human rights criteria in the file assessment checklist and awareness raising mention in contract
2. Organize commercial trainings for concerned employees
3. At a later stage avoid relationships with entities engaged in anti-social activities



# Actions related to the strategic targets (2/5)

## Target 2

Sustainable financial innovation (2015-2017)

### Planned actions

1. Develop products and services that meet community needs (women empowerment, disadvantaged groups, environmentally friendly products, micro-credits, entrepreneurship...)



## Actions related to the strategic targets (3/5)

### Target 3

Sustainable support to community (2015-2017)

### Planned actions

1. Select long-term humanitarian and environmental partnerships based on stakeholder needs
2. Select partnerships linked to core business
3. Include in partnerships a clause that binds the partners to report on the outcome of the project



# Actions related to the strategic targets (4/5)

## Target 4

Sustainable environmental strategy (2015-2019)

### Planned actions

1. Implement an environmental management system
2. Hire an environmental specialist.
3. Implement at all BLF premises the energy strategy which was developed by IFC for BLF, and follow recommendations of energy and green buildings audits (monitoring fuel usage, reducing work related transportation, etc)
4. Increase communication on environmental practices
5. Educate stakeholders on environmental risks
6. Change clients habits (not print receipts, etc)



# Actions related to the strategic targets (5/5)

## Target 5

Sustainable engagement with stakeholders (2015-2019)

### Planned actions

1. Amend and publish SR Strategy, Review Mission/Vision Statement
2. Create SR Committee
3. Review all procedures to ensure that SR principles and issues are reflected.
4. Integrate SR objectives in each business unit and incorporate into annual plans, job descriptions and performance appraisal. Set and monitor KPIs across all Divisions. Give financial and non-financial incentives related to performance on SR.
5. Draft a clause in contracts asking clients, suppliers, partners to follow responsible social (human rights) and environmental practices



## Actions related to the strategic targets (5/5)

6. Develop a sustainable procurement policy integrating ethical, social and environmental criteria in purchasing, distribution and contracting policies and practices. Select environmentally friendly products (recycled paper, etc)
7. Make sure all contracts and documents are transparent, clear and written in an understandable way
8. Publish SR Report
9. Engage Stakeholders in Focus group to assess SR practices
10. Provide CSR training to employees
11. Discuss with BDL, ABL and banks to set a common approach and principles for sustainable banking
12. Create positions for handicapped
13. Promote health and wellbeing. Enhance work/life balance



# Banque Libano-Française's main steps of integrating ISO 26000 - Focus on revised governance, systems and procedures (1/5)

- Creation of SR Project Team
- Creation of SR Committee
- Amended Mission/Vision
- Formulating of new SR strategy
- Drafting of a long-term action plan



## **Banque Libano-Française's main steps of integrating ISO 26000 - Focus on measurements, monitoring and reporting of SR performance (2/5)**

- All procedures to be reviewed by 2019 to ensure that SR principles and issues are reflected
- SR objectives to be integrated in each business unit and annual plans, job descriptions and performance appraisals, KPIS to be set across all Divisions by 2019
- SR Committee meetings (at least two per year)
- Yearly reporting by publishing Communication on progress on UNGC website



## Banque Libano-Française's main steps of integrating of ISO 26000 - Focus on sphere of influence (3/5)

We are planning to:

- Draft a clause to ask partners, suppliers, clients to follow responsible social and environmental practices by 2019
- Extend BLF Code of Conduct to include Human Rights related issues
- Communicate about BLF CSR efforts internally and externally
- Sit on Local Network Steering Committee of the UNGC



# Banque Libano-Française's main steps of integrating ISO 26000 - Focus on training and communication (4/5)

## Internal training/communication

- Internal Newsletter, Intranet, Integration Seminars for new employees, Employee handbook, awareness raising trainings, etc

## External training/communication

- Website, CSR Report, Lookout (newsletter on SR), Screens in branches, Annual Report, Corporate Governance Guide, Social Media, Press Releases and Interviews to Media, participation in SR panels organized by competitors and academics, spreading SR awareness amongst students



## **Banque Libano-Française's main steps of integrating ISO 26000 - Focus on SR related initiatives (5/5)**

- Joining United Nations Global Compact
- Working on implementing ISO 26000 Action Plan



## Banque Libano-Française's recommendations & lessons learned

- We learned that SR is a long ever-evolving process and decided to embrace the sustainability journey.
- Without addressing the triple bottom line and the needs of its stakeholders, companies will no longer be able to sustain in an ever-changing and more complex world.
- We recommend other organizations to follow ISO 26000 guidelines because it is a useful framework that allows companies to assess their strength and identify their gaps and offers solutions to fill those gaps.
- ISO 26000 allows a company to move to Strategic CSR and to institutionalize it across the Company.