

## CSR: Where Are We Heading?

Despite the growing awareness among the Saudi economic and social sectors about the significant role of corporate social responsibility (CSR) in driving development and business growth and sustainability, most practices adopted by companies of different sizes are confined to traditional practices or “initiatives” launched from time to time, which are believed by these companies to be sufficient to fulfill their CSR obligations. However, this approach poses a risk to their credibility.

In recent years, numerous companies have failed to deliver real added value beyond offering products or services. They’ve also struggled to build strong connections with the communities they serve.

This limited understanding of CSR has reduced it to a set of community initiatives. However, CSR has the potential to drive much more for companies. It can yield high-quality products and services at competitive prices, fostering true participation in national development across social, economic, and environmental dimensions.

This gap highlights the importance of striking a balance between national development requirements and company interests, especially regarding CSR. The current pressure on companies reflects the poor practices and applications as well as the absence of tailored CSR models that align with each company’s size, industry, and objectives. This realistically reflects the significant gap between the local and international markets, a gap that is expected to widen over time if no strategic action is taken to reduce it, followed by efforts to influence the business sector and develop balanced strategies for corporate responsibility and sustainability, aligned with the prevailing trends in the global market.

With its robust economic and legislative foundations, the Kingdom is betting on knowledge-based development of capabilities, applications and systems, which is a key direction of the Kingdom in the coming years. However, most companies' practices and applications related to social responsibility and sustainability do not align with the Kingdom’s global economic standing. Despite the growing interest in sustainability and CSR, there remains a significant gap in knowledge, innovative applications, and professional specialization.

This leadership role in CSR is not only important locally but also regionally across the Middle East and North Africa. It is unacceptable for Saudi Arabia not to lead in this vital field, given its status as the largest free economy in the region, accounting for 25% of the Arab world’s total GDP, holding the largest oil reserves globally, and being one of the fastest-growing economies in addition to its numerous competitive advantages and significant political, economic, and social influence.