



Business World, Disasters & Corporate Social Responsibility Ali Ercan ÖZGÜR

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Corporate Social Responsibility

Business and Disasters

The Project for SMEs' Disaster Resiliency

CORPORATE SOCIAL RESPONSIBILITY

Complex Business Environment



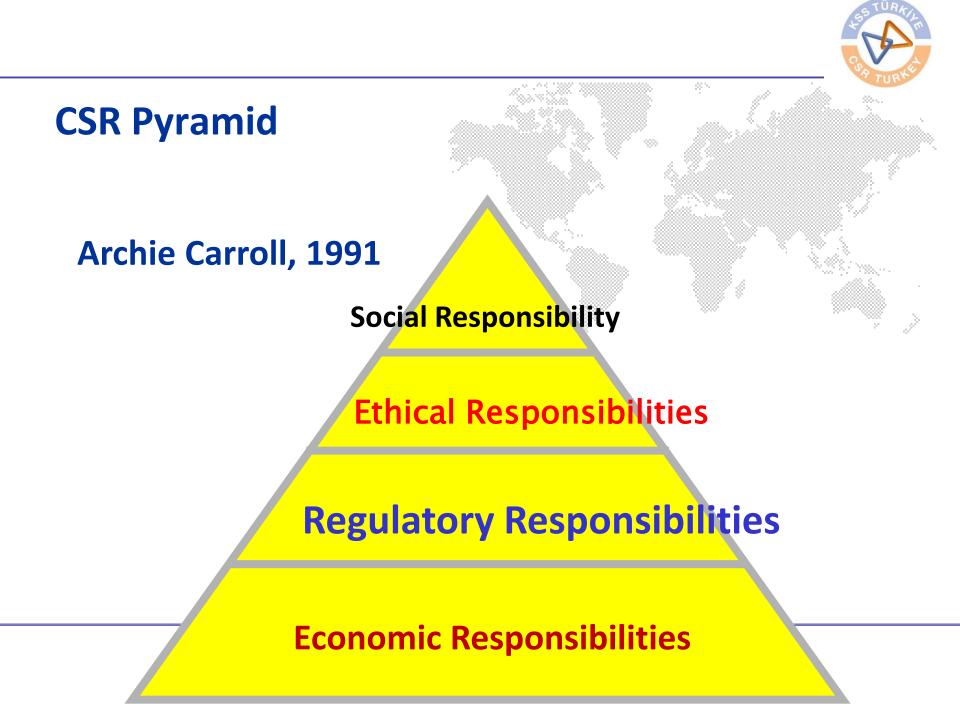
Complex Business Environment

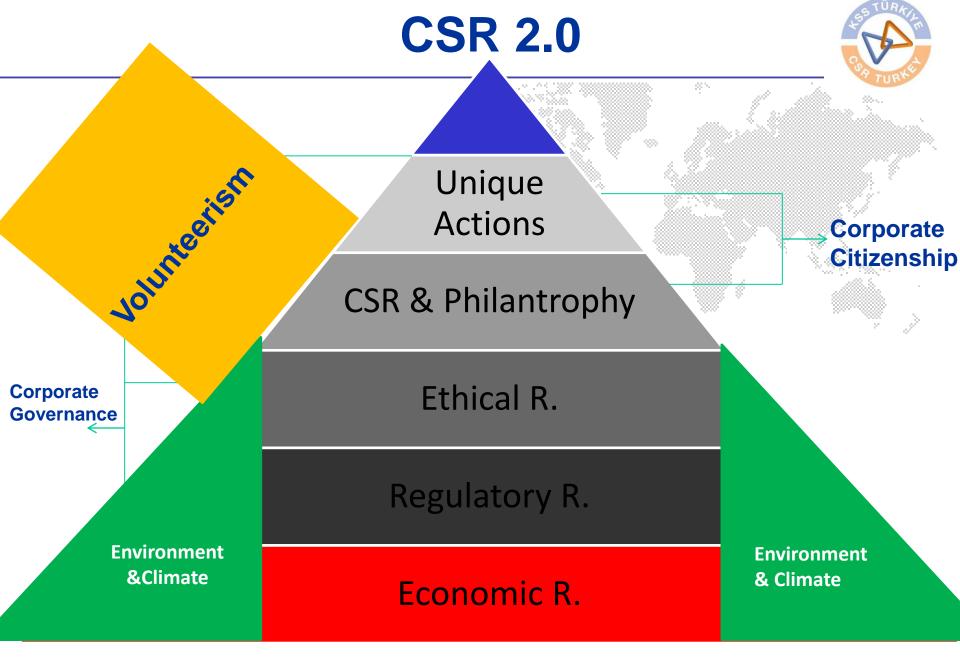
- CS TURKER
- We live in an age of innovation, the growth of free markets, and a world economy.
- New technologies, new roles for government, and players on the global scene offer challenging opportunities, demands, and constraints.
- More people and nations are working together to spread freedom and democratic principles; to nurture free markets; to protect individual property rights; and to encourage respect for human rights, the rule of law, working conditions and the environment.
- Although the profit motive of business is understood and accepted, people do not accept it as an excuse for ignoring the basic norms, values, and standards of being a good corporate citizen.

GLOBAL CHALLENGES FOR THE CORPORATE SECTOR



- MANAGING STAKEHOLDER RELATIONS
- MANAGING THE SUPPLY CHAIN
- TRANSLATING GLOBAL STRATEGIES INTO LOCAL INITIATIVES
- MULTIPLE RELATIONSHIPS WITH GOVERNMENT
- THE WAR FOR TALENT
- CSR IN TIMES OF RECESSION?
- MANAGING CLIMATE CHANGE





CSR Definition

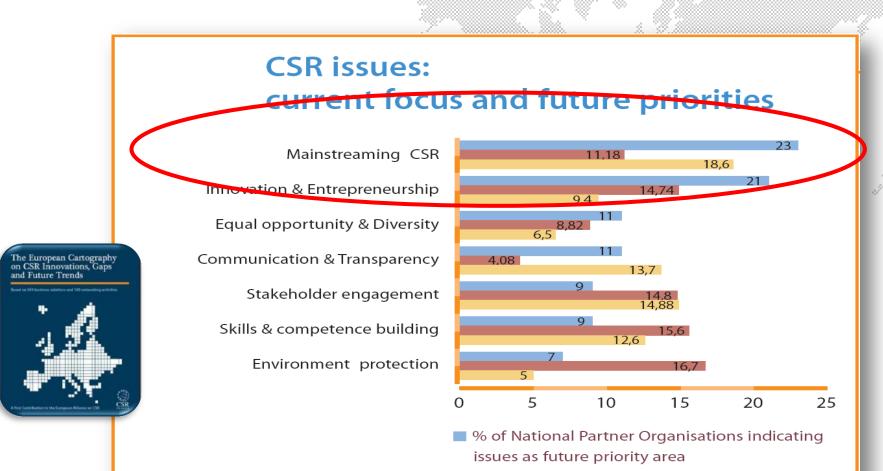


2011 – 2014 – EU New Policy CSR

- According to the European Union
- CSR represents
- "a concept whereby companies integrate social;environmental, ethical human rights and consumer concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

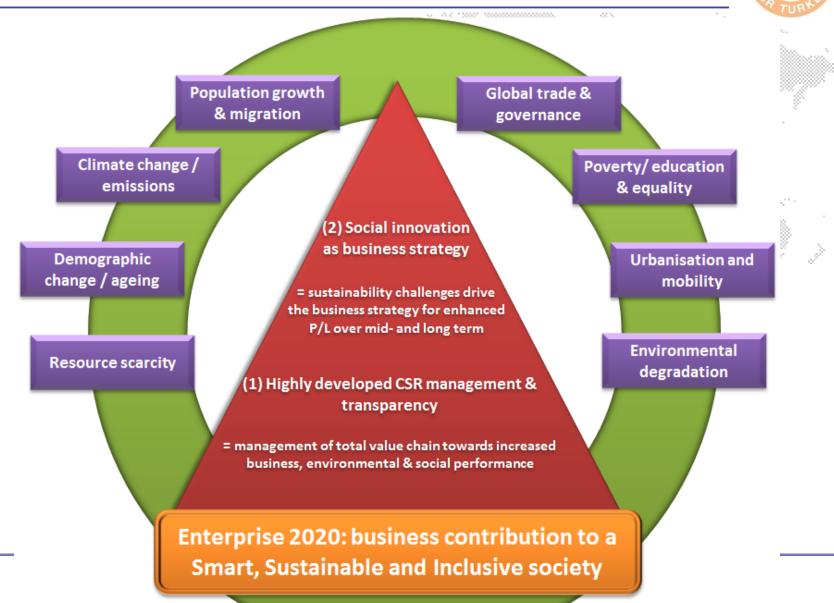
Current and future CSR trends:

European Cartography on CSR



- % of collected Business Solutions
- % of collectedNetworking Activities

EU Enterprise 2020





CORPORATE SOCIAL RESPONSIBILITY ASSOCIATION OF TURKEY

Values	Policies	Activities
Human	Our engagement to Social Responsibility	Awareness Programs
Change	The Interaction of Social Stakeholder Groups	Campaigns
Social Dialogue	Participation	Social Stakeholder Engagement
Mutual Relations	Result Oriented Work	Sertification and Reporting
Ability to Create Values	Creativity	Consultancy Services
Sustainability	Active Learning Processes	Education and Publications

CSR – TURKEY – Key Partners



CSR Trends

- UNDP Turkey CSR Situation Report
- Ukraine CSR Situation Report
- Iran CSR Situation Report
- Founder CSR Black Sea Network
- Founder Black Sea CSR Network
- CSR Azerbaijan
- CSR Ukraine
- CSR Iran
- ILO CSR and Work Environment Report
- Need for supply chain focus
- Need for code of conducts

–Disasters



Istanbul Companies in Numbers

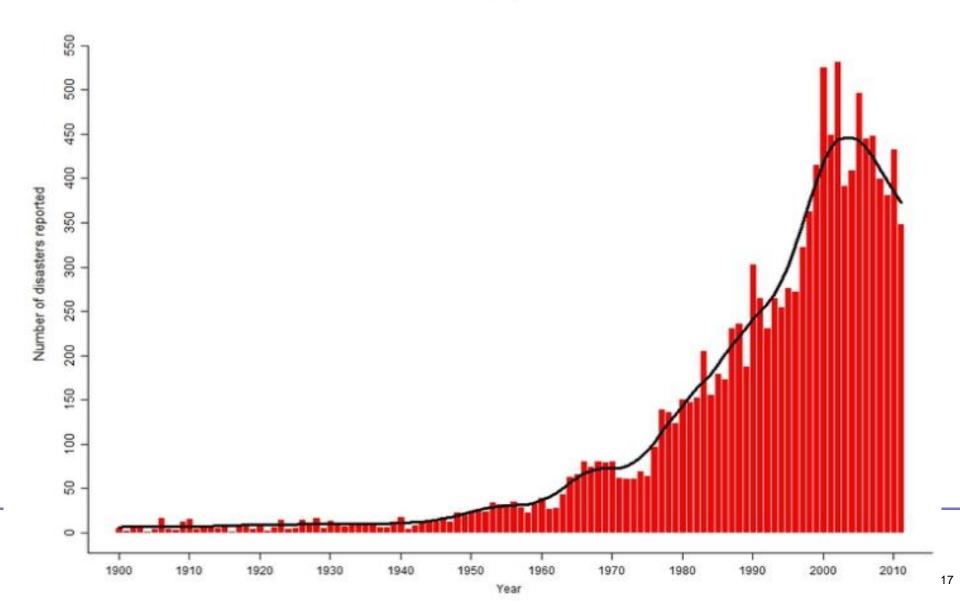
- Number of Registered Companies to Istanbul Chamber of Commerce
 - 688.440 (March 2013)
- Number of Registered Companies to Istanbul Chamber of Industry
 - 13.000
- More than 98% are SMEs
- According to Istanbul Chamber of Commerce
 - 438.275 Companies were established in Istanbul after 1999 Earthquake
- More than half of the companies in Turkey does not have disaster experience!

BUSINESS AND DISASTERS

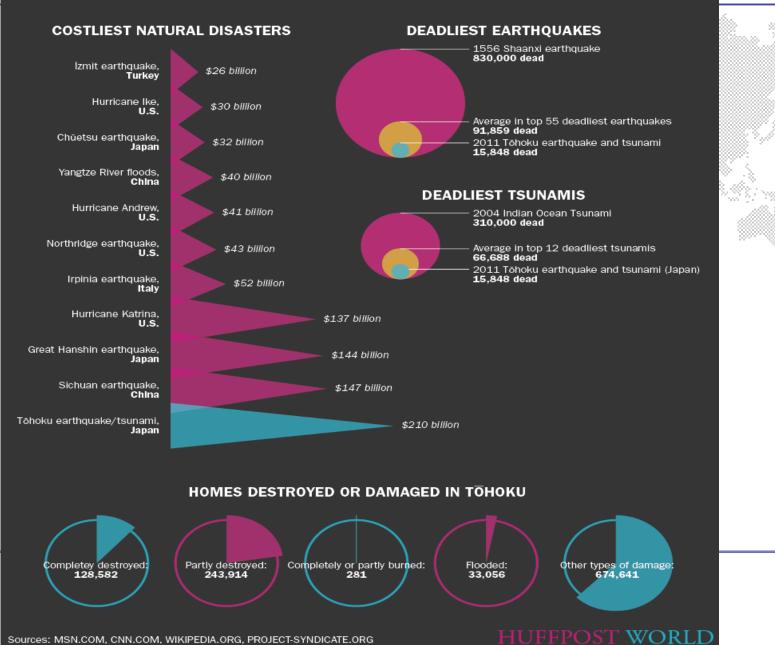
International Disaster Database

http://www.emdat.be/natural-disasters-trends

Natural disasters reported 1900 - 2011



The Cost Of Deadly Disasters: Japan In Perspective

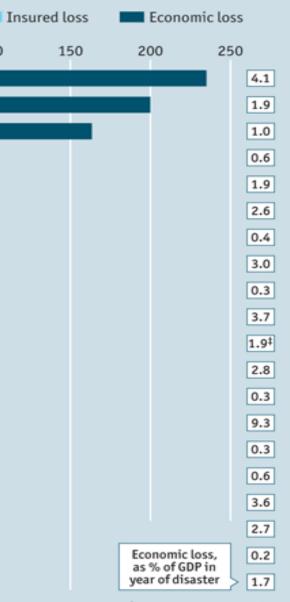


World's costliest natural disasters since 1965

2010 \$bn

World Bank; The Economist

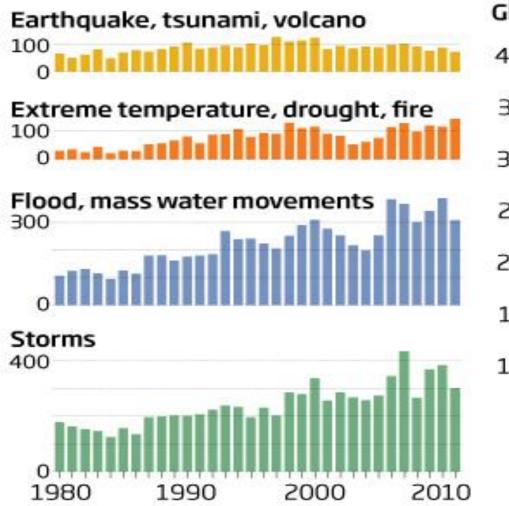
0 50 100 Earthquake and tsunami, Japan (2011)* Kobe earthquake, Japan (1995) Hurricane Katrina, US (2005) Northridge earthquake, US (1994) Sichuan earthquake, China (2008) Irpinia earthquake, Italy (1980) Hurricane Andrew, US (1992) Yangtze River floods, China (1998) Great Floods, US (1993) Tangshan earthquake, China (1976)[†] Spitak earthquake, Armenia (1988)[†] River floods, China (1996) Drought, US (1988) Kalimantan forest fires, Indonesia (1982-83)[†] Hurricane Ike, US & Caribbean (2008) _ Niigata earthquake, Japan (2004) Eastern floods, China (1991) River Arno floods, Italy (1966) Loma Prieta earthquake, US (1989) Friuli earthquake, Italy (1976) Sources: Munich Re; IMF;



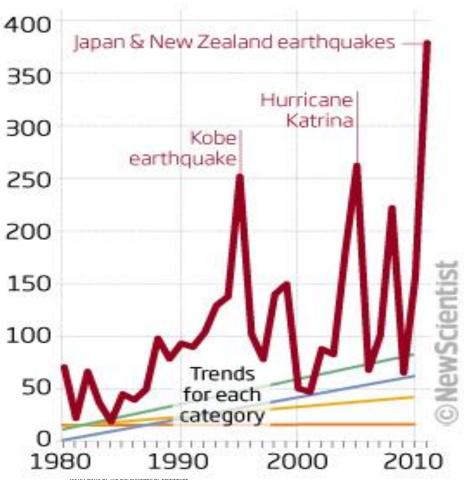
*Provisional [†]Insured loss unavailable [‡]Soviet Union's estimated GDP

According to New Scientist - http://www.

Natural disasters are more frequent than 30 years ago - and are costing us more



Global losses \$bn

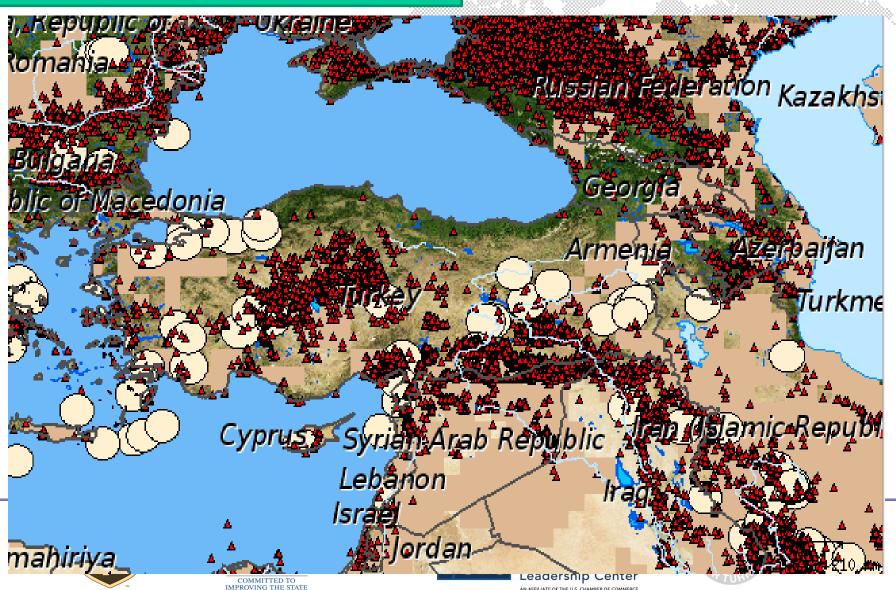


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<u>Global Risk Data Platform</u> UNEP / GRID Europe / UNISDR(Disaster Risk Reduction)

http://preview.grid.unep.ch/



Economy in Disasters



- Economic losses during disaster
- Allocation of of funds/resources(including) Aid Coordination voluntary support) for emergency needs(rescue, first aid, basic needs)
- Project funding for recovery and normalization
- Business Recovery Investments
 - -Reintegrating into economy
 - -SMEs

General Statistics from US Chamber of Commerce



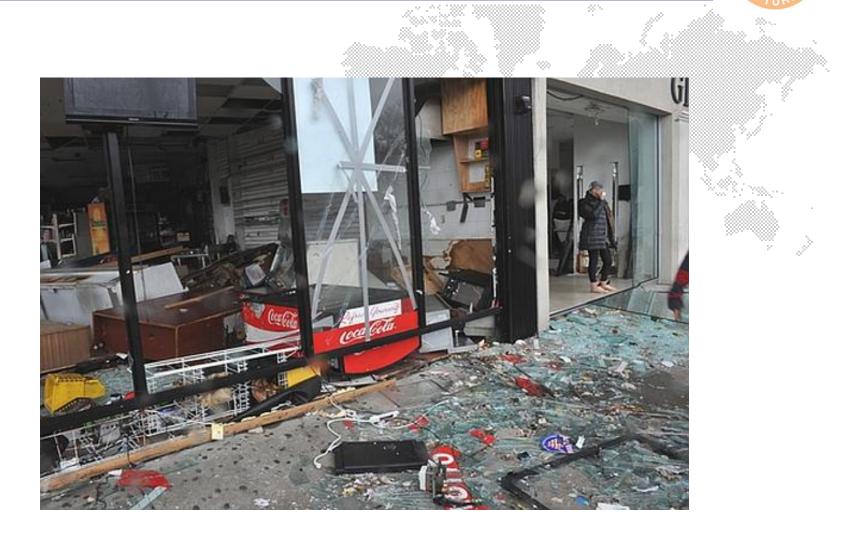
- A survey of 2,500 business owners and decision makers found that:
 - 71% of small businesses *did not* have a disaster plan in place
 - 64% said that they did not need one
- According to *The Hartford's Guide to Emergency Preparedness Planning*, of those businesses that experience a disaster and have no emergency plan:
 - 43% never reopen
 - Of those that do reopen, only 29% are still operating two years later

Hurricane Sandy



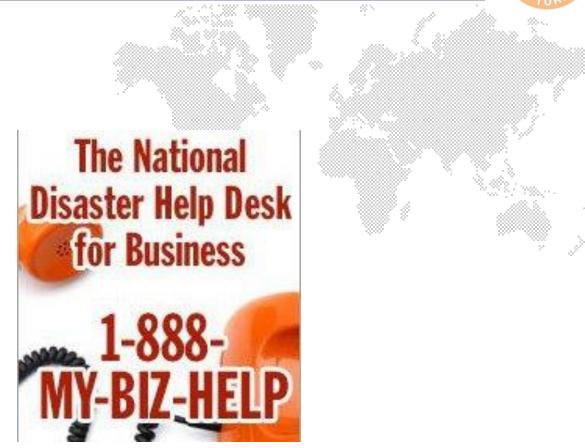


Hurricane Sandy Small Businesses



National Disaster Help Desk - USA







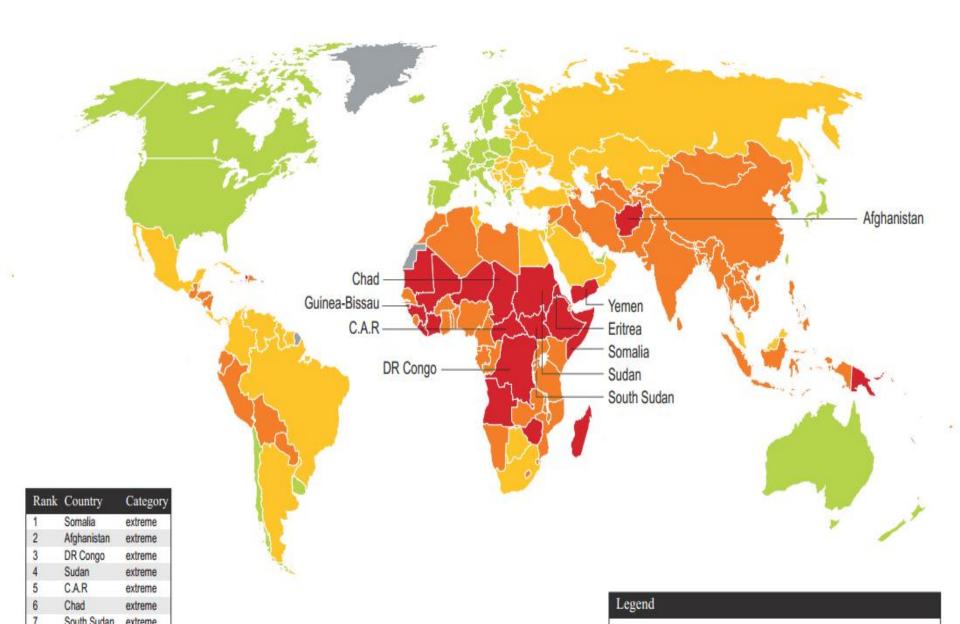
- Insurance is key
 - -95% of businesses that needed help from the Help Desk after Sandy didn't have adequate insurance
 - No insurance
 - Not enough insurance
 - Wrong insurance



- Companies don't understand their risks
 - "Plans are worthless, planning is everything"
 Dwight D. Eisenhower
 - -Examples from Sandy
 - Companies in flood zones putting computers in their basements
 - Companies not backing up data
 - Companies not having a contingency plan for loss of a supplier

Socio-economic Resillience Index 2013





The Project for SMEs' Disaster Resiliency

Business Disaster Resiliency ("BDR") Program for Turkey















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 To develop a pilot for promoting Business Disaster Resiliency (BDR) global best practices in Turkey that leverages the expertise and resources of the World Economic Forum, Business Civic Leadership Center and UPS, and stakeholders in Turkey that could then be replicated in other disaster-prone parts of the world.











The Problem

- Natural Disasters are a global phenomena, and humanity has a common interest in promoting better disaster preparedness and recovery:
 - Mechanisms need to be established to share best practices within and among nations,
 - Mechanisms need to be established to promote cooperation between and among governments, civil society and business.
- Business plays a key role in this process, but many small and mid-sized companies lack tools and training to prepare for and withstand disasters when they occur.
- Businesses are important to help rehabilitate communities by providing jobs and offering goods and services.









BDR Pilot Solutions

- Adapt Best Practices from BCLC, WEF, UPS and Thought Leaders in Turkey
 - Including adaptation of Disaster Resistant Business Toolkit Suite of Software
 - Development of Turkish Help Desk for SMEs
- Promote BDR awareness and education
- Promote three levels of disaster aid coordination
 - Within Turkish government, business and civil society
 - Between Turkish government, business and civil society
 - Between Turkish domestic disaster responders and international disaster responders



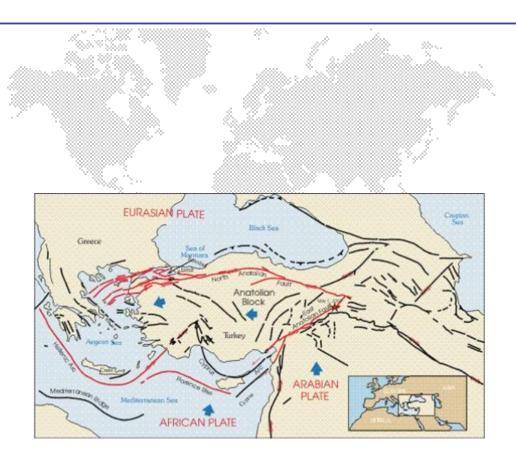






Why Pilot in Turkey?

- The North Anatolian Fault is active as recently as July 2012
- Turkey has had recent events in Van and Ismir
- Turkey's central geographic location
- Turkey already has a robust public, private, and civil society capacity













Partners:

The BCLC, CSR Turkey and UPS have brought together preeminent leaders from many fields to share ideas:

UPS World Economic Forum BCLC **CSR Turkey Kadir Has University AmCham in Turkey Turkish Red Crescent Turkish Chamber of Commerce Istanbul Chamber of Commerce** Kobider – SMEs Association of Turkey **EUCOM**

KOSGEB - SMEs US Embassy Developmental Organization of Turkey Istanbul Development Agency DASK – Turkish Catastrophe Insurance Pool UNDP – Instanbul International Center for Private Sector in Development World Bank AKUT









BDR Best Practices: Results and Deliverables

- CSR Turkey and will compile a report of Turkish and Global best practices.
 - This will include a final report of lessons specific to the adaptation from US to Turkey
 - "Pay it Forward", "Adopt a Business", and "Adopt a Chamber" strategies
- WEF experts will share expertise with the global business communities, adding to the big picture lessons as well as regional insight.
- BCLC will share its suite of tools:
 - Disaster-Resistant Business (DRB) Tool Kit
 - Help Desk
 - MOU framework with public and civil society organizations









Awareness and Education

- UPS and BCLC will work with CSR Turkey to develop an awareness and education strategy focused on "grass tops" business associations and intermediary organizations, government cooperation, media relations, and online tools.
- Awareness
 - Phase I begins with the announcement of the BDR Project, private meetings with key stakeholder groups, and the development of a disaster portal with tools and resources.
 - Phase II encourages the roll-out of awareness tools to stakeholder groups. All partners will also meet with early adaptor SME's and stakeholders, face to face in
 - Phase III will tie in implementation and roll-out of the BDR Tool Kit with an incentive program that encourages individuals, organizations and businesses to share their disaster resilience stories.
- **Education**
 - Essential output for the US will be a portfolio of information gleaned from out pilot.









This program will produce benefits for its partners and host country through creation of a robust mutual assistance network, enhancement of SME capabilities and a stronger more resilient community.

In return we will get actionable information from disaster recovery professionals, advance the capacity of international communications during a crisis, and create a new public diplomacy matrix, offering an opportunity for innovation via stakeholder bridge-building.



https://tool.drbtoolkit.org/tr

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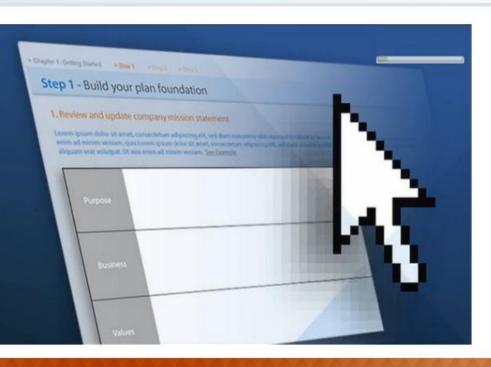


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Key Notes

•Disaster is key global problem

- •Related to sustainable development, climate
- •Yet personal and corporate responsibilities
- •Need for common action
 - Know how transfer
 - •Regional/international partnerships

 Mainstreaming CSR including disaster into business strategies is essential

•Focus on developing voluntary business mechanism Where code of conducts, supply chains and mainly SMEs are key







