

Newsletter



Regional Transformation Through a New Lens – ESG

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A Call to Action For Businesses

Ensure you properly embed your ESG strategy with clear governance: Embedding an ESG strategy begins with defining ambition and priorities that are aligned with a company’s business rationale and with national goals. Ideally, there should be one person in charge to oversee and coordinate the full suite of ESG functions with access to people having the right skills and capacity to be able to deliver the strategy.

See the bigger picture: There are many business opportunities for companies that move quickly to align their ESG priorities with those of their governments. Early adopters may generate new business services and products that could create real value and wider benefits for society.

Set clear KPIs & invest in robust data collection systems and analysis: KPIs must be set to measure progress and will be underpinned by having robust data collection and reporting systems. This will require investment to ensure alignment with global standards and that capacity is built to collect and report on non financial ESG metrics. Reporting can range from internal ESG reports to those that have been fully audited by a third party.

Integration is key: ESG is a complex subject and many of the issues are connected. Adopting an integrated approach to ESG and embedding a strategy across different functions are important steps in reorienting businesses towards a value-creation ecosystem. Value indicators includes, environmental sustainability, employee engagement, external partnerships and broader societal wellbeing.



Background

The values that underpin ESG are not new to the Middle East. For example, all three aspects of ESG permeate the region’s efforts to diversify economies, improve the state of the environment, create more opportunities for young people and drive a higher participation of women in the workforce.

What’s clear is that companies in the Middle East have a strong sense of what is needed to achieve progress on ESG.



A Call to Action For Governments

When it comes to the role of governments and regulators, companies need clear guidelines, country roadmaps for decarbonization and a level playing field across industries. For example, some national policies in the Middle East have been highlighted as having the potential to have the greatest impact on achieving corporate ESG strategy; Sustainable procurement and supply chain policies to ensure provision of more environmentally friendly products and services;

Having to prove a measurable impact in the community; and Policies enabling businesses to ensure ESG is a board level priority.