



## ESG Imperatives Shaping the Future of Businesses in Qatar

### Introduction:

Qatar's strong economy and significant global energy market presence is playing an integral role in driving sustainability and responsibility in international commerce. The positive integration of Qatar's ESG framework is poised to provide businesses with a solid foundation for responsible practices, fostering sustainability and enhancing corporate reputation in the global market.

### Qatar's ESG landscape:

- The Qatar National Vision 2030 was launched in October 2008, which established Qatar's ambition to transform into an advanced society by focusing on four key pillars, namely: Human, Social, Economic, and Environmental<sup>1</sup>
- Qatar demonstrates a commitment to advancing environmental, social, and corporate governance, with businesses encouraged to actively contribute by leveraging recent regulations and legislations from multiple government entities

### Environmental considerations:

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<sup>1</sup> <https://www.pwc.com/m1/en/media-centre/articles/qatar-esg-journey-through-legal-lens.html#:~:text=Overview,framework%20to%20underpin%20these%20developments.>

- Qatar's energy sector faces the imperative of aligning with global ESG standards for long-term sustainability, prompting a strategic shift amid its economic reliance on hydrocarbons
- To enhance environmental resilience, Qatar is emphasizing renewable energy solutions, actively diversifying its economy away from hydrocarbons, and has established the Ministry of Environment and Climate Change in 2021 to enforce regulations and advance national environmental strategies<sup>2</sup>

### **Social dynamics:**

- Qatar's diverse and expanding workforce underscores the importance of prioritizing fair labour practices and human rights within businesses operating in the region
- ESG principles provide a framework for businesses to create positive social impacts by aligning corporate goals with the well-being of local communities, and Qatar has made significant strides, particularly in areas such as education, health, gender equality, disability rights, and labour rights

### **Governance and business ethics:**

- Qatar has taken measures to enhance corporate governance and transparency, including the issuance of the Governance Code by the Qatar Financial Markets Authority to encourage compliance among listed companies<sup>3</sup>
- The QFMA's efforts to enforce financial disclosure regulations, uphold high corporate governance standards, and enforce anti-corruption laws indicate a commitment to fostering a responsible business environment

### **Challenges and opportunities:**

- While integrating ESG principles may pose challenges, they also present opportunities for innovation and market differentiation such as investment from ESG focused funds, operational efficiency through sustainable practices, regulatory compliance, ethical and sustainable workforce, and brand enhancement
- Businesses that proactively address ESG considerations are better positioned to thrive in a changing global landscape

### **Recommendations for businesses in Qatar:**

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<sup>2</sup> <https://environmentalmigration.iom.int/iom-and-migration-environment-and-climate-change-mecc>

<sup>3</sup> <https://www.cisi.org/cisiweb2/cisi-website/misc-pages/qatar-qfma>

- To navigate the changing landscape effectively, businesses in Qatar should prioritize ESG integration by focusing on transparent governance, ethical practices, and sustainable innovation
- The long-term benefits include enhanced resilience, improved stakeholder relationships, and access to emerging markets

**Conclusion:**

As ESG principles gain prominence globally, aligning with ESG values can benefit organizations to contribute to a sustainable future and also secure their positions as responsible corporate citizens. With the Qatar National Vision 2030 on the horizon, it will be exciting to see Qatar develop its ESG framework and establish itself as an ESG leader in the region.