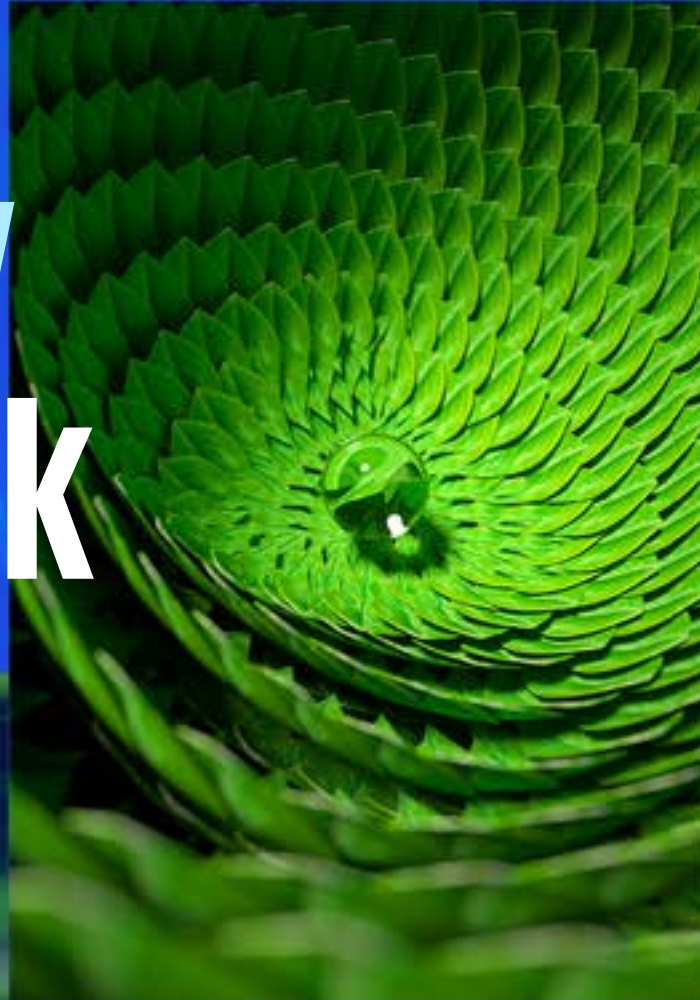




Sustainability outlook

Reporting and assurance
trends in the UAE



Contents

01

**Sustainability as
strategic imperative**

02

**Emerging
themes**

03

Key findings

04

**Sustainability in
practice: UAE's
reporting outlook**

05

**UAE sustainability
assurance outlook**

06

Methodology

Sustainability as a strategic imperative

Globally, ESG reporting is transitioning from voluntary disclosures to mandatory frameworks in a number of jurisdictions, driven by investor demand, regulatory requirements, and societal expectations. Standards such as ISSB, GRI, and TCFD are shaping how organizations measure and communicate sustainability performance. This global shift underscores that ESG is no longer a compliance exercise; it is a strategic imperative influencing capital flows and corporate reputation.

In the United Arab Emirates, sustainability is a national priority embedded within the country's long-term development vision.

Through the UAE Net Zero by 2050 strategic initiative, the nation is enhancing energy efficiency, expanding renewable energy, adopting sustainable transportation and green building practices, and implementing nature-based solutions and carbon capture technologies.

The UAE's proactive approach to climate action reflects its ambition to lead the transition to a sustainable, low-carbon future while driving

economic and societal progress. Through these efforts, the country is building a resilient and inclusive economy, positioning itself as a global leader in green technologies, and supporting decarbonization efforts worldwide.

ESG becomes a strategic differentiator: strong reporting helps attract investment, drive innovation, and build global credibility. By integrating ESG into strategy and operations, companies unlock long-term value and access opportunities in renewable energy, technology, and sustainable finance. This inaugural edition of KPMG UAE's sustainability outlook highlights key reporting and assurance trends to guide your ESG journey. This publication is intended to support boards, executives, investors, and other stakeholders as they navigate the next phase of sustainability reporting and assurance in the UAE. KPMG will continue to monitor these developments and benchmark progress across the UAE market as sustainability reporting and assurance continue to advance.



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Emerging themes in sustainability reporting

Sustainability is no longer a choice it has become a strategic imperative for businesses in United Arab Emirates. Today, we are witnessing a profound shift toward transparency and accountability, powered by Vision 2050 and reinforced by the expectations of global investors.

Moreover, ESG considerations are increasingly influencing capital allocation, corporate reputation, and long-term resilience, sustainability strategy is becoming more closely integrated with broader business strategy and performance management. Companies are moving beyond compliance-driven disclosure toward more structured, decision-useful sustainability information that supports transparency and comparability across the market.

Our analysis highlights several themes shaping the evolution of sustainability reporting and assurance practices in UAE.

UAE Federal Climate Change Law and emissions reporting obligations

The UAE's Federal Decree-Law No. 11 of 2024 on Climate Change, effective from 30 May 2025, establishes the region's first comprehensive legal framework mandating all UAE-based companies -including those operating in free zones - to measure, report, and reduce greenhouse gas emissions.^{10.1} Large emitters (≥ 0.5 million tCO₂e per year) are required to register with the National Register for Carbon Credits (NRCC) by 28 June 2025, in line with Cabinet Resolution No. 67 of 2024, which sets national GHG accounting and reporting standards. We believe such laws and regulation represents a significant milestone in strengthening climate governance in the UAE and reflects the country's growing commitment to enhancing transparency, accountability, and corporate participation in national decarbonization efforts.

ISSA 5000 (Sustainability Assurance Standard)

The introduction of ISSA 5000, the first global sustainability assurance standard, marks a key step toward improving the quality and consistency of ESG assurance. In the UAE, regulators and professional bodies are exploring its relevance within the local regulatory and reporting landscape. Although not yet formally adopted, ongoing sustainability initiatives indicate growing momentum toward stronger assurance of sustainability information.

Sustainable finance and green investment

Financial institutions in the UAE are targeting large-scale sustainable finance, with commitments ranging from US\$30 billion to AED 500 billion by 2030. Green bond and sukuk issuances from the UAE recorded US\$3.8 billion in 2024, the highest level recorded in the GCC. These commitments are supported by the UAE's regulatory and strategic frameworks, including the Climate Transition Planning Principles (2025), which guide institutions in governance, risk management, and disclosure of climate-aligned financing.

Growing momentum in sustainability reporting

Sustainability disclosures in the UAE continue to increase, reflecting rising investor expectations and companies' commitment to improving ESG transparency and strengthening sustainability reporting practices.

Increasing adoption of global reporting frameworks

Companies are progressively aligning their sustainability disclosures with recognized international frameworks, with GRI emerging as the most used standard for sustainability reporting.

Growing Alignment with IFRS S1 and S2 in UAE

While IFRS S1 and IFRS S2 have been issued globally, their formal adoption across the UAE continues to evolve. However, in line with the

UAE's increasing emphasis on sustainability, climate action, and transparent corporate reporting - including initiatives such as the UAE Net Zero 2050 Strategic Initiative and broader ESG objectives - an increasing number of companies are beginning to incorporate disclosures aligned with the principles of IFRS S1 and IFRS S2 related to governance, strategy, metrics and targets particularly around assessment of climate-related physical and transition risks.

Rising focus on sustainability assurance

Organizations are gradually adopting independent assurance over sustainability information to enhance credibility, reliability, and stakeholder confidence in ESG disclosures.

Strong alignment with international assurance standards

Sustainability assurance practices in the UAE largely follow internationally recognized standards, demonstrating the market's commitment to global best practices and high-quality assurance engagements.

Shift toward integrated and annual reporting models

While Sustainability Reports remained constant, companies are progressively moving towards integrated and annual reporting models. This reflects a stronger linkage between ESG performance, governance, risk management, and financial reporting, supporting more decision-useful and coherent corporate disclosures.

10.1 is the reference to our methodology section

Key findings

Sustainability reporting outlook

In 2024, a 10 percent increase indicated a growing commitment among listed companies in United Arab Emirates to publish sustainability information and enhance transparency.

ESG disclosures in 2024 showed steady growth from 2023, driven by investor expectations, and the pursuit of stronger ESG ratings. 136 listed companies in the United Arab Emirates published sustainability information, compared to 124 companies in 2023.^{1, 2, 3, 4}

Out of 136 published sustainability reports, 83 were standalone sustainability reports, 41 were integrated reports, and 12 included sustainability disclosures within annual reports, reflecting the different approaches companies take to communicate their ESG performance.^{1, 2, 3}

Reporting frameworks used and leading industries

Out of the 136 companies publishing sustainability information, 77 adopted GRI as their primary standard, making it the most widely used reporting framework in United Arab Emirates.^{1, 2, 3, 6}

Thirty-nine percent of reporting companies applied the GRI framework. Companies also applied other standards or guidelines, with sustainability disclosures aligned with GRI.^{1, 2, 3, 6}

Financial services, industrial and manufacturing, and consumer and retail were identified as the leading sectors with the highest number of sustainability reporters.⁵ Across all sectors, a growing number of companies are also placing greater emphasis on disclosing the social aspects of sustainability, reflecting increased attention to areas such as workforce well-being, diversity and inclusion, community engagement, and responsible business practices.

Sustainability assurance outlook

Assurance over sustainability reports has increased, with 12 companies obtaining third party/independent assurance in 2023 and 17 in 2024.^{1, 2, 3, 7}

In 2024, sustainability reporting saw notable progress in both quality and depth, with many companies strengthening their disclosures, aligning more closely with global standards, and incorporating assurance planning into their updated sustainability strategies, setting the stage for wider assurance adoption in the future.

Sustainability assurance standards and level of assurance

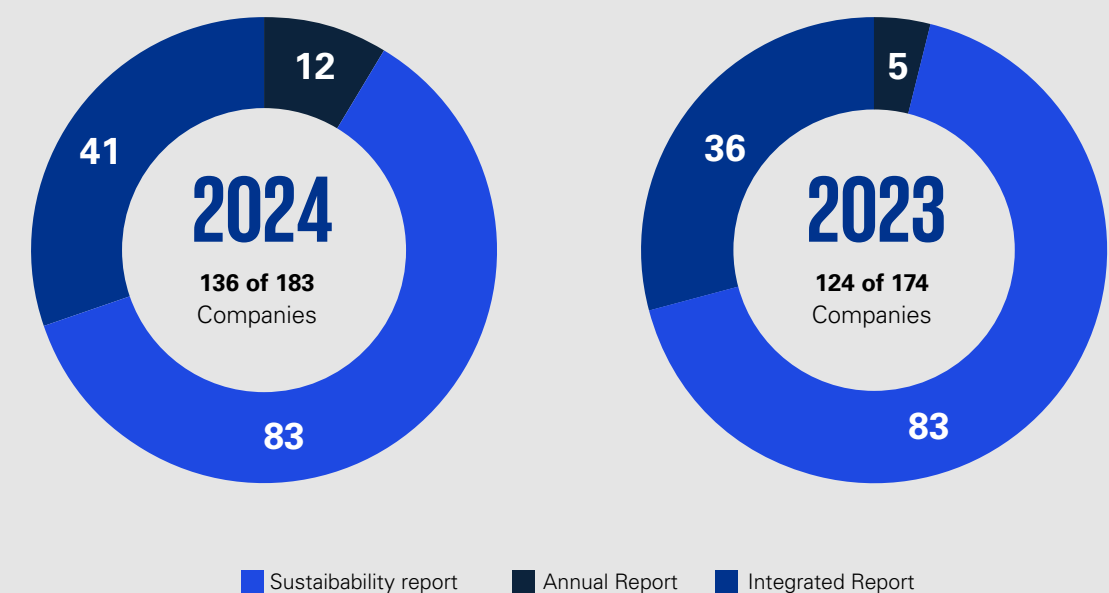
Eighty-eight percent of practitioners in the UAE applied ISAE 3000 (Revised) and ISAE 3410 for their engagements, while only 12 percent utilized alternative standards.^{1, 2, 3, 7}

Assurance practices strongly align with international standards issued by the International Audit and Assurance Standards Board (IAASB). Notably, the prevailing use of these standards reflects the market's strong commitment to international best practices, ensuring credibility and consistency in sustainability assurance.

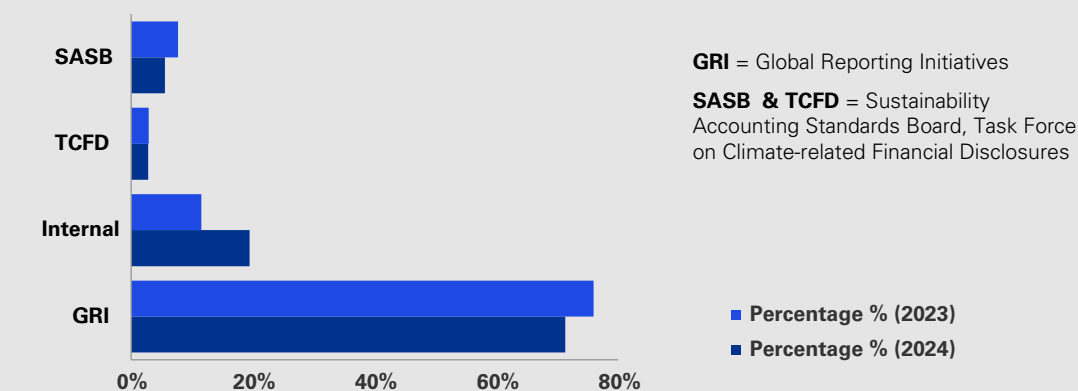
1, 2, 3, 4, 5, 6, 7 are references to the methodology section.

Sustainability in practice: the UAE's reporting outlook

Number of listed companies publishing sustainability information along with the type of reporting format^{1, 2, 3, 4}



Sustainability reporting standards, frameworks and guidelines applied^{1, 2, 3, 6, 7}



Companies often reference multiple sustainability standards within a single report (e.g., GRI alongside SASB, TCFD, etc.). As a result, the percentages indicate the share of reports that reference each standard individually, rather than representing mutually exclusive categories. The internal criteria are based on SCA guidelines.

1, 2, 3, 4, 6, 7 are references to the methodology section.

Leading sectors publishing sustainability information^{1, 2, 3, 5}

The comparison table illustrates the growing momentum of sustainability reporting across sectors in the UAE between 2023 and 2024. It highlights the number of companies disclosing ESG information.

Notably, sectors like technology and communication, and consumer and retail, saw the most significant growth, reflecting a broader shift toward sustainability beyond traditionally dominant industries.

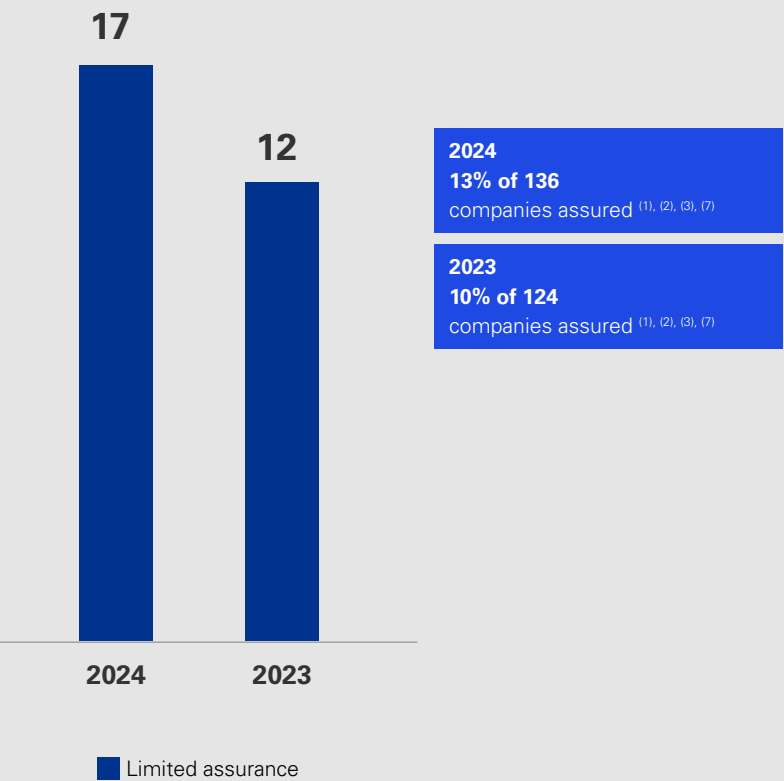
This surge underscores the expanding reach of ESG practices across the economy, driven by strategic alignment with UAE Vision 2050, investor expectations, and evolving market standards.



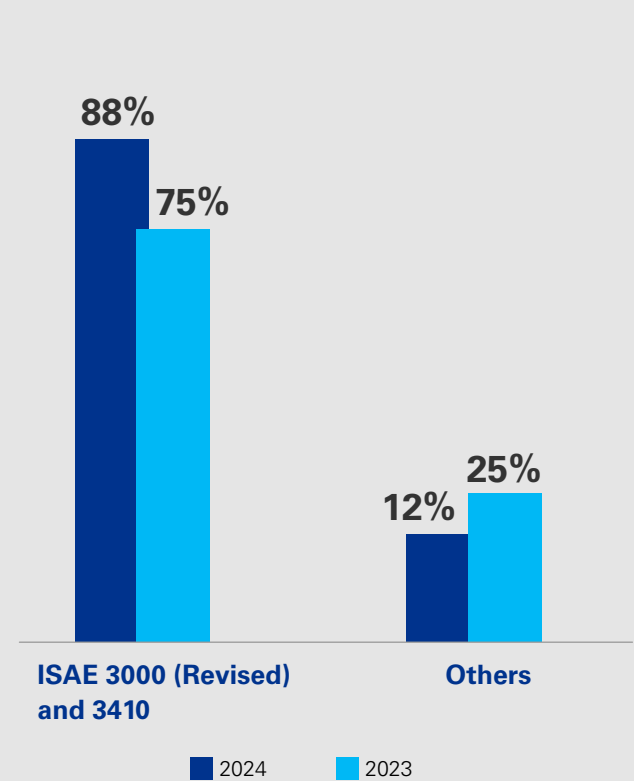
1, 2, 3, 5 are references to the methodology section.

UAE sustainability assurance outlook

Number of listed companies obtaining third party/ independence assurance^{1, 2, 3, 7}



Use of ISAE 3000 and 3410 compared to other standards for ESG assurance^{1, 2, 3, 6}

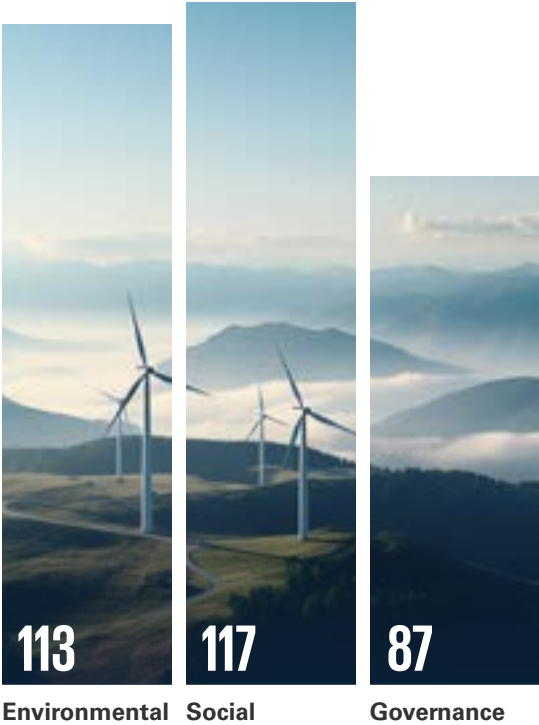


Listed companies which underwent ESG assurance in 2024^{1, 2, 3, 7}

- Dubai Islamic Bank
- Emirates NBD
- Arabian Scandinavian Insurance (Sukon Takaful PJSC)
- Aramex
- Salik Company
- Dubai Electricity & Water Authority PJSC
- Borouge PLC
- Fertiglobe PLC
- ADNOC Distribution PJSC
- First Abu Dhabi Bank PJSC (FAB)
- Abu Dhabi Commercial Bank PJSC
- Abu Dhabi Ports Company PJSC
- EMSTEEL Building Materials PJSC
- Aldar Properties PJSC
- Abu Dhabi National Energy Company PJSC (TAQA)
- DP World
- HIKMA Pharmaceuticals

1, 2, 3, 6, 7 are references to the methodology section.

Disclosure by ESG pillars^{1, 2, 3, 4}



1, 2, 3, 4 are references to the methodology section.



UAE listed companies – sustainability disclosure practices^{1, 2, 3, 4}



Scope of analysis

UAE-listed companies in ADX, DFM and NASDAQ Dubai, including entities that have published sustainability reports.



Key disclosure trends

There is a strong emphasis on environmental and social KPI reporting. Reporting practices suggest growing maturity in sustainability disclosures. Disclosures are not mutually exclusive, as companies often report across multiple categories.



Governance disclosures

87 companies disclosed governance disclosures. These are focused on board structure, ethics, and corporate policies.



Environmental disclosures

- 113 companies disclosed environmental KPIs.
- There is an emphasis on environmental performance measurement and transparency
- These are aligned with regulatory expectations and stakeholder demands.
- The disclosed environmental metrics were mostly focused on GHG emissions, which include Scope 1, Scope 2, and Scope 3 emissions, energy consumption, water, and waste management.



Social disclosures

117 companies disclosed Social KPIs. The disclosed social metrics were mostly focused on Emiratization, diversity and equal opportunity in employment, training and education, and occupational health and safety.



Methodology

1. Coverage and scope of analysis

For our analysis of sustainability-related disclosures, we reviewed 174 listed companies for FY 2023 and 183 listed equity companies for FY 2024, comprising all entities listed on the Dubai Financial Market (DFM), Abu Dhabi stock exchange (ADX) and NASDAQ Dubai.

2. Sources of information

Sustainability disclosures were retrieved from company websites and relevant stock exchange, typically located under:

- Dedicated sustainability/ESG webpages
- Sustainability section subsection in “About the Company” section of the website
- Annual reports
- Sustainability Reports available in the “Downloads” subsection in the “Investor Relations” section.

3. Data collection approach

For each company in each year, we identified:

- Whether sustainability information was published;
- Type of disclosure (sustainability report, annual report with ESG content, integrated report);

- Reporting standards referenced (e.g. GRI, SASB, TCFD etc);
- Whether external assurance was obtained;
- Assurance provider;
- Applicable assurance standard which are:
 - ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information
 - ISAE 3410, Assurance Engagements on Greenhouse Gas Statements.
- Type of assurance (limited or reasonable)



4. Classification of sustainability information

All sustainability information was categorized into three reporting types:

Sustainability reports – standalone reports focused on environmental, social, and governance matters.

Annual reports – reports primarily focused on financial performance but containing ESG related disclosures.

Integrated annual reports – Reports that combine a company’s financial performance with its non-financial information, such as sustainability, governance, strategy, risks, and future outlook.

Where a company published both sustainability and an annual report with sustainability information, the information contained in the sustainability report was considered.

5. Industry classification

Companies were mapped to industry categories using a standard sector classification based on the nature of markets to which they belonged.

6. Reporting standards

Reporting standards were collected from the “About this report” section. Any standards or frameworks listed in the appendix were also collected. Additionally, a text search for GRI, SASB, UN SDGs, TCFD etc. was conducted to identify further references within the report.

7. Information relation to assurance report

A company was considered to have obtained external assurance if an assurance statement was publicly available in:

- The sustainability report;
- The annual or integrated report; or
- The company’s website

8. Timeframe of assessment

Data collection and analysis were conducted during Q4 2025, based on disclosures available at the time of review.

9. Limitation

Our analysis is based solely on publicly available information as at the review date. Companies may have unpublished internal ESG data or may update disclosures after our assessment window.

10. References

1. [UAE Federal Decree Law No. \(11\) of 2024 On the Reduction of Climate Change Effects, August 2024.](#)

About KPMG Middle East

KPMG Middle East LLP is a part of the KPMG global organization of independent member firms that operate in 143 countries and territories and are affiliated with KPMG International Limited. We provide audit, tax and advisory services to public and private sector clients across Saudi Arabia, United Arab Emirates, Jordan, Lebanon, Oman, and Iraq, contracting through separate legal entities. We have a strong legacy in the region, where we have been established for over 50 years. KPMG Middle East LLP is well-connected with its global member network and combines its local knowledge with international expertise.

KPMG serves the diverse needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets.

Our commitment to quality and service excellence underpins everything we do. We strive to deliver to the highest standards for our stakeholders, building trust through our actions and behavior, both professionally and personally.

Our values guide our day-to-day behavior, informing how we act, the decisions we make, and how we work with each other, our clients, and all our stakeholders.



Integrity
We do what is right



Excellence
We never stop learning and improving



Courage
We think and act boldly



Together
We respect each other and draw strength from our differences



For Better
We do what matters.

Our purpose is to inspire confidence and empower change. By inspiring confidence in our people, clients and society, we help empower the change needed to solve the toughest challenges and lead the way forward.

KPMG's Our Impact Plan guides our commitments to serving our clients, people and communities across four categories: Planet, People, Prosperity, and Governance. These four priority areas assist us in defining and managing our environmental, social, economic and governance impacts to create a more sustainable future. We aim to deliver growth with purpose. We unite the best of KPMG to help our clients fulfil their purpose and deliver against the United Nations Sustainable Development Goals, so all our communities can thrive and prosper.

We are dedicated to delivering growth with purpose, helping our clients achieve their goals, and advancing sustainable progress to ensure that all our communities thrive. Empowered by our values, and committed to our purpose, our people are our greatest strength. Together, we are building a values-led organization of the future. For better.

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Further reading

[Blue bonds and climate finance in island economies](#)

[Navigating climate risk stress-tests in the financial landscape](#)

[Banking on the climate transition](#)

[Insights into banks' climate-relate disclosures](#)

[The crackdown on greenwashing](#)

[ESG reporting: A lever for transformation](#)

[ESG Regulatory Essentials](#)

[Net-zero commitments](#)

[Net Zero Readiness Report](#)

[ESG Governance Report](#)