

Transforming the future

is something that Dubai, and the United Arab Emirates as a whole, have spent a great deal of time thinking about.”

* *Feryal Ahmadi*

IOD's Global Trade Partner

DMCC



Introduction

I am here to discuss and debate the important relationship between business, corporate governance, sustainability, and responsibility. Both time and place are apt for this subject.

The business landscape has shifted to a point now, where there really is widespread awareness of sustainability and corporate governance. And there's a genuine understanding around why they should be taken seriously. Fifteen years ago, an event on sustainability and corporate governance wouldn't have secured the level of interest that is self-evident now. Taken as a whole, environmental, social and governance-related activity was typically disconnected from core strategy till a decade ago.

For some, it was enough to launch ad hoc initiatives to comply with regulations, or deal with emergencies. For others, incremental changes to boost their “green credentials” sufficed. But largely speaking, there was a general lack of understanding that sustainability and corporate governance have a direct impact on business results. The measure of success was all too often the avoidance of failure, and most companies took a fragmented approach to these issues, that are front of mind today.

Dubai

But of course, hindsight is a wonderful thing, and the objective is not to

lay blame on the past, but to, seize the opportunity to transform the future. And transforming the future is something that Dubai, and the United Arab Emirates as a whole, have spent a great deal of time thinking about.

In fact, we have whole government departments dedicated to understanding the future, and next year, we'll open The Museum of the Future. If anyone knows just how quickly things can change, with a strong vision and a commitment to make a difference, it's Dubai! Today, Dubai is one the most visited in the world. But this is a far cry from our beginnings as a small fishing village on the edge of the desert in the 70s. Just over 40 years ago, the city had a population of just over 183,000.

However, fast forward to today, the emirate is one of the most connected places on earth, one of the most visited, and without doubt, a driver of global business. Naturally, everyone connected to Dubai is immensely proud of its remarkable growth journey. But the city is far from self-interested, and it certainly does not plan to rest on its laurels or laud its own success. Quite the contrary in fact!

The UAE Plan

The UAE Government recognises the responsibility that comes with the position it now holds on the global stage. And our leadership understands the need to work with others, in partnership, to inspire positive action for the collective good worldwide. So, when the 193

United Nations member states decided to adopt the 2030 Agenda back in 2015 – the UAE made immediate plans to embrace the 17 Sustainable Development Goals as official government policy.

The UAE set about creating the National Committee on SDGs to facilitate, monitor and report progress on how the SDGs were being implemented across the country. UAE was one of the first countries to report progress back to the UN, and these committees continue to do great work today. In the UAE, the UN's 2030 Agenda is officially recognised as a roadmap to a brighter future for all.

Influencing the Business World

This bright future cannot be delivered in isolation. Government must set the example for business. The UAE Government is very much aware of this, and has made it very clear, that there is not a choice to be made between, being competitive, and maintaining high standards of corporate governance. Growth cannot be at the expense of doing things in the right way.

The UAE officials have been vocal in their message that it will support businesses with a good governance structure because they are more sustainable; attract more investment; and are more competitive in the marketplace. It's simple – businesses with a clear purpose, strong values and meaningful beliefs do better in the long term.

According to KPMG – more than 90 per cent of the world's top 250 companies now produce an annual report on CSR. Other research indicates that in Britain, almost two-thirds of companies already invest in corporate social responsibility programmes. About 64 per cent of mid-sized businesses have committed to ethical behaviour through corporate social responsibility. In the modern world it seems, commercial success will go to those capable of articulating purpose and demonstrating value – sustainability and strong corporate governance are essential.

Corporate Governance

These figures are encouraging, and I would now like to spend a few moments on what we're doing at DMCC. You saw the video earlier, and yes it's true – we are the world's leading free zone, an award-winning institution, with 16,000 companies registered with us. Taken collectively, the companies registered in DMCC contribute over 10 percent to Dubai's GDP and in short, we're the largest and most successful in our field, but this wasn't always the case.

We started small in 2002 and much like Dubai, against the odds, we've grown exponentially. But crucially, underpinning this growth has always been strong corporate governance structure. Tasked with strengthening Dubai's position as a global hub for trade, when engaging with others internationally, we not only represent ourselves but the UAE government as a whole. With that comes a responsibility, and it is imperative that corporate governance sits at the heart of everything we do, and as COO, I'm glad to say it does.

Sustainability

In terms of sustainability, our relationship with the subject has evolved. We're now one of a very small number of free zones around the world that reports on its social, environmental and economic impact through our annual DMCC Sustainability Report. This has been well received.

We have also just launched our innovative Smart and Sustainable

District Strategy. Powered by 5G, the project will completely transform the lives of the 100,000 people who live and work in our district. But I must say, one of the things I am most proud of at DMCC, is the recognition of our sphere of influence.

In 2017, DMCC signed up to the UN Global Compact – the world's largest corporate sustainability initiative. Fantastic progress is being made, signing up to the UN's Women's Empowerment Principles being an example. But DMCC made the decision to go further. We want to inspire those around us to do better, to be better and that's exactly what we've done. We've held information sessions with our members about corporate governance, sustainability and responsible growth. We've explained to our member companies, large and small, how to sign up to the UN Global Compact and what placing the focus on sustainability will mean for their enterprise, for their customers and for their future.

DMCC is taking inspiration from our government by not focusing on our own success, and taking deliberate steps to drive positive change around us.

Conclusion

I am glad in this Convention, we are placing the spotlight on important issues with you all, to inspire positive change in our respective teams, businesses, and countries. The public support for the free market economy we all favour, depends upon business serving society – not the other way round. Pursuit of the bottom line alone will not deliver long-term success.

Even today, there are far too many companies that do not capture the significant value, that comes from maximising the opportunities good governance and sustainability offer. More needs to be done! And let's be sure to tell those around us that by working together, there is absolutely nothing stopping us from shaping the future, and ensuring business delivers value for generations to come. ■

Excerpts from the speech delivered by
* **Ms. Feryal Ahmadi**, Chief Operating Officer, Dubai
Multi Commodities Centre (DMCC) during the Inaugural
session of the 19th London Global Convention on
Corporate Governance & Sustainability held on
November 14, 2019, in London, UK.