

Pursuing net-zero

Almost one-third of CEOs in the UAE, or 32%, said they believed implementing a net-zero strategy would be key to accelerating their environmental, social and governance — or ESG — strategy in the next three years. That figure was considerably lower for CEOs worldwide at 19%. The biggest barrier to achieving net zero was a lack of appropriate technology solutions for tracking and measuring performance, according to 52% of local respondents.

Since 2012, the UAE has been a regional leader in tackling climate change, as it aims to become a global hub for the green economy and circular economy principles.⁹ In 2021, the UAE became the first Gulf country to commit to net-zero emissions by 2050. Together with the U.S., it launched the Agriculture Innovation Mission for Climate, with the goal of doubling investment in climate-smart agriculture and food systems in order to spur low-carbon growth and enhance food security. In 2023, the UAE will host COP28, the 28th United Nations Climate Change Conference.¹⁰

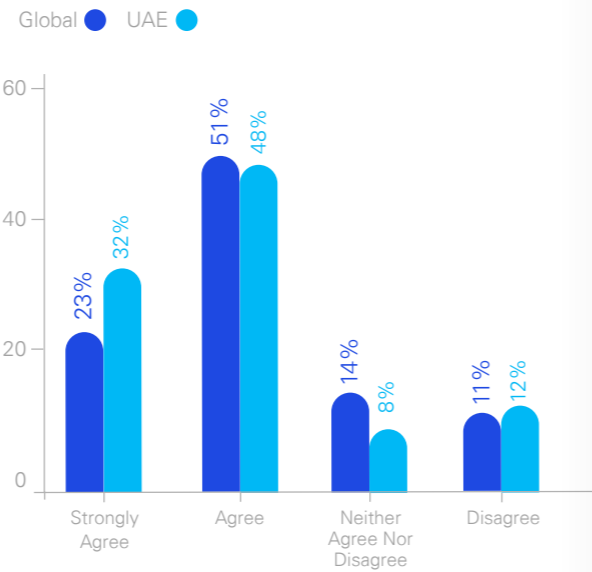
Still, in the UAE, only 20% of CEOs viewed ESG as improving their firms' financial performance, in contrast to 45% worldwide. Notably, this 20% is a drop from the UAE's 2021 figure of 44%.

This trend is also mirrored in the CEOs seeing demand from stakeholders to increase reporting and transparency on ESG, which, for the UAE, dropped from 84% to 68%. This might be explained by a shift in focus onto other strategic avenues—possibly digital transformation.

In the UAE, 65% said the most pressure came from institutional investors, compared to just 34% worldwide. The UAE findings remain consistent from the previous year in terms of the stakeholder applying the greatest pressure: in 2021, 52% cited institutional investors, followed by regulators (24%). Globally, strong pressure also came from regulators and employees/new hires. Ultimately, regardless of where the demand comes from, CEOs today recognize that ESG is not an issue they can afford to ignore.

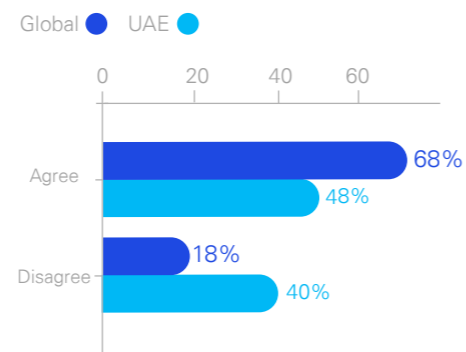
To what extent do you agree with the following statement?

Our organization's digital and ESG strategic investments are inextricably linked.



Thinking about inclusion, diversity and equity, to what extent do you agree or disagree with the following statement?

The scrutiny of organizations' diversity performance will continue to increase over the next 3 years.



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