

# An investor's perspective

A one-on-one with Cristina Ungureanu

## **In the Middle East, what efforts are underway to improve the percentage of women serving on boards?**

Countries are sharply moving the diversity agenda forward. While women are entering and are present in the workforce, gender diversity is yet to take root in company boardrooms. In the past, this was mostly due to cultural barriers, but things have started to visibly change, and we should expect this to be progressive. It is important to understand that, locally, companies and institutions implement gender diversity policies and see gender diversity not as something which is only applicable to senior positions or the board level, but rather as a cycle which starts with promoting more women to manager levels. This ensures that companies have a pool of capable women to promote and hire at the subsequent levels.

Trends in ESG also have risen to the top of the authorities' agenda. Companies are working towards linking their growth strategy to a wider societal purpose, committed to fostering inclusive and diverse environments. In Qatar, recent initiatives by the Qatar Stock Exchange will certainly lead to important shifts in approach by companies. The QSE introduced voluntary ESG guidance to assist all listed companies wishing to incorporate ESG reporting into their existing reporting processes, which includes indicators such as board diversity and women in the workforce. The QSE also launched the first sustainability platform in the region to encourage listed companies to disclose their reports on sustainable development. This year, the QSE launched the MSCI QSE 20 ESG Index, which is designed to identify the top 20 securities in the MSCI Qatar IMI Index that demonstrate the best ESG profile. I believe the region is on the right track. It will take time, but the initiatives in place will certainly lead to important results.

## **Is there a particular view on quotas versus voluntary measures, both within and outside the region?**

While quotas have helped improve female representation on boards in some countries, I believe that defining quota systems should depend on the specifics of the culture and society in which they operate. In a talent-driven and increasingly diverse society such as in this region, the business case for gender diversity is clear. Here there is a very relevant focus on quality rather than quantity. It is not only about achieving certain numbers or targets, but it is mostly about adopting the right mindset about how to evolve corporate culture. Companies should not see gender diversity as a simple regulatory imperative but rather as a business priority. Gender diversity is linked to value creation and the success of the business—this needs to be the main driver.

## **In general, globally, how has the conversation on boardroom diversity changed in recent years from an investor perspective? In the past decade?**

Gender is only one dimension of board diversity that has been the focus of a sustained, multifaceted push for some time. For investors and companies, other diversities are also important, such as age, professional, personal, and educational background, and geographical provenance. The key will be how to create more diversity of mind. Greater diversity leads to innovation and creativity, and it increases the chances for long-term success.

Board diversity is also a leadership challenge to be reckoned with. Most directors see value in diversity, but the ultimate objective is its true implementation—challenges to board diversity come both from within and outside the boardroom. It needs to be part of the corporate cultural journey. Investors are looking beyond numbers: Diversity alone is not enough, the aim should be inclusion. Diversity and inclusion in a company from the top to the bottom, and from the bottom up, improve the culture of the company, and the oversight of culture is directly related to an organization's success or failure. Diversity and inclusion will be a source of competitive edge and a key enabler of growth and value creation.

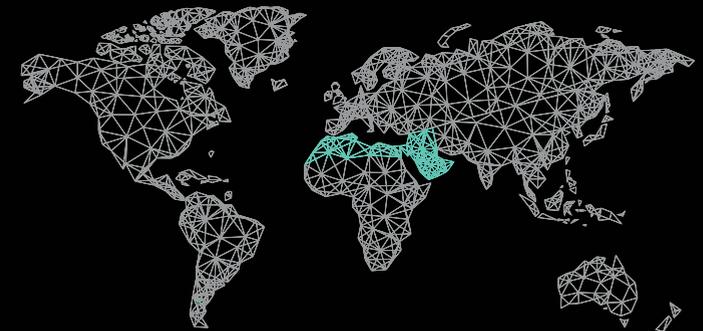
## **The numbers are slightly lower for women serving in executive roles. Is this the next big trend?**

Promoting more women in managerial levels will ensure companies have a sufficient pool of women to promote and hire at each subsequent level, who then can be developed for senior management and board positions. Therefore, leadership training and mentoring programs are very important to create a pool of capable women. Diversity within management levels is a key factor of corporate success for the companies in which we invest, as it gives a signal on the quality of corporate governance and leadership; it is an essential part of running a sustainable business; and it is a fundamental part of addressing cultural change.

When we look at investors in this region, diversity is becoming an important issue, and this is an important role that our sector can play. I strongly believe in the power of investor stewardship through engagement with investee companies in all sectors to advance gender representation on boards of directors and senior management teams.

Cristina Ungureanu was appointed governance manager at the Qatar Investment Authority (Doha, Qatar) in November 2021.

Previously, she was head of corporate governance at Eurizon Capital, the asset management company of Intesa Sanpaolo, a leading Italian banking group. Earlier, she worked in corporate and academic environments in South Africa, the United Kingdom, and Italy, providing high-level corporate governance consulting and research to a diverse range of institutions. Ungureanu is co-chair of the ICGN Global Governance Committee, a member of the European Corporate Governance Institute, and a member of the Scientific Committee of the Italian Association of Non-executive Directors.



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