

# Making a positive impact



## The rise of sustainability

Around the world, environmental, social and governance (ESG) issues are becoming increasingly relevant for all stakeholders—internal and external. In response, many companies are realigning their business strategies toward a more sustainable and climate-friendly approach.

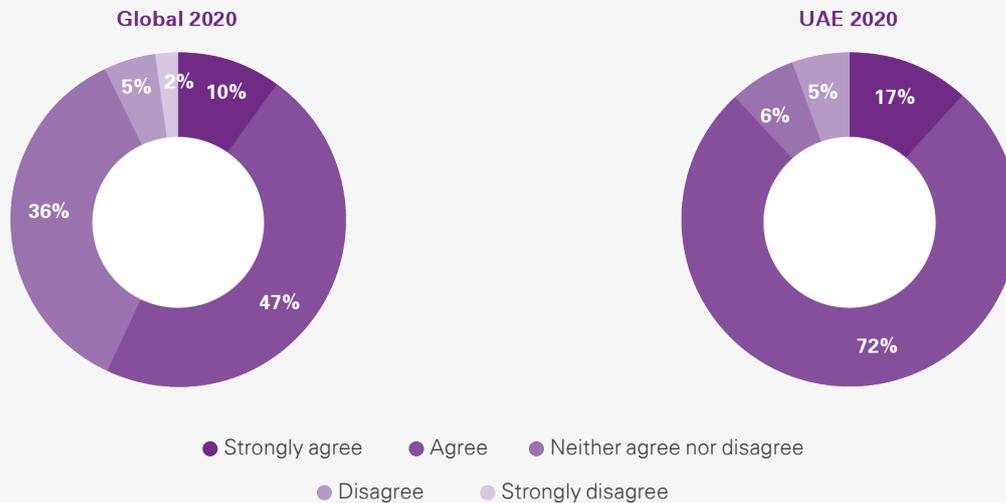
In the UAE, sustainability has been and remains a priority. From the nation’s Vision 2021<sup>9</sup> to Expo 2020,<sup>10</sup> the country strives to consolidate its position as a global sustainability leader. This has been reinforced by national development agendas and charters, such as UAE Energy Strategy 2050,<sup>11</sup> UAE Green Agenda 2015-2030<sup>12</sup> and the National Innovation Strategy.<sup>13</sup>

Recently we have also seen a push for companies to divulge their ESG performance. Notable examples include

ESG disclosure guidelines released by the Abu Dhabi Stock Exchange<sup>14</sup> and the Dubai Financial Market.<sup>15</sup> According to a recent KPMG report, among the top 100 companies in the UAE (determined by revenue), 51% are formally reporting sustainability performance.<sup>16</sup>

According to this year’s findings, three out of ten (28%) female leaders in the UAE believe activities aimed at combating climate change will be of even greater importance in the post-Covid-19 era. And two-thirds (67%) state that these factors will remain as important for strategic decision making. Implying a long-term commitment, nine out of ten (89%, 57% globally) want to lock in the sustainability and climate change gains made as a result of the crisis. This indicates that the UAE’s national agenda is being successfully inculcated into local business practices.

### We want to lock in the sustainability and climate change gains we have made as a result of the crisis.



Single response

Source: KPMG 2020 Global Female Leaders Outlook, KPMG 2020 UAE Female Leaders Outlook

In circumstances where leaders are required to make critical decisions quickly, a strong corporate governance framework is vital. Such a foundation helps maintain sustainable growth by safeguarding good business practices. For this reason, governance issues have become even more important during the pandemic, according to three-quarters of UAE-based female leaders (72%, 70% globally). Well-established governance processes enhance the concepts of justice, transparency, integrity and achievement of various stakeholders' interests—all key to overall ESG goals.<sup>17</sup>

**Thuraya Afeef Al Maskari, Vice President of Group Corporate Governance at ADNOC**, underscores the importance of strong guidance from the top, "Good governance, when championed by company leadership, drives values, purpose and culture. In 2020, we saw this across the UAE in response to the Covid-19 pandemic. The organizations which are proving to be the most resilient are those which consistently drove governance from the top, enabling cultures with even greater focus on innovation, diversity and employee wellbeing."

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Thuraya Afeef Al Maskari, Vice President of Group Corporate Governance, ADNOC



## Resilience and purpose redefined

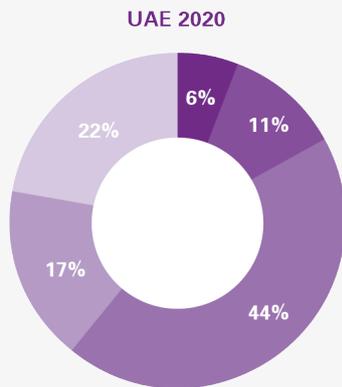
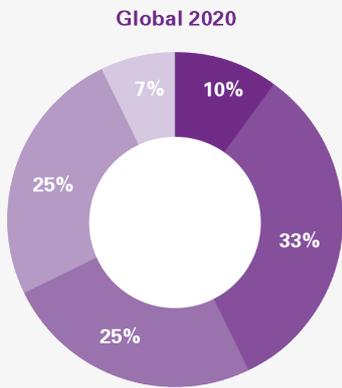
Our results indicate that despite—or perhaps because of—ongoing challenges, local female leaders are continuously developing and refining strategies for survival and growth. Given the speed at which we see events unfold day to day, it is no surprise that three-quarters (78%) believe a resilient business is one capable of quickly adapting to the changing business landscape.

From all crises emerge significant advances. UAE-based female leaders indicate that the most important change to come from Covid-19 is an uptick in digital communication and collaboration. All (100%) plan to continue developing related tools in future. It follows that nearly all (95%) agree their business's innovation processes and execution must be improved over the next three years.

According to **Rola Abu Manneh, CEO, Standard Chartered Bank, UAE**, "We were early to adapt to the environment by leveraging the latest technology that helped us keep close to our clients and colleagues. At one time we were able to host over 5,000 attendees simultaneously in a single video call and these kinds of engagements kept our people and clients informed and engaged throughout this unprecedented period. No matter the environment, organizations need to make employee engagement a front-and-center issue, while leaders need to learn to trust their employees by providing the necessary skills and tools to reach their full potential. To that end, communication will always remain key."

In terms of linking their organization’s growth strategy to a wider societal purpose, only 17% of UAE-based female leaders (43% globally) feel their organization struggles, indicating that UAE-based businesses are leading from the front.

**We are struggling to link our growth strategy with a wider societal purpose for the organization.**



● Strongly agree   ● Agree   ● Neither agree nor disagree  
● Disagree   ● Strongly disagree

Single response

Source: KPMG 2020 Global Female Leaders Outlook, KPMG 2020 UAE Female Leaders Outlook

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Rola Abu Manneh, CEO, Standard Chartered Bank, UAE

**Vidya Chhabria, Chairperson, Jumbo Group**, shared her organization’s approach to giving back during these unprecedented times. “We are a company with very strong CSR values. Cognizant of the pandemic’s impact in the UAE, we proudly supported the Rashid Center for People of Determination, helping their students seamlessly continue their education and physical rehabilitation. We also leveraged our expertise in 3D manufacturing, printing and supplying protective face shields to frontline healthcare professionals. This was our small contribution, made in an effort to support the UAE government and our local communities.”

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Vidya Chhabria, Chairperson, Jumbo Group

## Shifting stakeholder orientation and customer expectations

The notion of shareholder primacy was, for many years, an underpinning element of corporate governance. Prior to the pandemic, this was challenged, as business leaders began to formally recognize the importance of five key groups: customers, employees, suppliers, communities and shareholders. As a result of Covid-19, new values and expectations are emerging as drivers for change, highlighting that no one stakeholder group may remain a fixed priority.<sup>18</sup> One of the clear findings from this survey is the need for companies to live up to all stakeholders' expectations—not only shareholders'—according to nine out of ten (89%) of local female leaders.

According to **Peter Haugaard, Partner, Head People, Performance and Culture, KPMG Lower Gulf**, multiple initiatives have sought to address employee and community needs during the pandemic. "Fostering a sense of community has been crucial throughout the past nine months," he says. "We have taken extensive steps to support not only our colleagues, but also members of the community. Internally, we have offered a variety of online courses focusing on exercise and wellbeing, as well as virtual team get-togethers to uphold morale. We also promoted the availability of mental health services, as we strongly believe that having open, transparent conversations around these difficult topics is essential in removing any stigma that might still persist. Externally, our colleagues enjoyed participating in several fundraising events, and even donated laptops to support distance-learning initiatives."

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Peter Haugaard, Partner, Head People, Performance and Culture, KPMG Lower Gulf

Our new working reality will be characterized, more than ever before, by ESG. The shift away from shareholder primacy is also reflected in the following:

- More than half (56%) of UAE-based female leaders believe there is an expectation to act on gender equality
- A third (33%) feel pressure to take action to address climate change
- A quarter (28%) believe they are expected to address migration and/or integration issues

A stakeholder-oriented strategy has proven useful when coping with the negative effects of the pandemic.<sup>19</sup> According to female leaders in the UAE, the three most important measures they have taken are to protect long-term customer relations, communicate with stakeholders and retain key employees. **Muna Al Gurg, Director, Easa Saleh Al Gurg Group**, states, "At ESAG, our focus was on frequent empathetic communication to reduce fear and uncertainty. At the core of all of our messages were people—both employees and customers. It was paramount for us to give them peace of mind. We did this by reinforcing the importance of exercising caution, along with emphasizing the measures taken by the organization to limit the spread of the virus."

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Muna Al Gurg, Director, Easa Saleh Al Gurg Group

**Which measures are/have been most important for you to deal with the effect of the Covid-19 crisis?**

**Global 2020 (top three)**



53%

Securing long-term customer relationships



48%

Secure liquidity



44%

Retaining key staff

**UAE 2020 (top three)**



61%

Securing long-term customer relationships



53%

Intensive communication with stakeholders

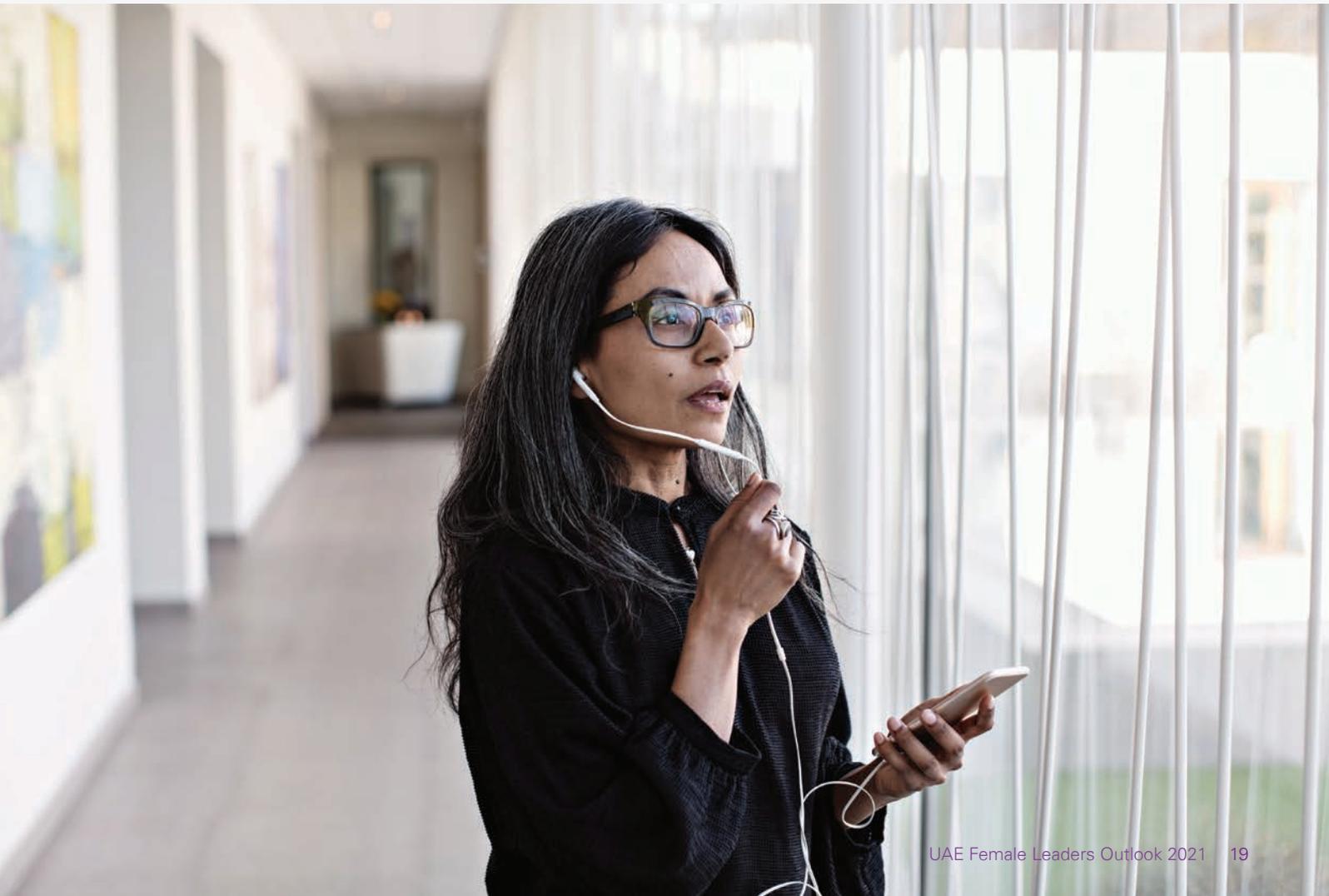


44%

Retaining key staff

*Multiple choice*

*Source: KPMG 2020 Global Female Leaders Outlook, KPMG 2020 UAE Female Leaders Outlook*



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