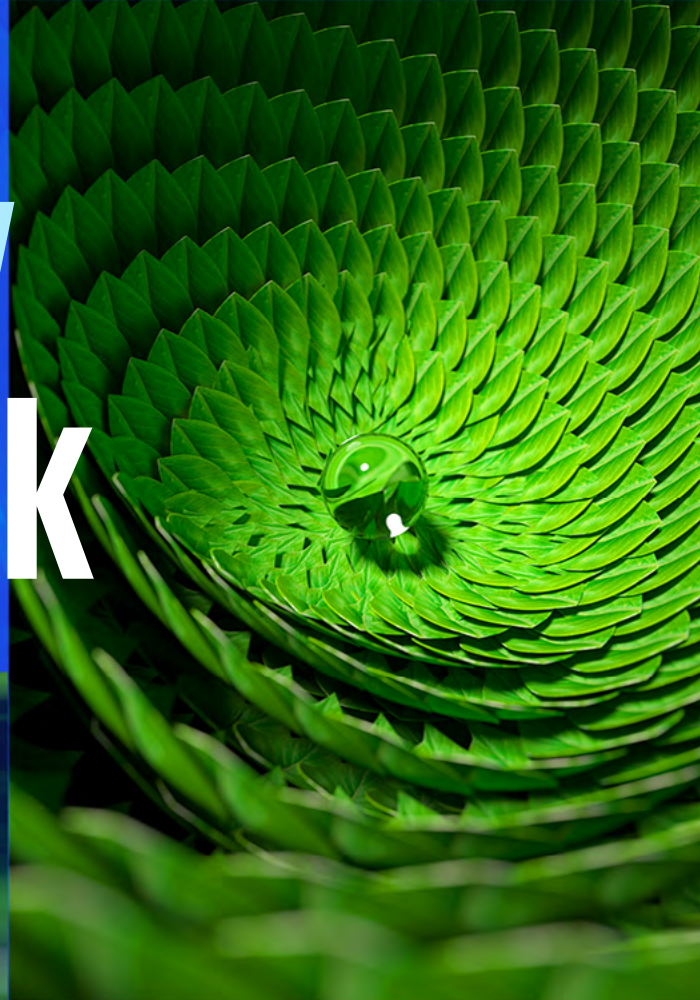




Sustainability outlook

Reporting and assurance
trends in Saudi Arabia



Contents

01

Sustainability as
strategic imperative

02

Emerging
themes

03

Key findings

04

Sustainability
in practice: ESG
reporting outlook

05

Common
sustainability
indicators
reported and
assured

06

Methodology

Sustainability as strategic imperative

Our inaugural sustainability outlook for Saudi Arabia provides an overview of the sustainability reporting and assurance landscape among listed companies in the Kingdom. It highlights emerging trends and the themes shaping how organizations are reporting on sustainability and enhancing the credibility of disclosed information.

Saudi Arabia's Vision 2030 embeds sustainability at the heart of the Kingdom's economic transformation. As the Saudi capital market continues to evolve, sustainability considerations are becoming integral to how organizations communicate performance, manage risk, and demonstrate long-term resilience to investors and wider stakeholders.

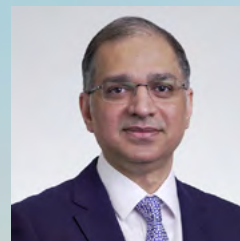
Globally, sustainability reporting is moving steadily from a voluntary exercise toward more structured and in many jurisdictions, mandatory disclosure. This evolution is being driven by growing investor scrutiny, regulatory developments, and heightened societal expectations. As a result, ESG reporting is no longer viewed as a compliance led activity, but as a strategic imperative

shaping capital flows, corporate reputation, and competitive positioning.

At the same time, international sustainability standards are also reshaping how organizations measure and communicate ESG performance, supporting greater consistency and comparability in sustainability disclosures across markets. Together, these developments signal a clear direction of travel toward more decision-useful, credible, and integrated sustainability information.

Against this backdrop, this publication offers a market-based perspective on how sustainability reporting and assurance practices are evolving in Saudi Arabia, helping stakeholders understand current practices, emerging expectations, and the direction of travel for the next phase of both market development and its collective sustainability journey.

We will continue to monitor these developments and benchmark progress across the Saudi market as sustainability reporting and assurance continue to advance.



Muhammad Tariq

Partner
Head of Audit
KPMG Middle East



Fahad Aldossari

Partner
Head of Audit – Riyadh
KPMG Middle East



Emerging themes in sustainability reporting

ESG considerations are increasingly influencing capital allocation, corporate reputation, and long-term resilience. Sustainability strategy is thus becoming more closely integrated with broader business strategy and performance management. Our analysis highlights several themes shaping the evolution of sustainability reporting and assurance practices in Saudi Arabia.

Rising momentum in green and sustainability linked bonds

Green, social and sustainability linked debt issuance is accelerating across the capital market, led mainly by the banks, reflecting stronger investor demand for credible sustainable finance.

Saudi Arabia saw strong momentum in sustainable sukuk issuance, reaching approximately US\$5 billion in 2024 and US\$4 billion in the first half of 2025 alone.^(10.1) This growth reflects the expanding role of sustainable finance in the Kingdom's capital market.

(10.1) and (10.2) are references to our methodology section.

In March 2025, the Capital Market Authority (CMA) approved the Guidelines for Issuing Green, Social, Sustainability and Sustainability-Linked Debt Instruments^(10.2) strengthening market expectations around governance, disclosure, and the quality of sustainability information supporting investor confidence.

Shift toward more structured and decision useful sustainability reporting

Market expectations around sustainability disclosure are accelerating ahead of regulatory requirements. Companies are now providing clearer disclosures on material topics, aligning more closely with international frameworks such as GRI and TCFD, and reporting metrics more consistently over time. Majority of the companies issuing sustainability reports now disclose quantitative performance metrics, showing a shift from narrative reporting to more measurable, transparent, and comparable sustainability information. This market-driven evolution reflects a move away from largely narrative disclosures toward more decision-useful and comparable sustainability information.

Growing Alignment with IFRS S1 and S2 in Saudi Arabia

While IFRS S1 and IFRS S2 have been issued globally, their formal adoption in Saudi Arabia is still pending. However, in line with the Kingdom's growing focus on sustainability, Vision 2030, and climate-related transparency, more and more Companies are beginning to incorporate disclosures aligned with the principles of S1 and S2 related to governance, strategy, metrics and targets particularly around assessment of climate-related physical and transition risks.

Growing emphasis on independent sustainability assurance

Demand for independent assurance over sustainability information is increasing as stakeholders seek greater confidence in reported ESG data. While assurance practices remain at an early stage of maturity for many organizations, their role in enhancing credibility is becoming more pronounced.

Developments in global sustainability assurance standards

The Saudi Organization for Certified Public Accountants (SOCPA) has announced the adoption of the International Standard on Sustainability Assurance (ISSA 5000), which will become applicable in the Kingdom from 2027. This represents a significant milestone in strengthening the credibility and reliability of sustainability and ESG-related information reported by companies in Saudi Arabia. The adoption of ISSA 5000 establishes a globally consistent assurance framework,



enhancing the rigor, transparency, and quality of sustainability assurance engagements and supporting greater confidence among investors and other stakeholders in the reported sustainability information.

Shift toward integrated and annual reporting formats

Companies are progressively moving from standalone sustainability reports toward integrated or annual reporting models. This shift reflects a stronger linkage between ESG performance, governance, risk management, and financial reporting, supporting more coherent and decision-useful corporate disclosures. In 2024, 29 companies reported sustainability information within their integrated or annual reports alongside financial statements, compared with 9 companies in 2023, representing an increase of more than 220 percent year-on-year.

Key findings

Sustainability reporting outlook

Although ESG reporting remains voluntary, guiding document issued by CMA and Tadawul are accelerating alignment with global reporting practices. ESG disclosures increased significantly in 2024, driven by investor expectations and growing focus on ESG ratings.

Companies are aligning with Vision 2030, anticipating future regulations, and recognizing ESG as a key driver of competitiveness and reputation in a transforming economy.

In 2024, around 30 percent of the total listed companies in Saudi Arabia published sustainability information, compared with around 20% in 2023. This 10 percent rise indicates a clear upward shift in market commitment to sustainability reporting.^{1, 2, 3}

Reporting frameworks used

61 percent of reporting companies used GRI standards as their primary reporting framework, making it the most widely adopted standard in Saudi Arabia. The remaining companies relied on multiple frameworks, reflecting a blended approach to sustainability disclosure.³

Leading industries

Our analysis indicates that the telecommunication, energy, and transportation sectors have the highest concentration of sustainability reporters, with the largest proportion of companies within these sectors publishing sustainability reports compared to their respective sector totals.

Most reported indicator

Among the companies reporting sustainability information, employment-related indicators (new hires, turnover, and gender diversity) were the most commonly disclosed metrics, reported by 75 percent of companies, reflecting increased focus on workforce transparency and human capital disclosures.

Sustainability assurance outlook

Assurance uptake among Tadawul's main market listed companies remained stable in 2024, with 13 companies obtaining ESG assurance in both 2023 and 2024. This reflects a consolidation phase, as organizations focused on strengthening data collection processes and refining sustainability reporting frameworks following their initial assurance cycles.

At the same time, assurance activity is expanding beyond the main market. Nomu market, unlisted, public sector related entities and subsidiaries of PIF, are increasingly preparing sustainability reports and seeking independent assurance.



Importantly, among companies already obtaining assurance, the scope and depth of assured disclosures continued to expand in 2024. In addition to core environmental metrics, companies are increasingly extending assurance to more complex disclosures, including Scope 3 emissions and selected social metrics. This broader coverage is being supported by stronger alignment with global sustainability frameworks and more systematic integration of assurance considerations into reporting processes, indicating increasing data maturity and more robust sustainability assurance practices.

Sustainability assurance standards and level of assurance

Assurance practices strongly align with international standards issued by the International Audit and Assurance Standards Board (IAASB). Notably, 92 percent of practitioners in Saudi Arabia employed ISAE 3000 (Revised) and ISAE 3410 for their engagements, while only 8 percent utilize alternative standards. This overwhelming adoption reflects the market's strong commitment to international best practices, ensuring credibility and consistency in sustainability assurance.

Regarding the level of assurance, the prevailing trend favors limited assurance as compared to reasonable assurance. This pattern suggests that although assurance is widely adopted, organizations predominantly opted for a less rigorous assurance approach, as data maturity is still in early stages. However, it is important to note that limited assurance still provides a meaningful and robust level of assurance and remains the most commonly adopted assurance level globally.^{3,7}

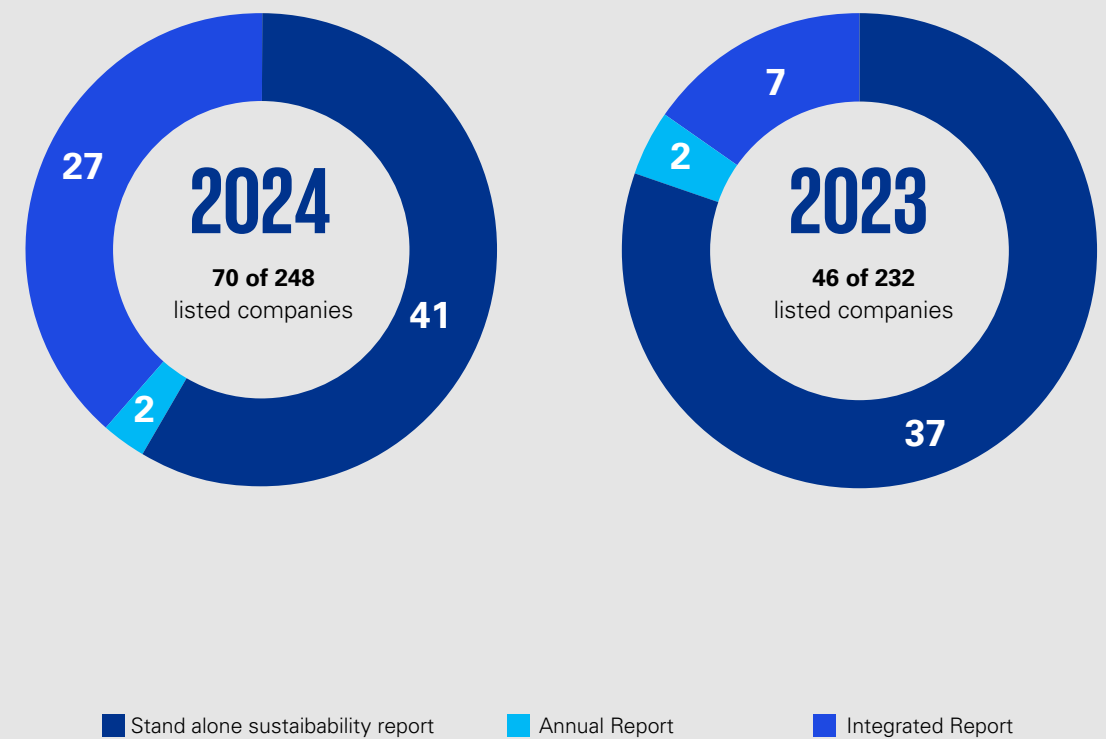
Indicators receiving assurance

Among companies obtaining sustainability assurance, Scope 1 GHG emissions represented the most frequently assured indicator, with 83 percent of assured companies obtaining independent verification over this metric, reflecting the central role of emissions disclosures in sustainability assurance engagements. Furthermore, in the context of the Kingdom's net zero target by 2060, assurance over Scope 1 emissions is particularly important for large Energy and Natural Resources (ENR) companies, given the scale of their direct emissions and their critical role in supporting the achievement of national decarbonization objectives.

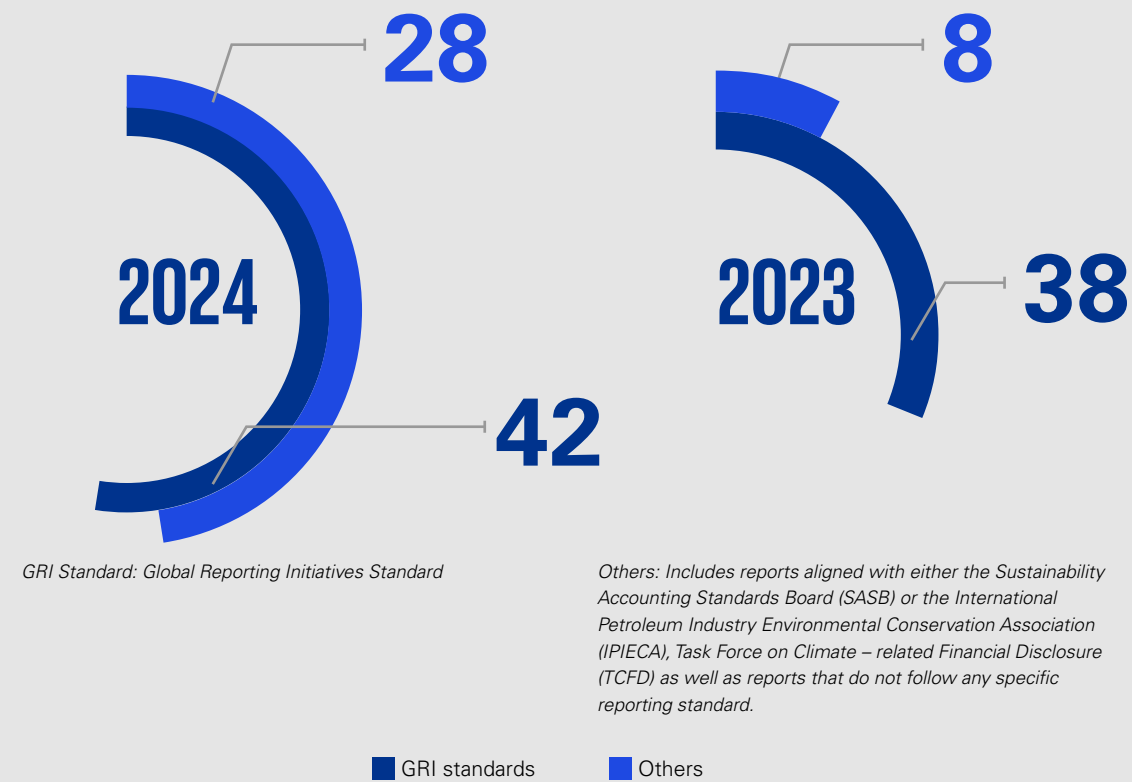
1, 2, 3, 7 are references to our methodology section.

Sustainability in practice: ESG reporting outlook

Number of listed companies in Saudi Arabia publishing sustainability disclosures along with the type of reporting format^{1, 2, 4}



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



1, 2, 3, 6 are references to our methodology section.

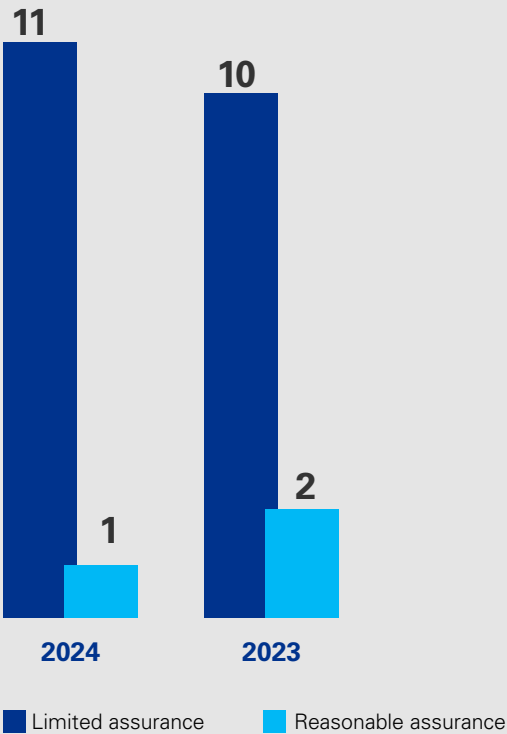
Leading sectors publishing sustainability disclosures in 2024⁵



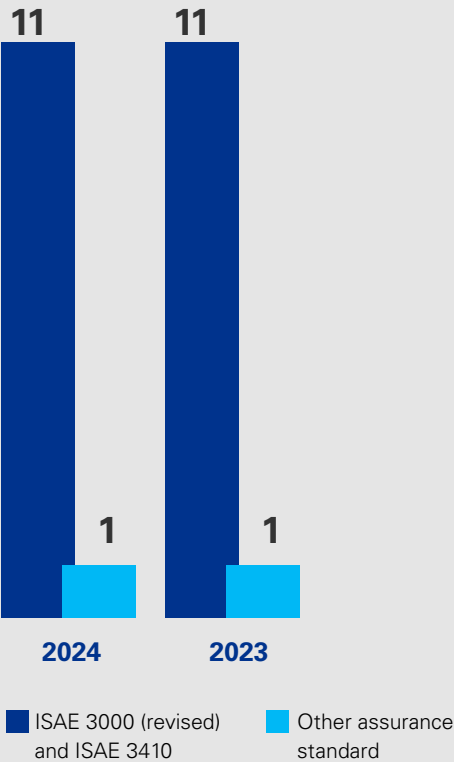
5 Is a reference to our methodology section.

Sustainability in practice: ESG assurance outlook

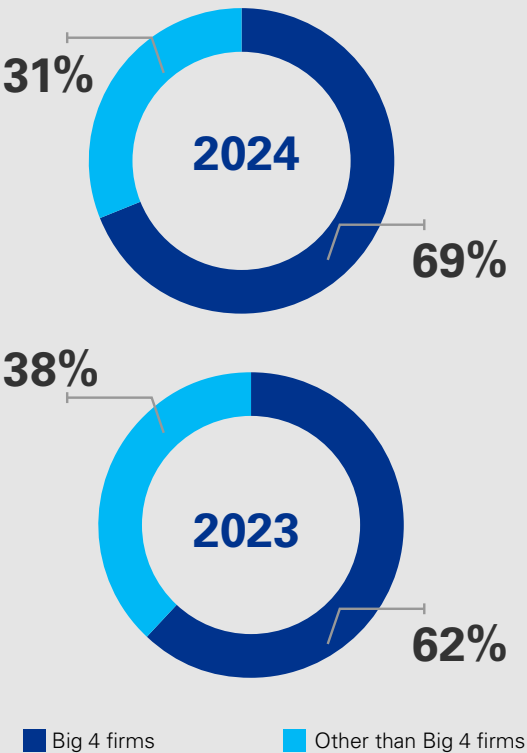
Number of ESG assurance reports as per the level of assurance^{3, 7}



Number of ESG assurance reports as per the assurance standard^{3, 7}



Number of assurance reports as per the assurance providers^{3, 7, 11}



Listed companies which obtained ESG assurance in 2024

- SABIC
- Saudi Energy
- Alinma Bank
- SAB
- MEPCO
- TASNEE
- Tanmiah
- ACWA Power
- City Cement Company
- Ma'aden
- Almarai
- Saudi Aramco

3, 7, 11 are references to our methodology section.

Common sustainability indicators reported and assured



Common Sustainability indicators that were reported in 2024 sustainability reports^{2, 3, 4}

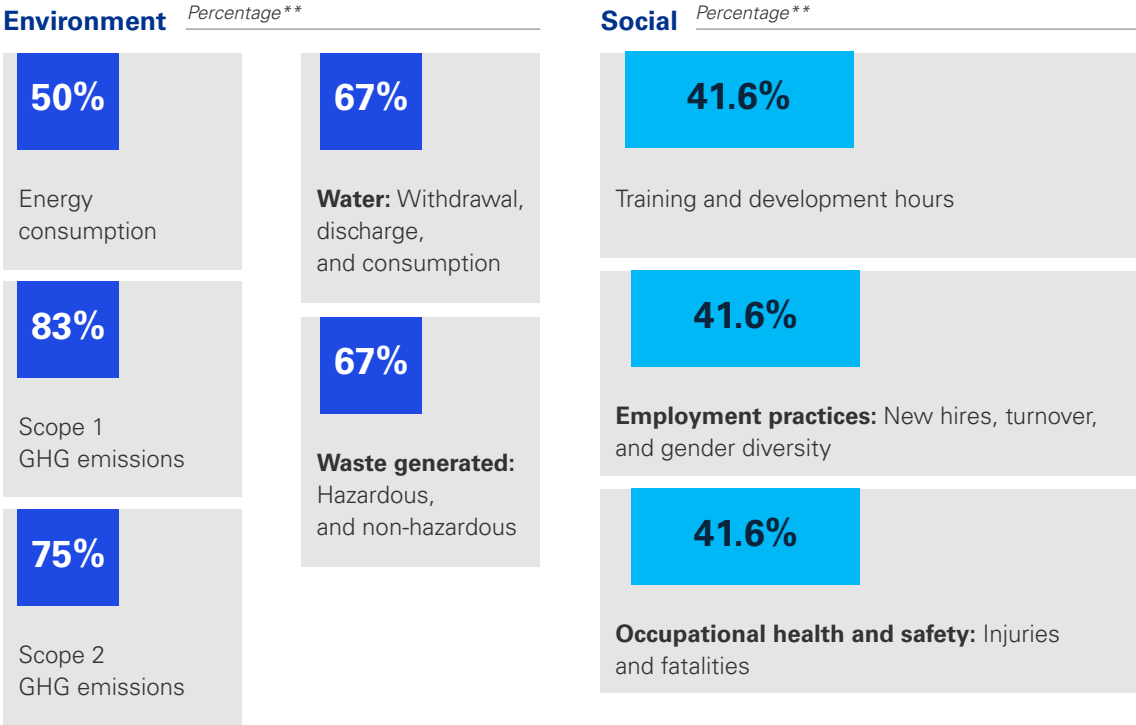


* Represents percentage of companies that are reporting these KPIs out of 70 companies performing sustainability reporting.

** Percentages indicate, out of the 12 companies listed that obtained sustainability assurance in Saudi Arabia, the proportion that received assurance for each KPI.

2, 3, 4 are references to our methodology section.

Common sustainability indicators assured^{2, 3, 4}



Methodology

1. Coverage and scope of analysis

For the analysis of sustainability-related disclosures, we reviewed all entities listed on the Saudi Stock Exchange (Tadawul) Main Market. This included 232 listed companies for FY 2023 and 248 listed companies for FY 2024, as of 31 December 2023 and 31 December 2024, respectively. The scope of analysis was determined in accordance with the Tadawul Main Market Annual Statistical Reports.

2. Sources of information

Sustainability disclosures were collected from publicly available information on company websites, typically found in the following locations:

- Dedicated sustainability or ESG webpages
- Sustainability sections or subsections within the “About the Company” webpage
- Annual reports
- Sustainability reports available under the “Downloads” subsection of the “Investor Relations” section.

3. Data collection approach

- For each company and each reporting year, the following information was identified and reviewed:
 - Whether sustainability-related information was published;
 - Type of report (e.g., sustainability report, annual report with ESG content, or integrated report);
 - Reporting standards referenced (e.g., GRI, SASB, ISSB IFRS S1/S2);
 - 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 related information was categorized into the following three reporting types:
- Sustainability Reports – Standalone reports focused on environmental, social, and governance (ESG) 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 a sustainability report and an annual report containing sustainability information, the sustainability report was used as the primary source for analysis.

5. Industry classification

Companies were mapped to industry categories using Tadawul’s official sector classification, as published in the 2023 and 2024 Annual Statistical Reports. Industries which have highest number of reporters in that industry have been identified as leading sectors.

6. Reporting standards

Reporting standards and frameworks were identified primarily from the “About this Report” section of each publication. Any standards or frameworks referenced in the appendices were also captured. Where a company used multiple reporting standards or frameworks, we selected the dominant standard, based on our understanding and reading of the report.

7. Information relation to assurance report

A company was considered to have obtained external assurance where a publicly available assurance statement was identified in any of the following sources:

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

8. Timeframe of assessment

Data collection and analysis were conducted during Q3 2025, based on information publicly available at the time of review.

9. Limitation

This analysis is based solely on publicly available information as of the review date. Companies may have unpublished internal ESG data or may update their disclosures after the assessment period.

10. References

1. [Bloomberg NEF Report , “Scaling Sustainable Debt in Emerging Markets”, November 2025, Page 4.](#)
2. [Capital Market Authority, “Guidelines for Issuing Green, Social, Sustainable, and Sustainability-Linked Debt Instruments”, May 2025”](#)

11. Big Four Firm

Big four firms represents KPMG, PwC, EY, and Deloitte.

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.

Contact us



Muhammad Saad Hasheem

Partner

ESG Assurance Leader
KPMG Middle East
mhasheem@kpmg.com



Muhammad Walid Azhar

Associate Director

ESG Assurance
KPMG Middle East
muhammadazhar2@kpmg.com

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-related disclosures](#)

[The crackdown on greenwashing](#)

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

[ESG Regulatory Essentials](#)

[Net-zero commitments](#)

[Net Zero Readiness Report](#)

[ESG Governance Report](#)

Follow us on:



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG Middle East LLP, a Jersey limited liability partnership, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Designed by KPMG ME Design Studio

Publication name: Sustainability outlook: Reporting and assurance trends in Saudi Arabia

Publication number: 6191

Publication date: June 2026