



LEADING
by **EXAMPLE**



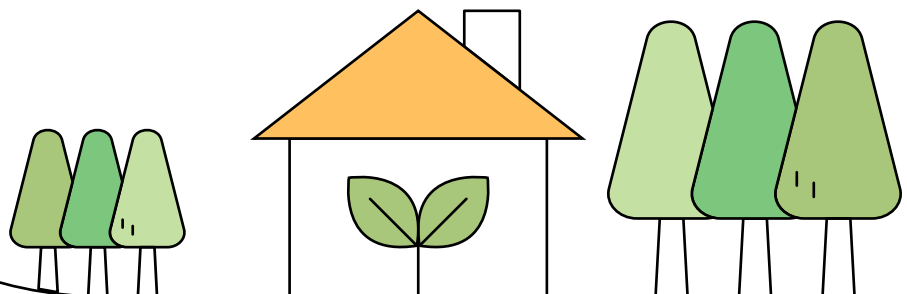
5th edition

MENA ESG Report 2025

Developed by Cicero & Bernay Communication Partner.

Copyright **DECLARATION**

Cicero and Bernay© (C&B) MENA ESG Survey Report 2025.
All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in case of brief quotations embodied in critical reviews and certain non-commercial uses as permitted by copyright law.



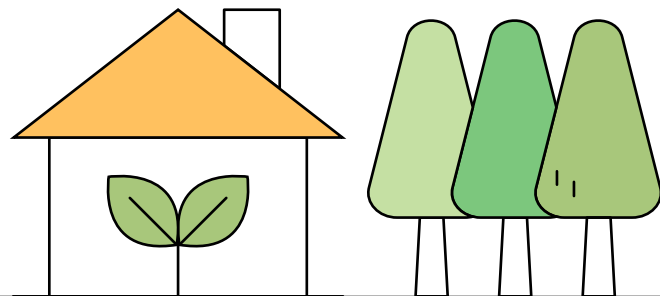
FOREWORD

ESG, or the Environmental, Social, and Governance framework, has seen its considerations evolve significantly, shaping the way businesses operate, engage with communities, and drive sustainable impact.

In the MENA region, this is no longer a supplementary concern - it is a critical framework that defines corporate responsibility, investor confidence, and long-term resilience.

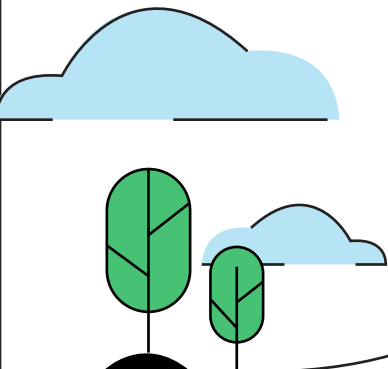
As organizations navigate the complexities of a rapidly transforming global economy, integrating ESG principles is paramount to transparency, innovation, and sustainable growth. This document underscores key insights, regional trends, and the evolving sentiment towards MENA ESG.

Moreover, it aims to create a tangible mapping of the region's performance, gain actionable takeaways and build upon the framework in the context of the Middle East, where ESG is seeing prominent growth.



**We're living in a
stakeholder
economy.**

**It's time we start
acting like it.**



Ahmad Itani

Founder & CEO of Cicero & Bernay



“With the MENA region well-positioned for ESG growth, it’s only fitting that it leads the way in shaping a clear path forward.”

In the past couple of years, we've seen CSR grow measurably, and now MENA corporations are looking to do more.

With the rise in demand for differentiation through driving impact, it is essential that the region gains the guidance that it requires in order to facilitate a stronger, more impactful strategy.

The ESG framework has emerged as not only crucial for its overall impact on society, but also for the impact it can have on brands that effectively participate and create tangible results within the region.

While other global hubs have established their own unique approaches, the same strategies will not work here in the Middle East.

With the relative infancy of ESG within the region, there is no better time than now to map out a sustainable pathway forward, one that ensures ESG takes hold of every enterprise, big or small, and is tailored to the region and its unique stakeholders.

With the robust governmental support and initiatives that have perpetuated the framework’s capabilities over the years, the region is primed for businesses to make genuine impact that supersedes actions for the sake of optics.

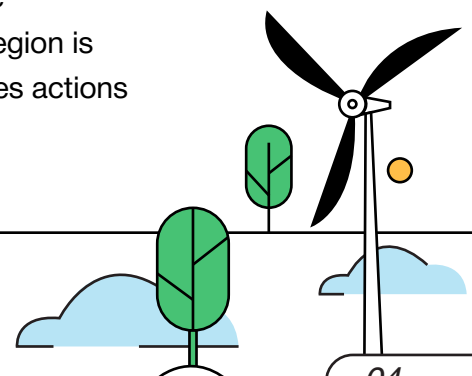
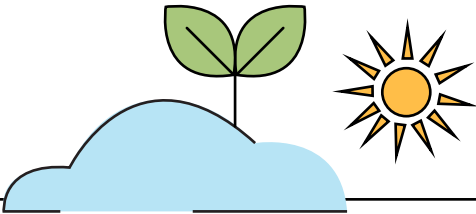
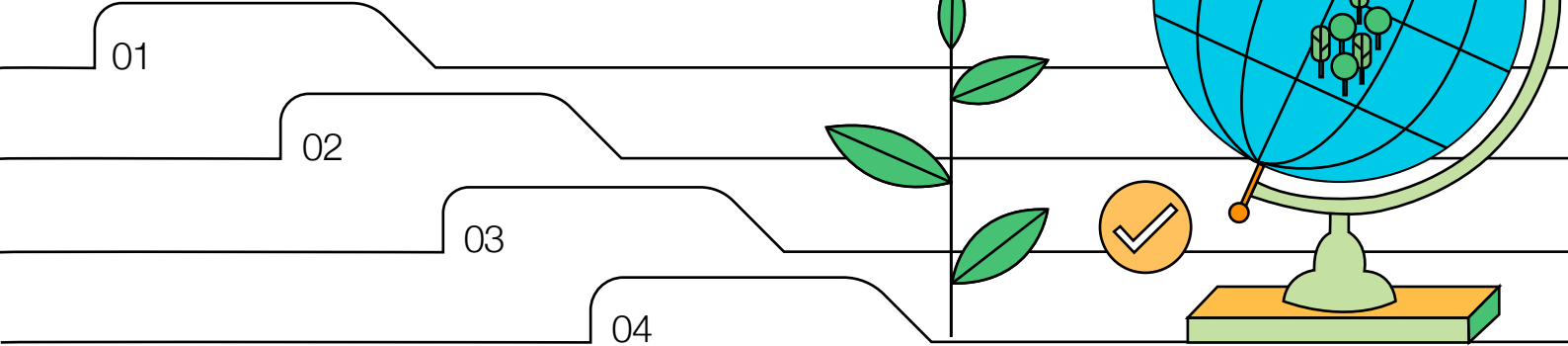


TABLE *of* CONTENTS



01	Understanding ESG	06
02	Global Overview	11
03	Executive Summary	23
04	Findings Analysis	
	ESG Contribution	33
	Measurement	39
	Engagement	50
	Looking Ahead	65
05	Takeaways	71
06	Closing Remarks	81

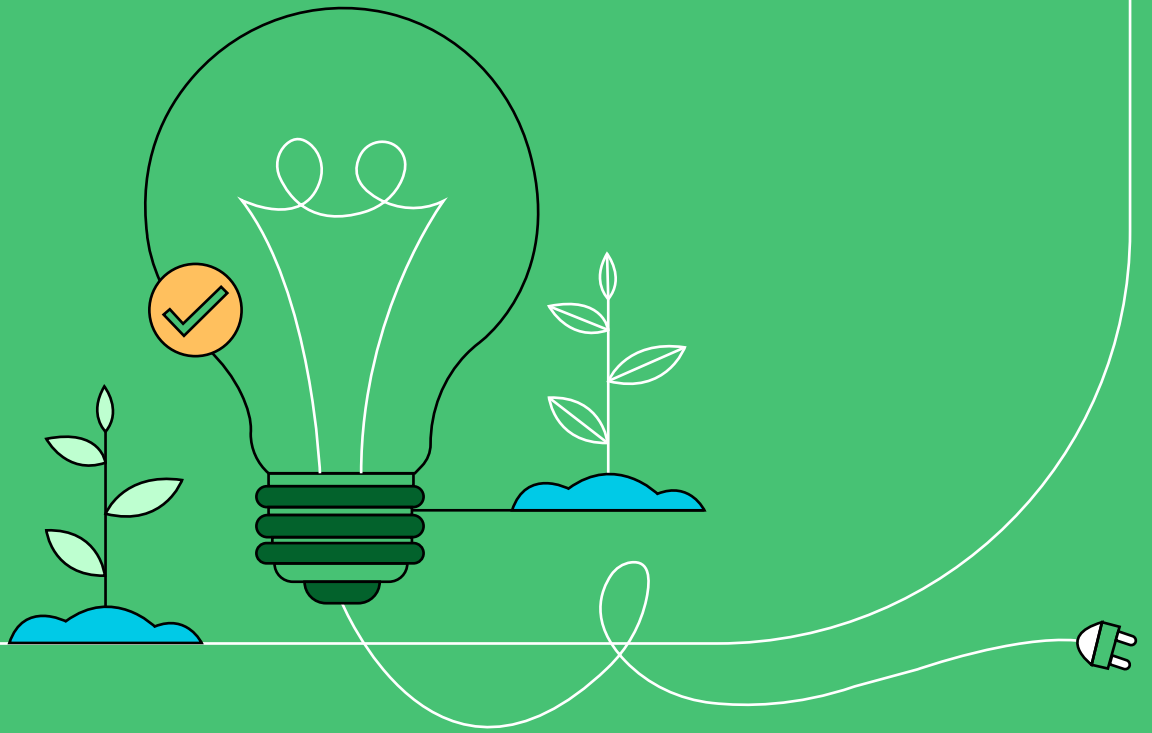


01

02

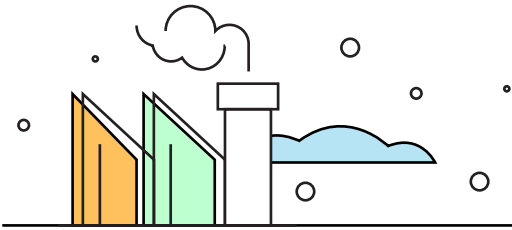
03

04



01

Understanding *ESG*



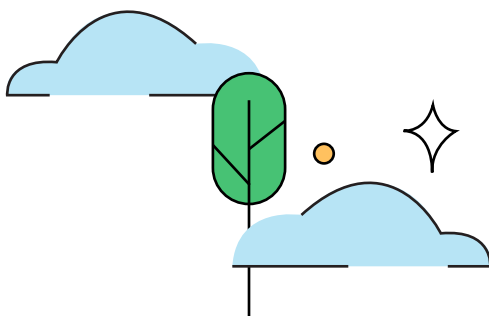
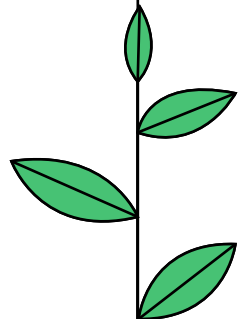
INTRODUCTION TO ESG

ESG, at its core, is a framework that aims to expand beyond the traditional responsibilities of a corporation and address a more expansive range of stakeholder needs.

Standing for Environmental, Social, and Governance, the framework's three verticals work together to create an all-encompassing approach to addressing variable stakeholder needs.

The model has seen comprehensive revisions and additions since its inception, each iteration refining the approach and impact of the concept.

In today's landscape, it has become more important than ever for enterprises of all sizes to participate in, and innovate accordingly, on their societal impact.



THE PILLARS OF ESG



ENVIRONMENTAL PILLAR

Focuses on how businesses impact and interact with the environment, including carbon emissions, energy consumption, and waste management. It also addresses climate resilience, sustainable resource use, and efforts to mitigate ecological harm for long-term environmental sustainability.



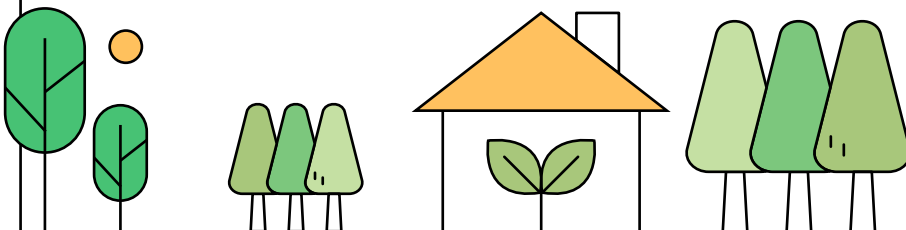
SOCIAL PILLAR

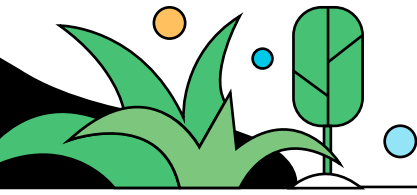
Examines how companies engage with employees, customers, and communities, prioritizing ethical labor practices, diversity, and human rights. It also includes corporate social responsibility initiatives, stakeholder well-being, and fostering inclusive and equitable workplaces.



GOVERNANCE PILLAR

Pertains to corporate leadership, ethical decision-making, and transparency in business operations. It ensures accountability through board oversight, anti-corruption policies, regulatory compliance, and responsible business conduct.





UNDERSTANDING *ESG's Importance*

The significance of ESG extends far beyond corporate responsibility; it is a driver of business resilience, risk management, and long-term profitability. Companies that embrace ESG frameworks are better positioned to adapt to regulatory shifts, attract responsible investment, and build stronger relationships with their stakeholders. From an economic standpoint, ESG-aligned businesses are proving to be more resilient in times of crisis, demonstrating financial stability and operational efficiency. Socially, organizations that prioritize diversity, fair labor practices, and community engagement foster greater trust and brand loyalty. Strong governance structures mitigate risks, enhance decision-making, and ensure regulatory adherence. For businesses in the MENA region, where economic diversification, sustainability, and digital transformation are key priorities, integrating ESG principles is not just an ethical obligation.

It is a strategic imperative for long-term growth and relevance.



Larry Fink
Chairman & CEO of BlackRock

“Companies that fulfill their purpose and responsibilities to stakeholders reap rewards over the long-term. Companies that ignore them stumble and fail.”



ESG does create positive PR, but it is more so a powerful vehicle for differentiation in an increasingly competitive landscape

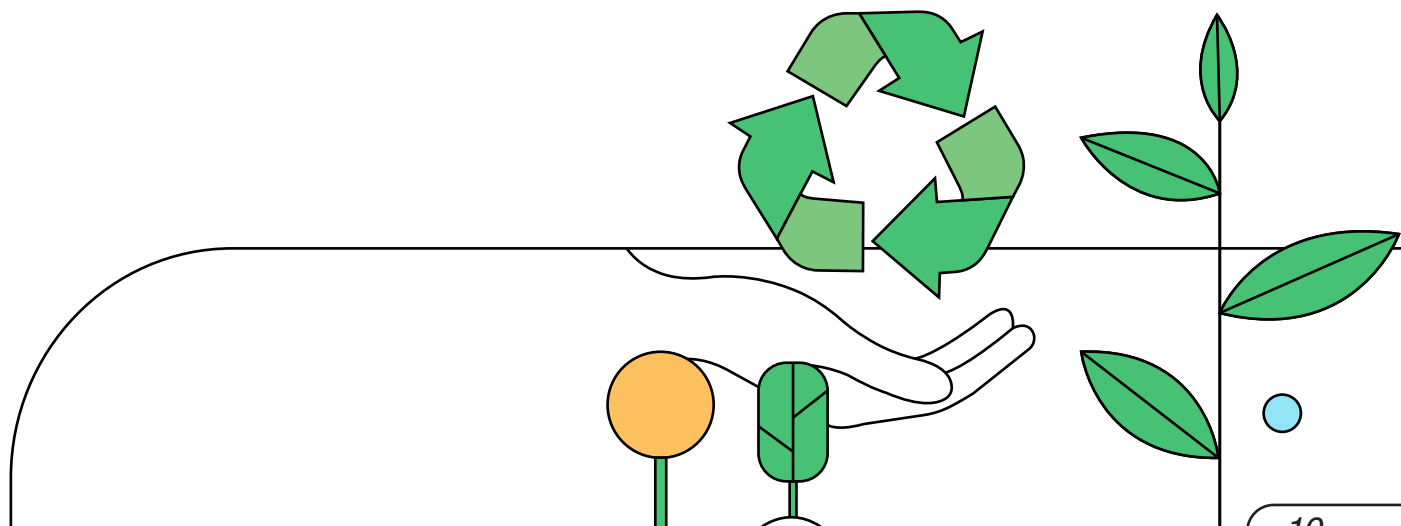
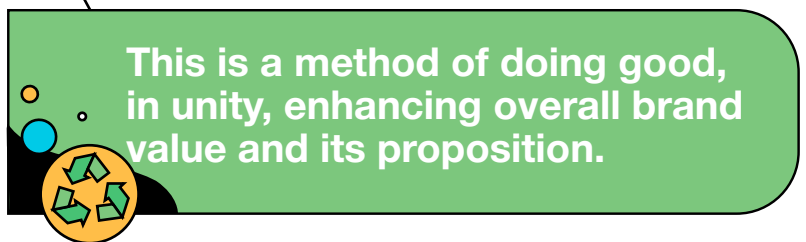
Today's consumers, audiences, and stakeholders expect brands to go beyond their core functions, demanding transparent and meaningful contributions to society and the environment.

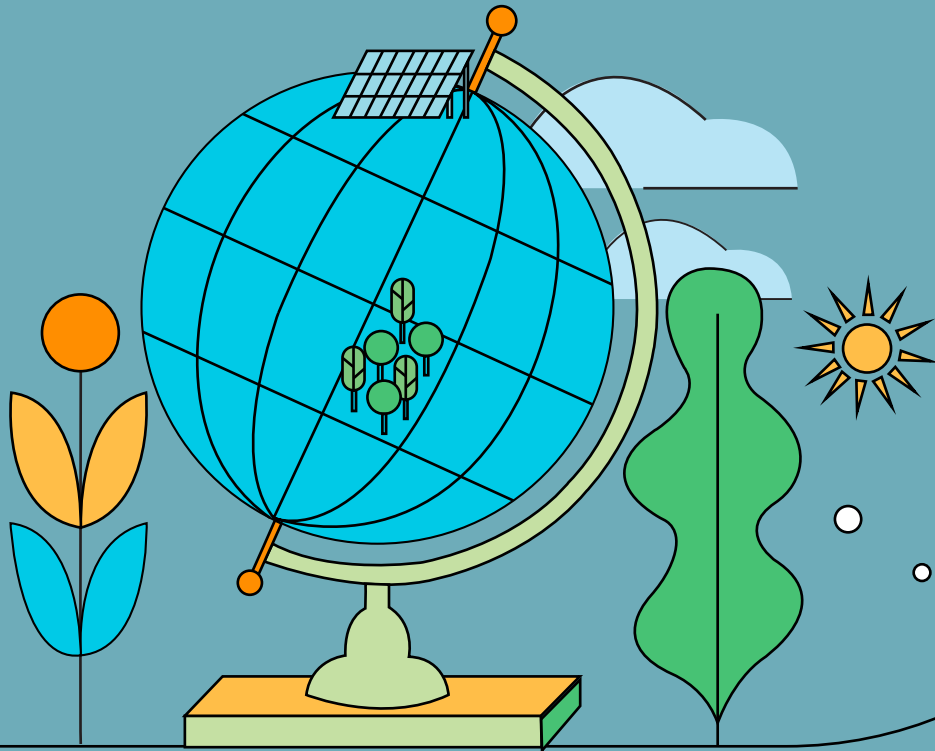
As a result, companies that embed impact-driven approaches into their operations are positioning themselves ahead of their peers, encouraging deeper trust and engagement.

At its core, ESG provides a structured framework to map out the full spectrum of an enterprise's potential impact.

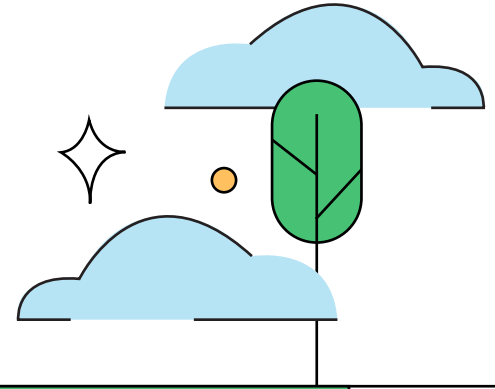
beyond just the framework, ESG serves as a strategic avenue for businesses to collaborate methodically with broader society, enhancing brand affinity and strengthening connections with consumers, customers, and tertiary stakeholders who, in turn, become advocates for the brand.

This is a method of doing good, in unity, enhancing overall brand value and its proposition.





Global *Overview*



ESG Performance

ESG has experienced an overall growth over the last couple of years, with the prominent verticals that are growing the most being the social and environmental pillars.

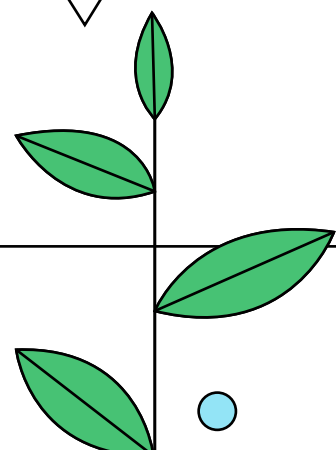
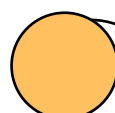
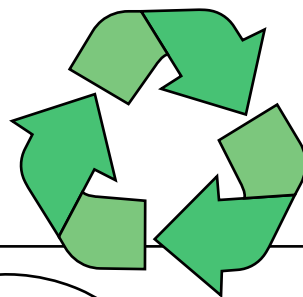
AT A GLANCE:

- ESG institutional investment is projected to reach \$33.9 trillion by 2026.
- EPI (Environmental Performance Index) Top performers in the Environmental Performance Index (EPI) currently include Estonia, Luxembourg, Germany, Finland, and the United Kingdom.
- Over 80% of consumers report they would cease buying products from brands that fail to contribute positively to environmental, employee, or community well-being.
- Financial institutions are increasingly open to offering sustainable finance solutions, particularly to companies that actively apply ESG principles, with a significant portion of bond issuances originating from Europe.
- Approximately 49% of the top 1,200 global companies generate their earnings from business operations that support the Sustainable Development Goals (SDGs).



- Approximately 30% of global investors claim that it is challenging to find suitable and appealing ESG investments, even with the industry's rapid growth.
- Considerable outflows were noted within diversity (DEI) funds throughout 2024, with over \$376 million being reallocated to other ventures; this trend is likely to continue.
- While ESG continues to be highly relevant to consumers, green and/or sustainable funds have underperformed when contrasted against the broader global markets, such as the NYSE, leading to further outflows from these investments.

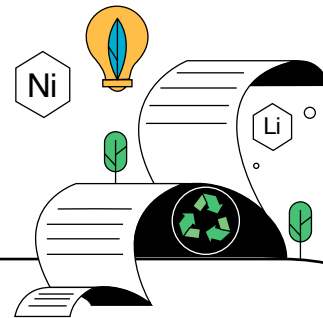
Certain verticals of ESG do continue to underperform, but there are numerous brands that have found growth within the space.



ESG Performance

Burberry has implemented hotline services to ensure the fair treatment of workers within its supply chain.

In the first half of 2024, Burberry reported that 77% of all complaint calls received through their hotline were addressed. This initiative has enhanced supply chain transparency and worker satisfaction, contributing to improved brand reputation and operational efficiency.



Johnson & Johnson

Johnson & Johnson emphasizes community impact through programs like "Healthy Lives, Thriving Communities," addressing public health needs.

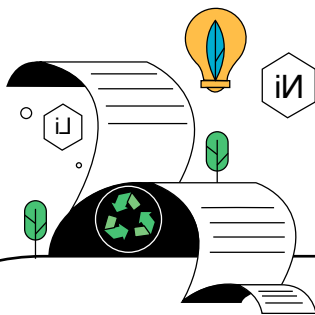
Their 2024 Responsibility Report highlights that these initiatives reached over 10 million individuals worldwide, leading to a 15% improvement in community health metrics. This social responsibility has enhanced their corporate reputation, resulting in a 12% increase in stakeholder engagement.

ESG Performance



Following its merger with Credit Suisse in March 2023, UBS expanded its sustainable investment portfolio, focusing on integrating ESG factors across its asset management services.

By June 2024, UBS managed \$177 billion in EU-domiciled green funds, positioning it as the second-largest entity in Europe's ESG market. In the first half of 2024, UBS's sustainable funds attracted \$4.1 billion in new client investments, indicating strong market confidence in their ESG-focused strategies.

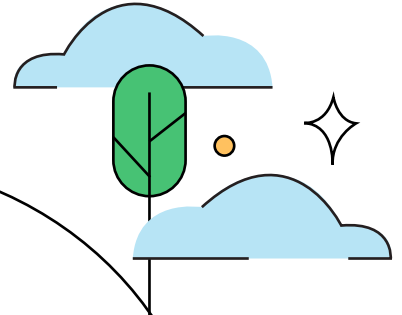


KIPCO has integrated ESG principles into its operations, focusing on environmental efforts aligned with Kuwait's Vision 2035, social responsibility through community engagement, and strong governance practices.

In 2023, KIPCO reported total emissions savings of 1,745.37 tCO₂e, reflecting its commitment to reducing environmental impact. Additionally in 2023, KIPCO directed 77% of its procurement expenditure - KD 1,309,114 - toward local suppliers, significantly exceeding foreign supplier spending.



*This leads leads to the obvious question - **WHERE DO WE GO FROM HERE?***



MENA continues to experience significant transformation in its approach toward Environmental, Social, and Governance practices, driven largely by evolving regulatory frameworks, technological innovation, and economic diversification.

Regulatory advancements have increasingly become central to ESG developments across the region.

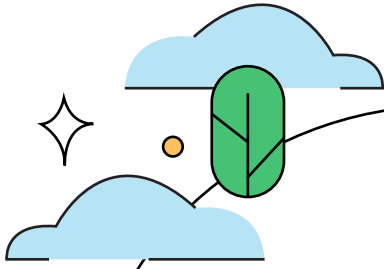


Nations like Saudi Arabia and the UAE are pioneering mandatory ESG disclosures, initially aimed at listed entities but now extending to non-listed businesses as well.

Regulatory bodies such a



have enforced detailed Sustainability reporting requirements, particularly targeting key sectors like finance, real estate, and energy.



The current LANDSCAPE

Taking a look at energy...

Parallel to regulatory developments, the region is undergoing a significant shift towards renewable energy investments.

Driven by national sustainability agendas, countries including the UAE and Saudi Arabia have made substantial commitments to energy infrastructure.

Meanwhile, on the economic front...

Economic diversification strategies remain central to the broader MENA ESG narrative.

As governments and businesses seek to reduce reliance on hydrocarbons, sustainability has become integral to new economic frameworks.

Initiatives across Saudi Arabia's Vision 2030 and the UAE's National Sustainability Agenda highlight a deliberate shift towards sustainable industries, enabling innovation, human capital development, and environmentally conscious investments.

For Example

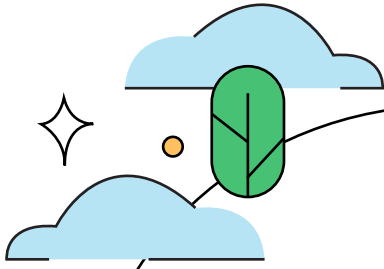


MASDAR committed a \$6 billion investment toward developing the world's largest single-site solar plant with 5 gigawatts of capacity, accompanied by extensive battery storage capabilities.



Aramco's strategic move into lithium production underscores the kingdom's long-term vision to establish itself as a hub for sustainable energy and technology. This is expected to result in renewable sources representing roughly 30% of the region's energy capacity by 2030.





The current **LANDSCAPE**

With progress rapidly increasing...

Technological integration has now become another critical component of regional ESG strategies, significantly enhancing the effectiveness of ESG monitoring, reporting, and evaluation.

Artificial intelligence and big data analytics are increasingly deployed to measure impacts more accurately, manage sustainability risks proactively, and streamline reporting procedures.

With stakeholders becoming ever more intertwined...

Countries across the MENA region are significantly ramping up investments in education, healthcare, and community development initiatives.

As part of economic diversification and broader ESG goals, social sustainability has emerged as an essential pillar, aiming to address existing disparities and encourage inclusive economic growth.

And with geopolitical changes...

The implied dynamics continue to influence the region's ESG trajectory, adding complexity yet offering new avenues for progress.

Recent diplomatic shifts, provide opportunities for sustainable reconstruction efforts, embedding ESG frameworks within infrastructure rebuilding and development programs.

Similarly, ongoing diplomatic engagements influence regional stability, shaping investor perceptions and highlighting the need for robust governance frameworks.



AI for Good
Global Summit

Identifying innovative AI applications to solve global challenges

8 – 11 July 2025
Geneva, Switzerland



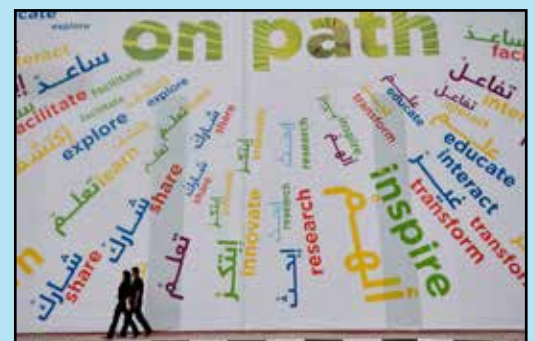
54

عام المجتمع

YEAR OF COMMUNITY

281

UAE

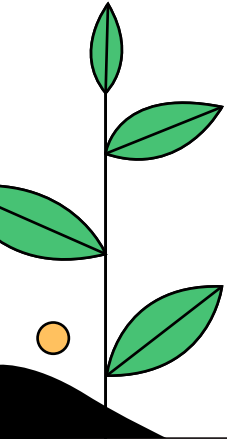


The current LANDSCAPE

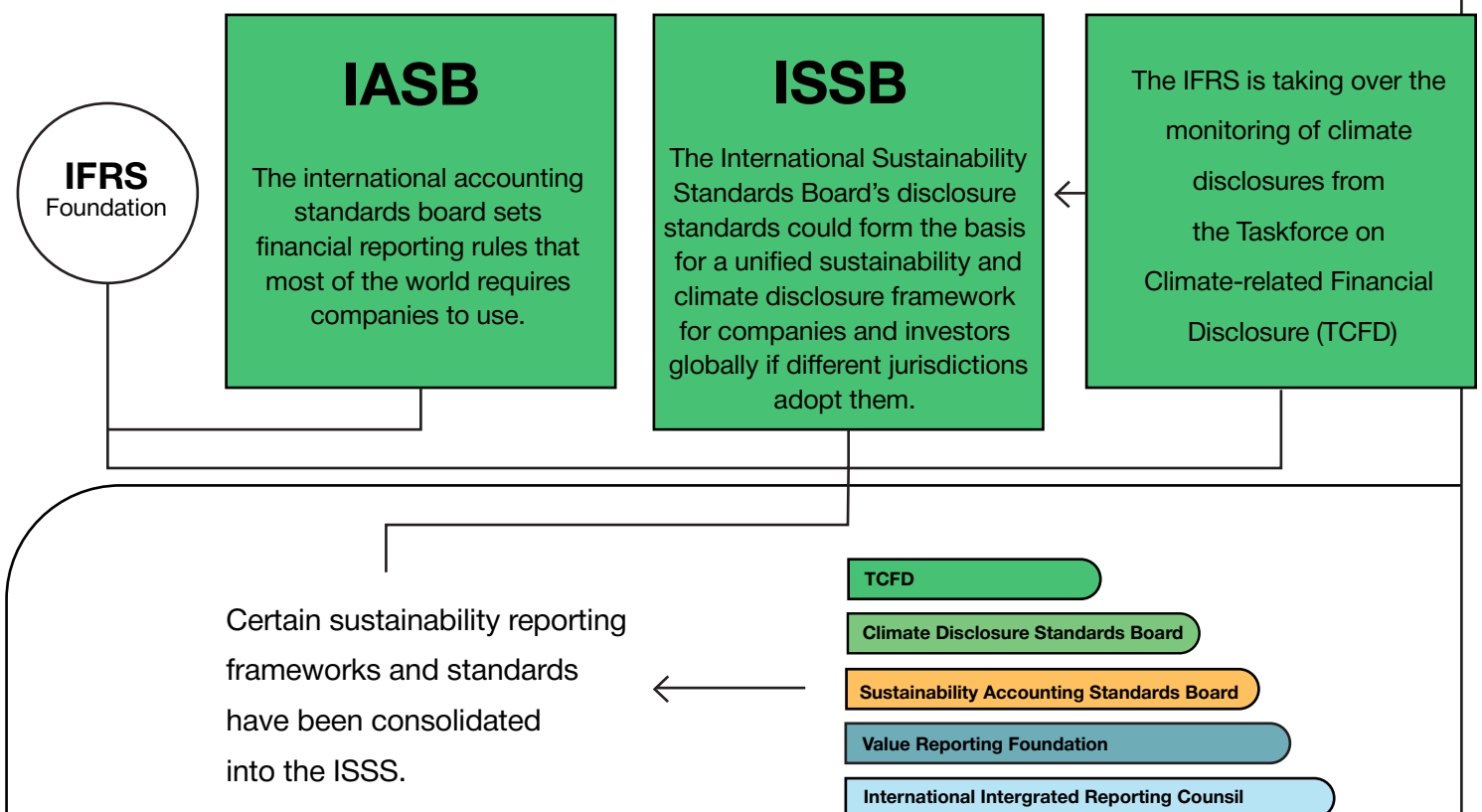
Lastly, through an ongoing evolution of ESG as a whole...

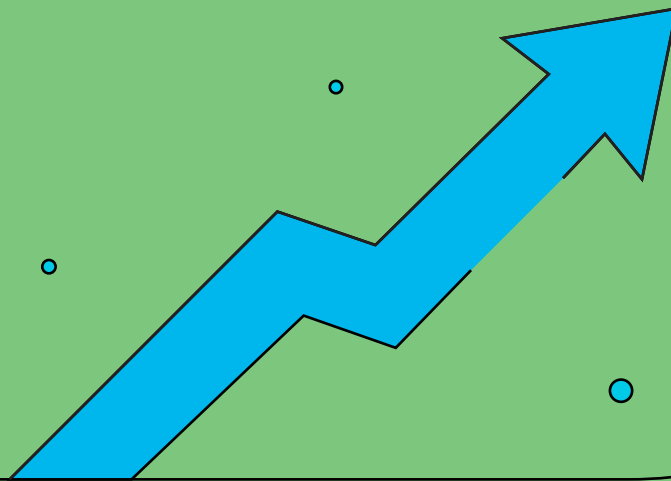
The evolution of global reporting standards, particularly those set by the International Sustainability Standards Board (ISSB), continues to shape regional practices.

The introduction of standardized reporting frameworks leads regional companies to improve their disclosure practices, providing investors with clearer and more actionable ESG information. As companies adopt these standards, they gain a competitive edge in the global market by aligning with international expectations.



WHAT IS THE ISSB AND WHAT DOES IT AIM TO ACHIEVE?

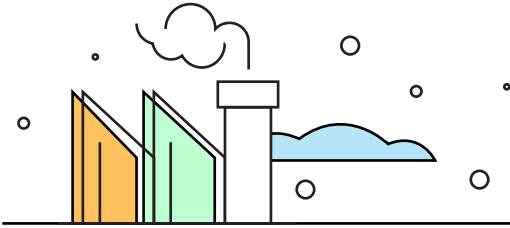




Which brings us to...



The 2025 MENA ESG Report



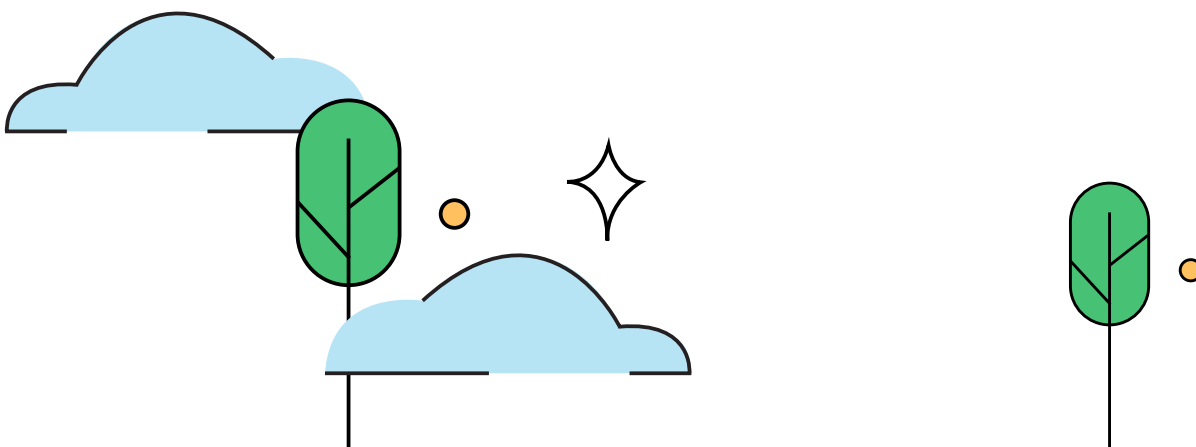
The following report presents a **comprehensive analysis of ESG performance across the MENA region**, assessing not only how organizations are currently performing, but also their capabilities and willingness to measure and evaluate the impact of their strategies.

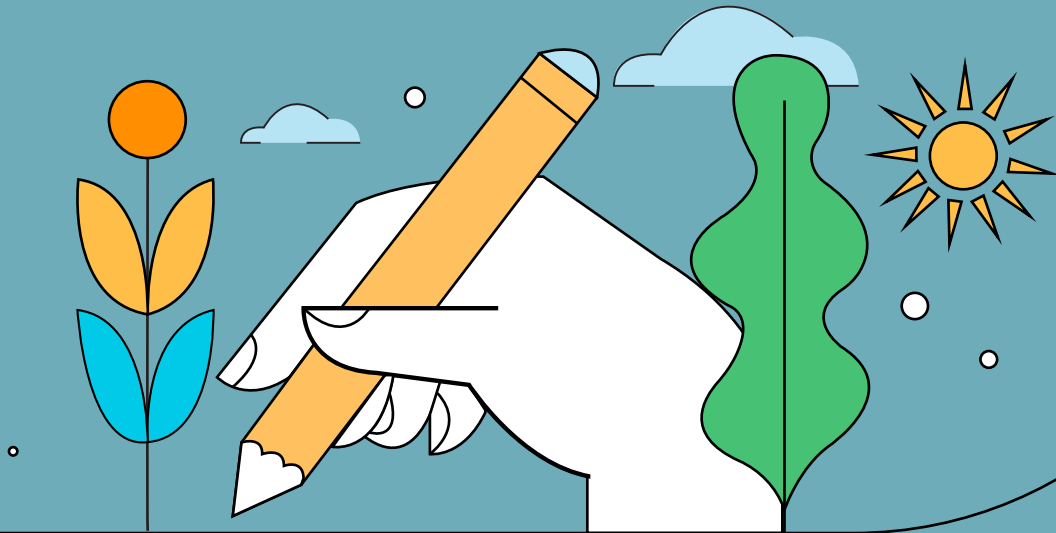
The findings are based on insights gathered from **361 C-suite executives and senior management** professionals, all of whom hold strategic decision-making roles within their organizations.

The companies surveyed ranged in **size from 25 to 500 employees**, with a balanced distribution across size categories to ensure equitable representation in the analysis.

The study spans over 20 industries across the region, providing a well-rounded perspective on ESG implementation and impact.

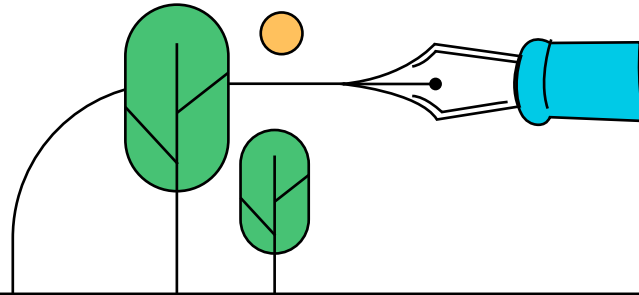
Without further ado, let us dive into the findings.





02

Executive *Summary*



REPORT *Overview*

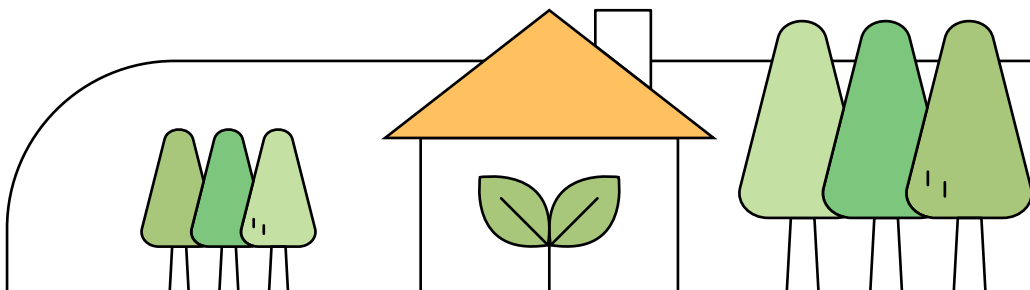
The MENA ESG landscape is undergoing a profound transformation - one that is shaped by regulatory momentum, market pressure and a shifting internal mindset that increasingly regards ESG as a strategic imperative rather than a compliance obligation.

From emerging priorities and partnership trends to implementation gaps and internal capability building, the findings present a comprehensive and instructive portrait of the region's ESG maturity in 2025.

There is, at the core of the data, a sense of both ambition and fragmentation.

Ambition, in that nearly all MENA firms today approach ESG as a multi-pillar responsibility: 99% of organizations report prioritizing at least two ESG pillars, while over half (52%) commit to all three - environmental, social, and governance - equally.

This suggests that the region is embracing ESG as an integrated framework essential to business continuity and stakeholder trust. However, the **fragmentation emerges in how different sectors, markets, and company sizes interpret and implement these priorities**, revealing gaps in resources, measurement capabilities, and outward communication.



The journey toward ESG maturity is **HOWEVER, FAR FROM UNIFORM**

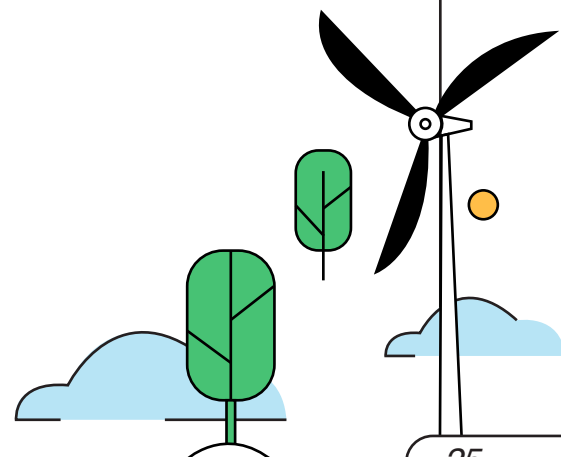
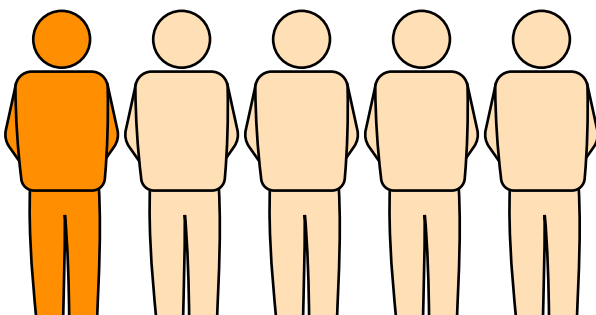
Organizations in Egypt, for example, are the most likely to treat all ESG pillars with equal importance, while Bahrain lags in this holistic approach.

Lebanon was an early adopter of ESG, yet in recent years has faltered in external partnerships and employee engagement, likely due to macroeconomic constraints and institutional limitations. Oman, on the other hand, shows more recent momentum, positioning itself as a new entrant with room to scale rapidly.

Interestingly, while ESG as a concept is mature in many organizations - with the regional average of engagement standing at eight years - there is a strong cohort of new adopters.

One out of FIVE

Organizations has only begun implementing ESG strategies within the past two years, signaling either a response to regulatory shifts or a recognition of ESG's role in global competitiveness.



It is clear that **INTERNAL LEADERSHIP REMAINS A CRITICAL FACTOR IN ESG ADOPTION, ACCELERATION AND IMPACT CATALYZATION**

Across MENA, the majority of C-suite executives demonstrate commitment to ESG through external collaboration and co-communication, often leveraging stakeholder partnerships to build transparency and buy-in. Yet country-level differences suggest that internal culture plays a key role.

Jordan emerges as a leader in internal ESG communication, suggesting that workforce investment and ownership are essential components of its sustainability journey. Conversely, Kuwait reflects a more external-facing strategy, potentially risking limited alignment in the process.

What becomes evident across the report is that while strategy is essential, EXECUTION IS STILL UNEVEN

All MENA firms report involving external stakeholders in their ESG journey, primarily through awareness campaigns and collaborative partnerships. Engagement is strong in Jordan and Egypt, particularly when it comes to public campaigns and local partnerships.

However, feedback loops are still underdeveloped - only 38% report using structured cycles to recalibrate their ESG approaches. This gap between outreach and reflection implies that while organizations are speaking outwardly, they may not yet be fully listening, nor course-correcting in response.

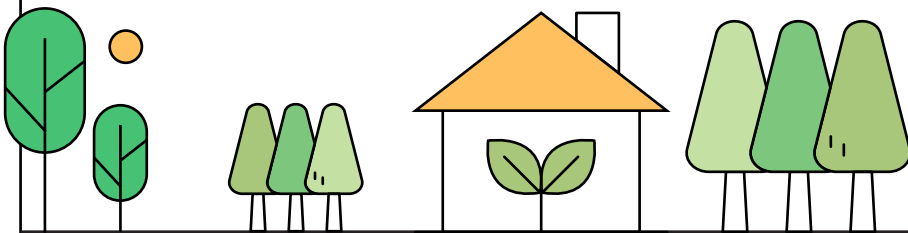
MEASUREMENT - ARGUABLY THE CORNERSTONE OF ESG ACCOUNTABILITY - *Remains a work in progress*

Nearly all firms say they measure their sustainability impact, but the methods vary considerably. Ratings and indices are popular, yet qualitative feedback remains the most widely used measurement tool, especially in sectors such as construction and engineering.

This reliance on stakeholder perception over quantitative tracking is not necessarily a weakness.

But it does reveal an opportunity to strengthen the sophistication of sustainability metrics.

Financial services and IT firms, in contrast, are leading the way in adopting standardized and tech-driven tracking methods, including the use of frameworks like GRI or SASB. These sectors, heavily scrutinized by regulators and investors, are translating sustainability into tangible key performance indicators and using real-time data to back their claims.



Still, REPORTING FREQUENCY ALONE DOESN'T EQUATE TO TRANSPARENCY

The average MENA organization reports ESG performance nearly.

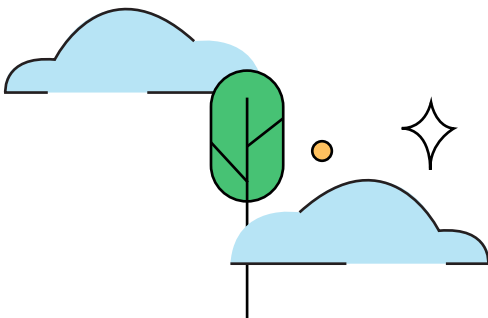
9 times per year

with two-thirds reporting quarterly or more frequently.

THE NUANCE?
*MUCH OF THIS
REPORTING IS
INTERNAL.*

Desk research suggests that external disclosures remain rare or inconsistent, meaning that many ESG successes are hidden from public view. This presents both a challenge and an opportunity.

Brands are doing the work, but few are telling the story.



The environmental pillar, perhaps the most visible aspect of ESG, SHOWS VARIED ADOPTION ACROSS COUNTRIES AND SECTORS

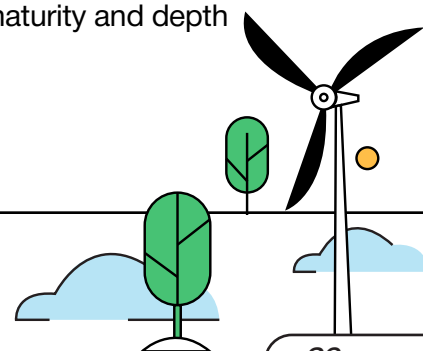
Every organization surveyed had undertaken environmental initiatives in the past year, with the adoption of green devices and logistics optimization leading the charge. Jordan and the UAE stand out for their operational sustainability efforts - Jordan in waste reduction and water conservation, the UAE in green tech and single-use plastic bans.

Yet smaller markets like Lebanon and Bahrain continue to trail, particularly in renewable energy investments, suggesting that infrastructure gaps or policy limitations may be holding progress back.

Partnerships, both internal and external, are foundational to the effectiveness of governance strategies

Where ESG implementation appears strongest is within the realm of governance, albeit in its most basic forms. All organizations report pursuing governance initiatives, including executive ESG-linked compensation, governance training, and cybersecurity policy enhancement.

Larger companies are more likely to invest in these areas, reflecting regulatory expectations and greater scrutiny. But as with other pillars, the maturity and depth of governance initiatives vary widely.



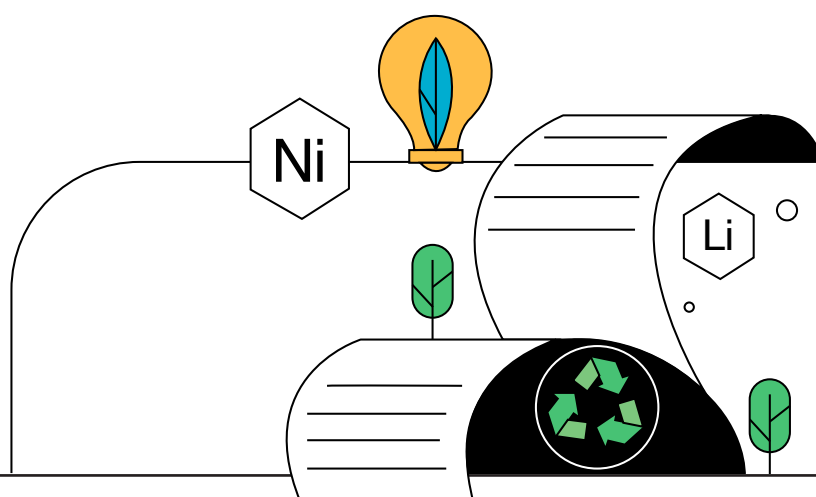
Government agency collaboration is most prevalent in Saudi Arabia, UAE, and Egypt - states with strong national visions and policy frameworks supporting ESG. Lebanon shows the lowest participation in partnerships of any kind, pointing to a lack of systemic infrastructure or external support for ESG development.

Across sectors, **financial services** consistently take the lead by leveraging partnerships with government entities to ensure compliance and access incentives. Meanwhile, **IT and telecom companies** concentrate on environmental partnerships, addressing industry-specific risks such as e-waste and energy consumption.

Academic collaborations are more prominent in research-driven sectors like construction and finance, where innovation and forward-thinking strategies are crucial.

Importantly, a firm's size and governance model significantly shape its ESG engagement. Larger firms are more likely to adopt sophisticated initiatives and collaborate with high-impact partners. In contrast, smaller businesses lean on industry associations and advocacy groups, suggesting a collective approach to ESG in the absence of dedicated internal infrastructure.

ESG management models also influence effectiveness: cross-functional teams drive stronger employee participation and reporting consistency, while firms



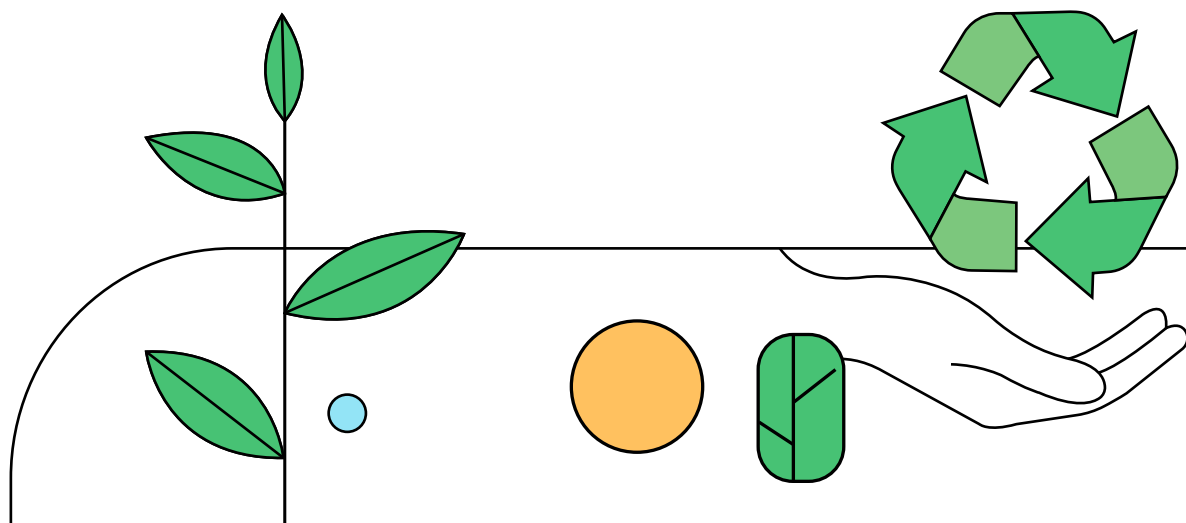
Motivations for ESG adoption vary by market, **BUT PROFITABILITY AND REGULATORY COMPLIANCE DOMINATE**

In Kuwait and Oman, profitability is the clearest motivator; in Saudi Arabia and Egypt, regulation is the driving force. In Lebanon, ethics is the primary motivator, showing that not all ESG movements are externally pressurized - some are internally inspired.

Yet the road ahead is not without its obstacles.

The most cited challenges across MENA organizations are the lack of measurement resources, standardized metrics, and third-party support. Jordan and Egypt face particularly high barriers, while sectors like construction and tech struggle with integration and operational alignment.

Interestingly, **firms that outsource their ESG operations to third-party providers** report fewer difficulties, indicating that external expertise can significantly streamline the ESG journey.



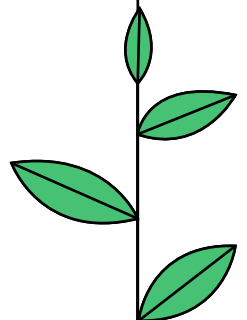
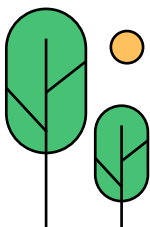
Perhaps the most telling insight is the region's
**OVERALL DIRECTION OF TRAVEL AND
 REGULATORY COMPLIANCE DOMINATE**

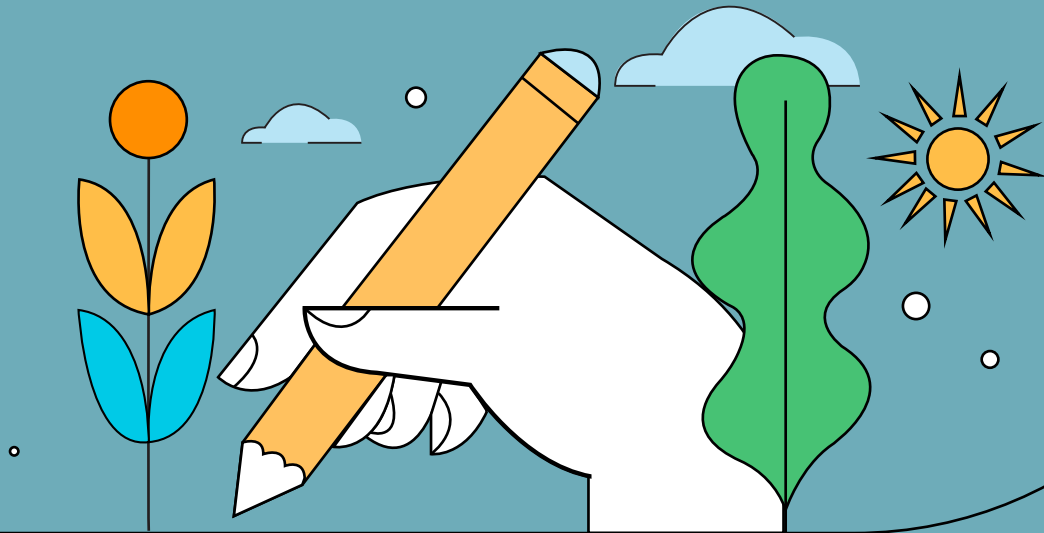
ESG efforts are no longer nascent; they are embedded.

But to move from embedded to transformative, MENA companies must bridge the gaps between action and communication, between ambition and measurement.

As global scrutiny intensifies and regional policies evolve, organizations will need to translate their internal ESG ecosystems into externally legible, credible, and strategically aligned narratives.

**MENA'S ESG *FUTURE*
 LIES IN COORDINATED,
 TRANSPARENT, AND
 LOCALLY GROUNDED
 STRATEGIES.**





Section 1

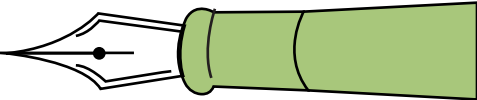
ESG *Contribution*

QUESTION 1

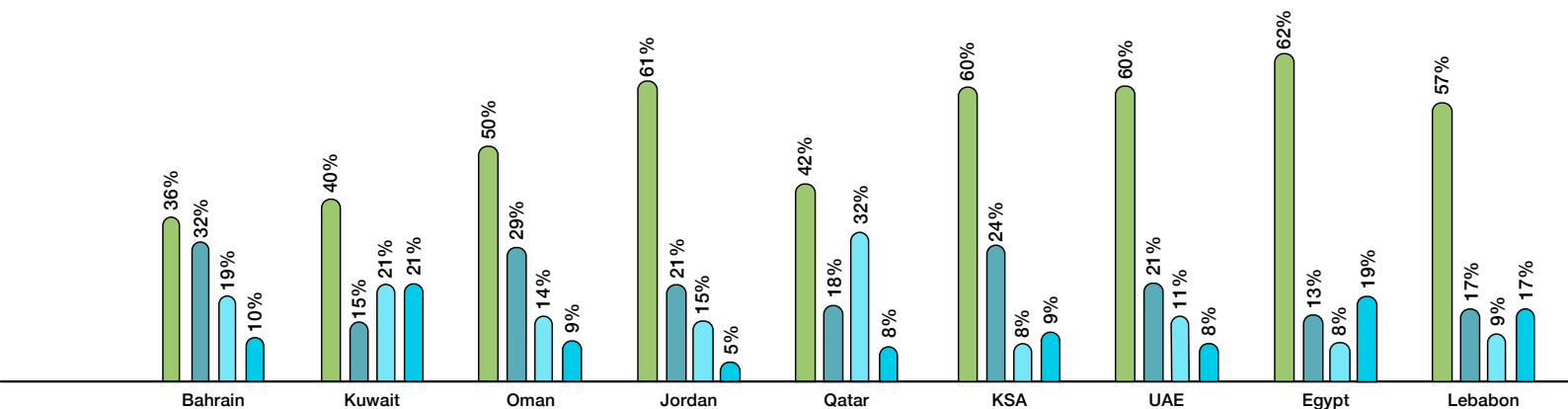
Which ESG pillar(s) does your company currently prioritize the most?

Virtually all MENA organizations (99%) engage with at least two ESG pillars simultaneously, highlighting the regional recognition of ESG interconnectedness. Notably, half (52%) treat all three pillars equally, demonstrating a holistic commitment to sustainability.

However, the distribution of attention across specific pillars varies, with one-fifth (21%) focusing on Environmental and Social jointly, while fewer firms give equal weight to Environmental and Governance (15%) or Social and Governance (12%). Nevertheless, each individual pillar is significantly considered, supported by over three-quarters of organizations, indicating robust regional ESG integration.



● All three ESG pillars equally
 ● Environmental & Social equally
 ● Environmental & Governance equally
 ● Social & Governance equally



NET ESG Prioritizations by country

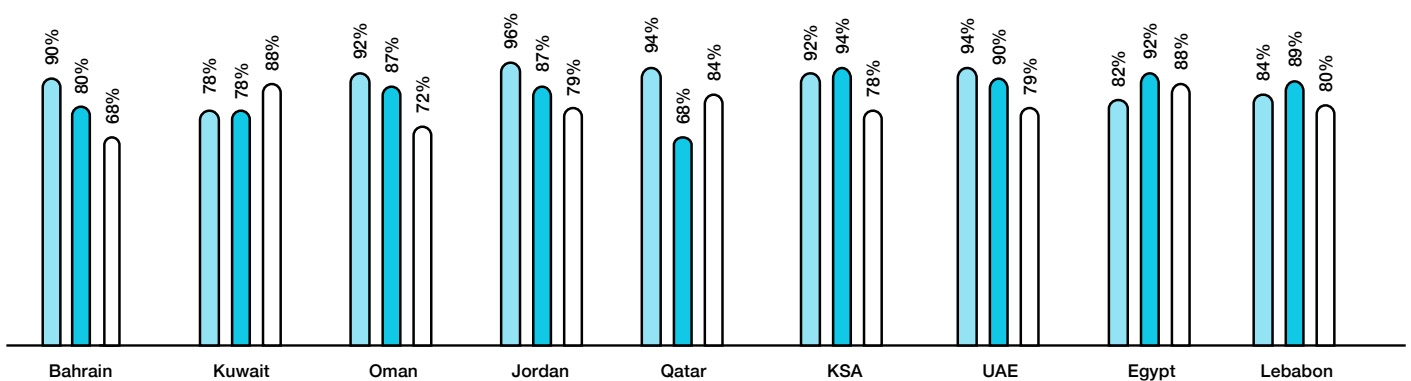
QUESTION 1 (CONT.)

Which ESG pillar(s) does your company currently prioritize the most?

Country-specific analysis shows Egypt leading with 62% applying equal emphasis to all ESG pillars, suggesting strong institutional alignment toward comprehensive sustainability strategies. Bahrain reports the lowest rate at 36%, indicating room for improvement in holistic ESG adoption.

Sector-specific data reveals universal ESG engagement (99%), though Construction and Engineering notably trails, with only 5% aligning Social and Governance pillars closely, highlighting potential vulnerabilities.

Across local, regional, and international scopes, organizations consistently emphasize all three pillars, suggesting widespread recognition of integrated ESG frameworks influenced by global best practices. Only 1% of regional firms exclusively prioritize the Environmental pillar, further underscoring a strong preference for multidimensional sustainability approaches.

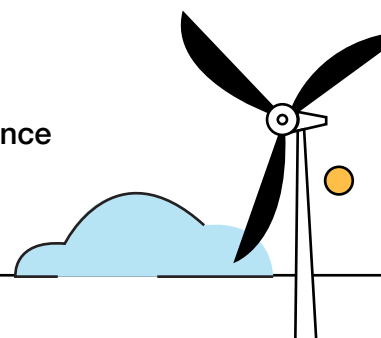


NET ESG Prioritizations by country

● NET: Environmental

● NET: Social

○ NET: Governance



QUESTION 2

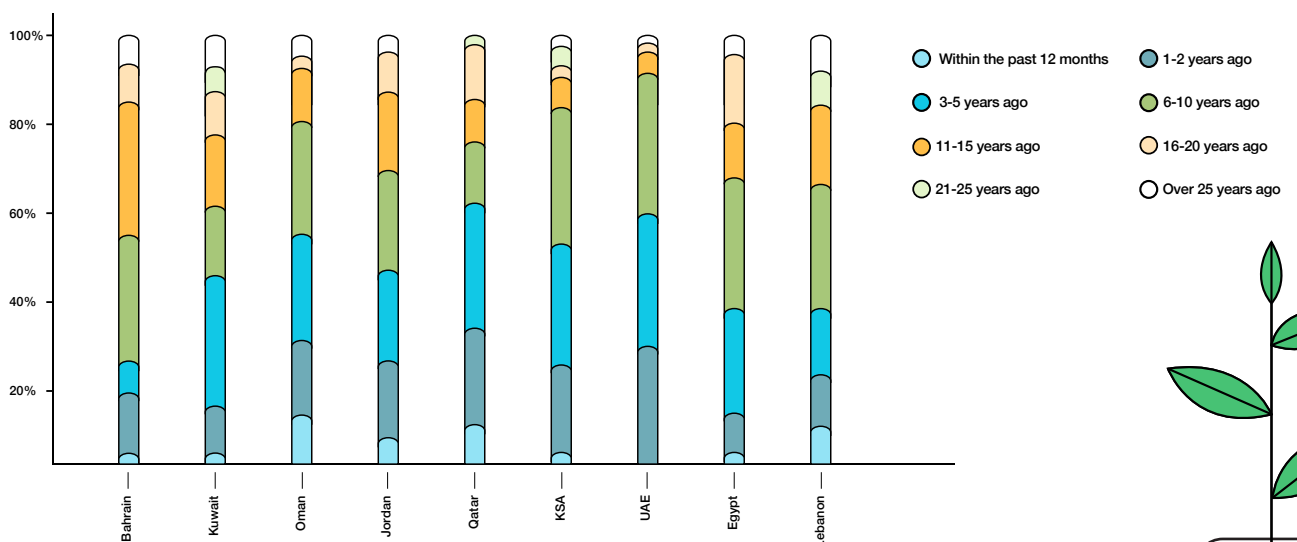
Approximately, how long ago did your organization start to contribute (in any way) to ESG efforts in the MENA region?

On average, MENA organizations have engaged in ESG efforts for about eight years, indicating an established yet evolving commitment to sustainability. While over half initiated ESG practices between three and ten years ago, around a quarter (26%) began more than a decade ago. On the other hand, one-fifth (20%) are recent adopters within the past two years, signaling rising awareness or recent regulatory influences.

Country-level analysis reveals considerable variation. Lebanon notably emerges as an early adopter, starting ESG initiatives earlier than regional counterparts. In contrast, Omani firms have adopted ESG practices more recently, highlighting varied regulatory environments, stakeholder expectations, and cultural attitudes.

Industry-specific insights show financial services as pioneers, with 9% engaging in ESG activities for over a quarter century, likely reflecting high regulatory scrutiny and investor demands. Meanwhile, Construction and Engineering demonstrates a recent shift, with 11% adopting ESG within the past year, driven by evolving standards and stakeholder pressures linked to infrastructure projects.

When Organizations started contributing to ESG Efforts (by Country)



QUESTION 3

How does your organization's leadership team demonstrate its commitment to ESG?

Across the MENA region, ESG commitment by leadership teams is universally evident, reflecting strong strategic alignment and recognition of ESG's importance.

Notably, half of these leadership teams (51%) express this commitment primarily through co-communication with external collaborators, showing a prevalent understanding of ESG as a shared responsibility with stakeholders outside the organization.

Delving into country-specific differences, Jordan is now a leading advocate for internal ESG communications, with more than two-thirds (68%) of firms highlighting internal messaging as a principal channel.

This focus may reflect an organizational culture in Jordan that prioritizes employee engagement, awareness-building, and internal champions to drive ESG efforts forward.

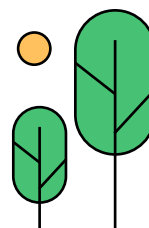
In stark contrast, Kuwait appears less invested in internal communication (20%), possibly indicating a more external-facing ESG strategy or less time for these initiatives within internal organizational culture.

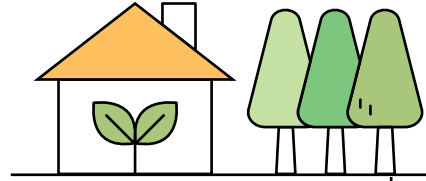
“

A critical component of a company's transformation efforts is the prioritization of ESG issues and impacts that matter most to its stakeholders and driving consideration of these issues into the DNA of the company

”

Hans Vestberg
Chairman & CEO, Verizon





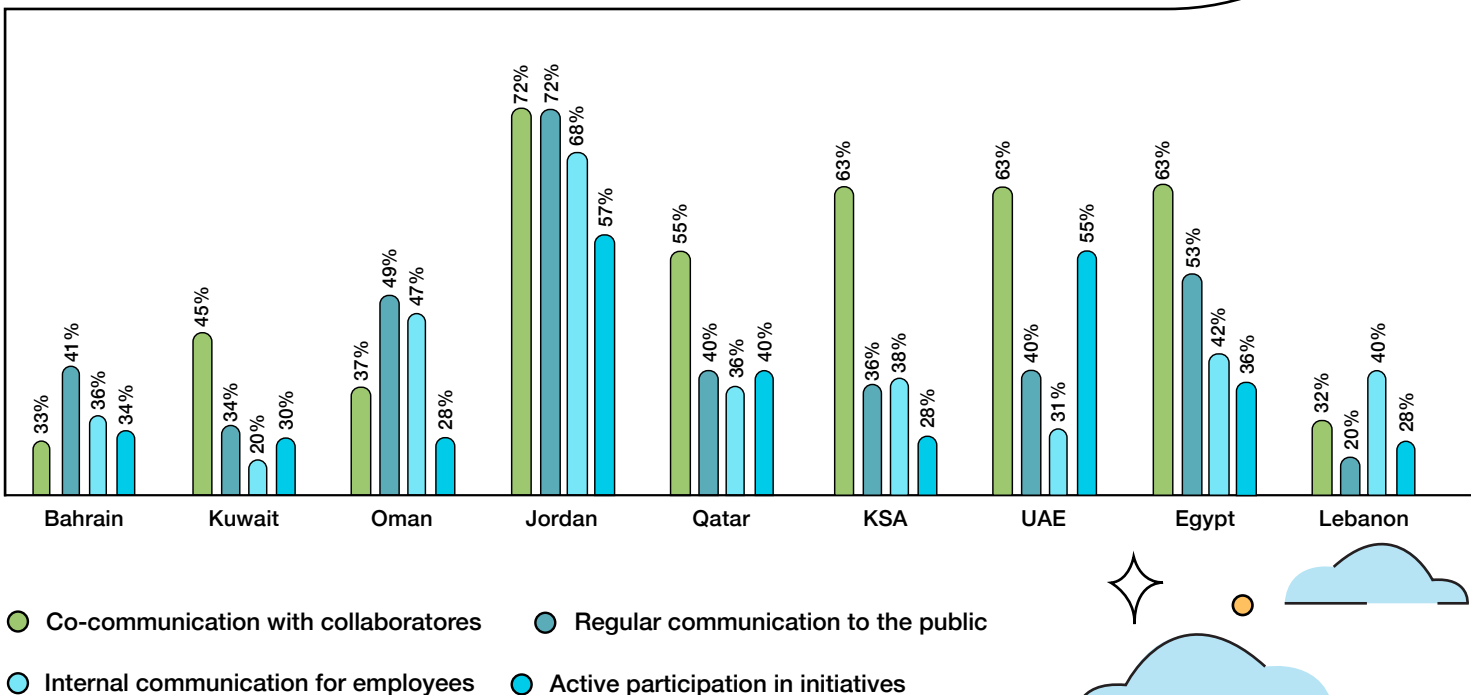
QUESTION 3 (CONT.)

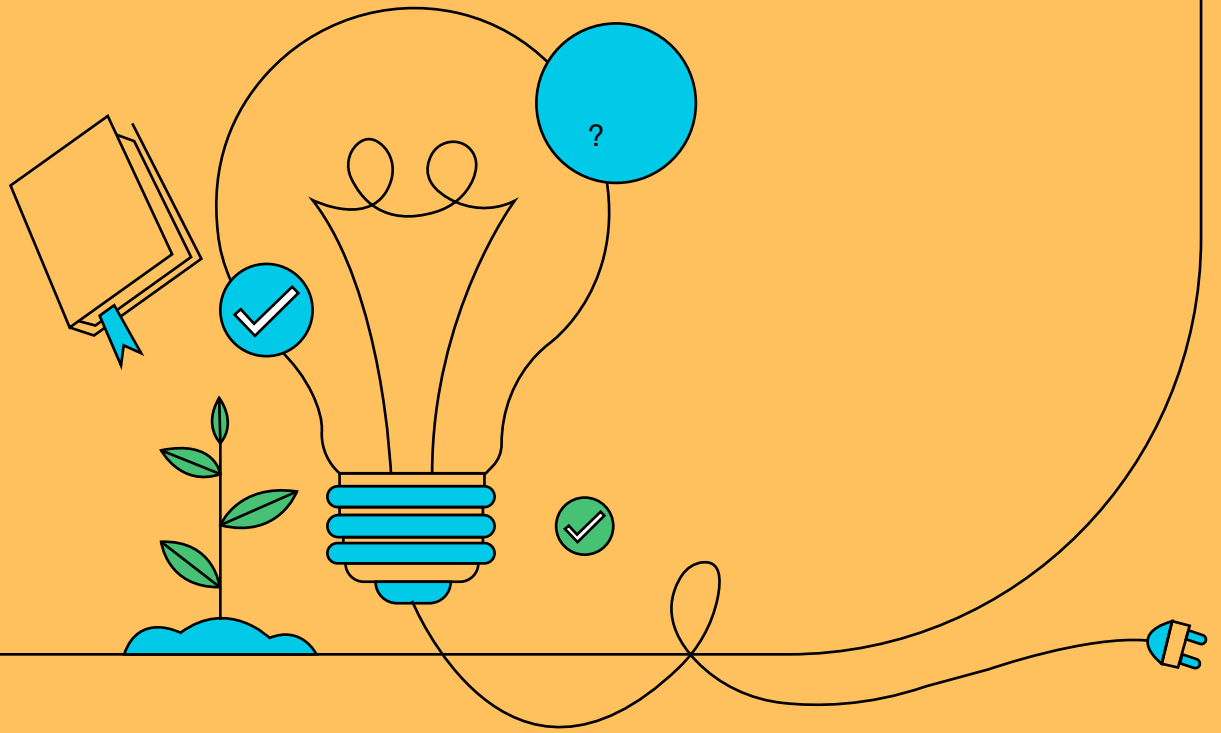
How does your organization's leadership team demonstrate its commitment to ESG?

From an industry perspective, the Financial Services and Banking sector stands out significantly by emphasizing ESG commitment through collaboration, with nearly two-thirds (63%) frequently engaging in co-communications with external stakeholders. This is likely due to increased scrutiny and accountability requirements from regulators, investors, and the broader financial community, where ESG compliance directly influences market reputation and risk management.

Furthermore, organizations operating locally exhibit a noticeable preference towards internal communication (43%) rather than external co-communication (39%). This implies a more inward-facing approach to ESG, potentially driven by less external pressure or regulatory demand, highlighting a stronger focus on internal alignment and culture-building rather than externally positioning themselves as ESG leaders.

How Leadership Demonstrates Commitment to ESG (by country)





Section 2

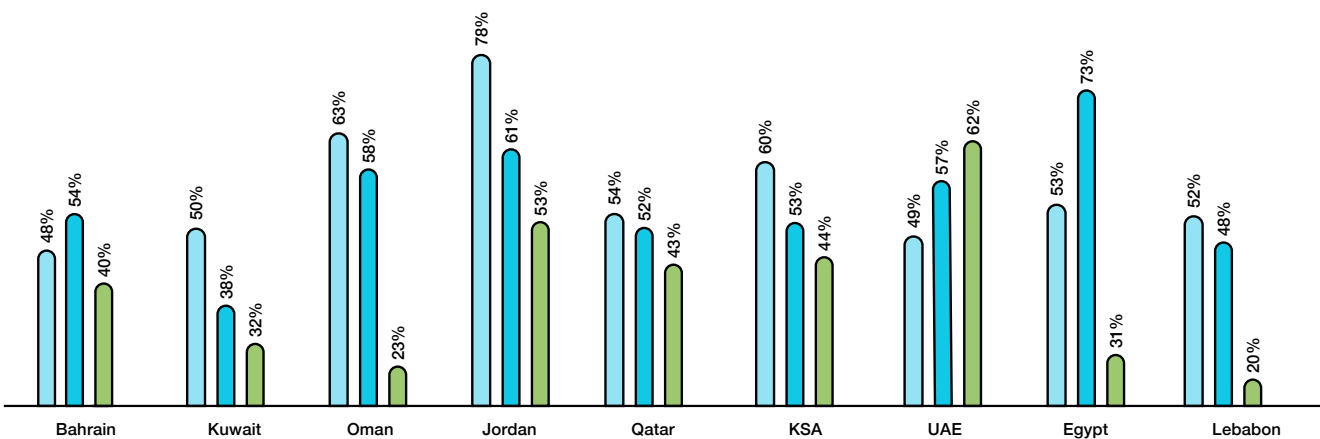
Measurement

QUESTION 4

How does your organization involve external stakeholders (e.g. customers, communities, investors) in its ESG journey?

All (100%) MENA firms involve their external stakeholders (e.g., customers, communities, investors) in their ESG journey, with more than half utilizing 'awareness/engagement campaigns, including digital, social, and in-person' (56%) or engaging through 'collaborative initiatives via partnerships and collaborative efforts' (55%). Additionally, over a third (38%) actively employ 'regular feedback collection cycles' to refine and enhance their ESG activities.

Awareness and engagement campaigns - including digital, social, and in-person interactions - have become the dominant means of involving external stakeholders. This demonstrates a strategic shift towards leveraging multiple touchpoints to ensure broad and sustained visibility of ESG efforts. However, notable differences emerge when analyzing specific countries and business scopes.

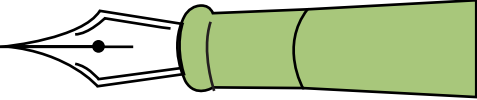


How Organizations Involve External Stakeholders in ESG (by country)

- Awareness / Engagement campaign
- Collaborative initiatives
- Regular feedback cycles
- No involvement with external stakeholders

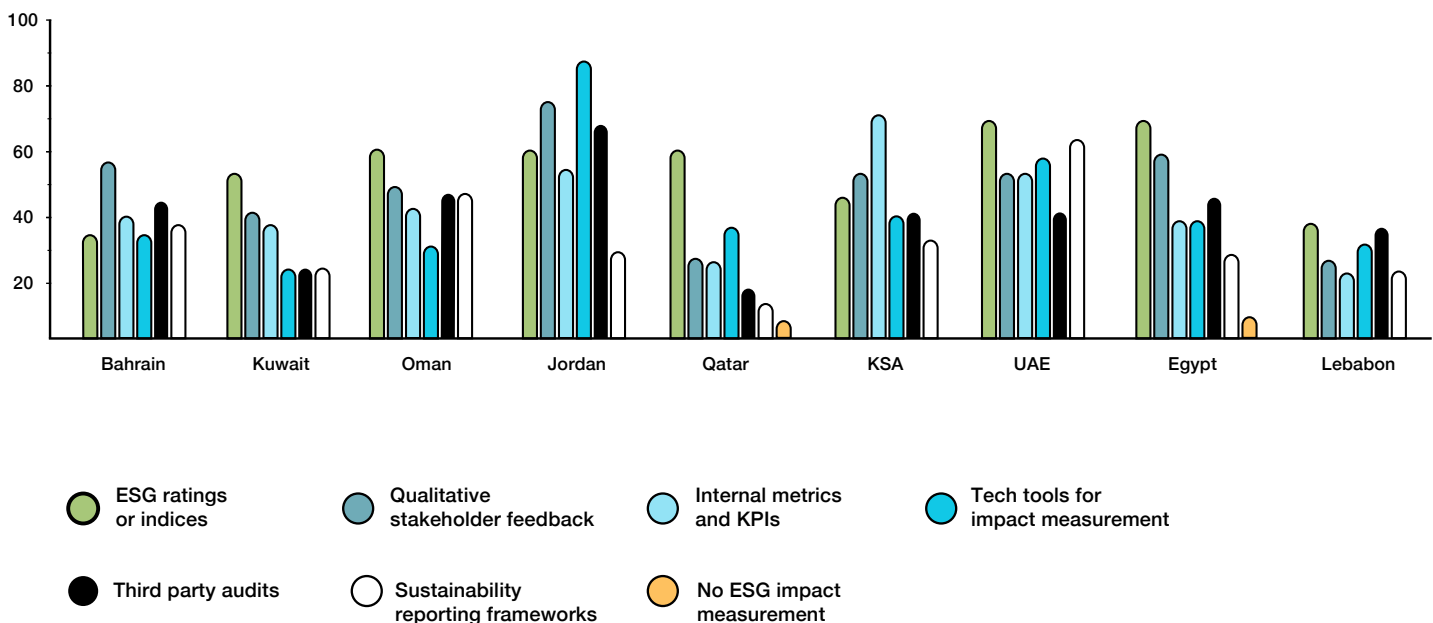
QUESTION 5

How does your organization measure the impact of its ESG efforts?



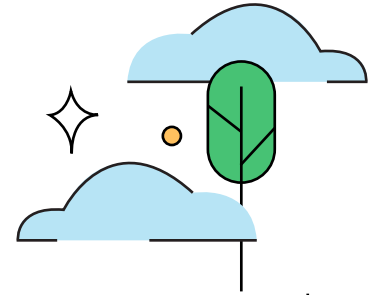
Virtually all (99%) MENA organizations actively measure the impact of their ESG initiatives, with nearly half (45%) utilizing 'ESG ratings or indices'. Around two-fifths leverage 'qualitative feedback from stakeholders or industry/local community' (42%) or deploy 'internal metrics and KPIs' (37%). Moreover, approximately a third use advanced methods such as 'technological tracking tools for impact measurement' (35%), 'third-party audits' (34%), or established 'sustainability reporting frameworks (e.g., GRI, SASB, TCFD)' (31%).

Interestingly, qualitative feedback from stakeholders is the most prevalent measurement approach across the region, underscoring a significant reliance on direct stakeholder perceptions. This highlights a broader regional trend: companies perceive stakeholder feedback as a vital indicator of ESG impact, reflecting an inherent understanding that stakeholder relationships significantly influence corporate reputation and legitimacy.



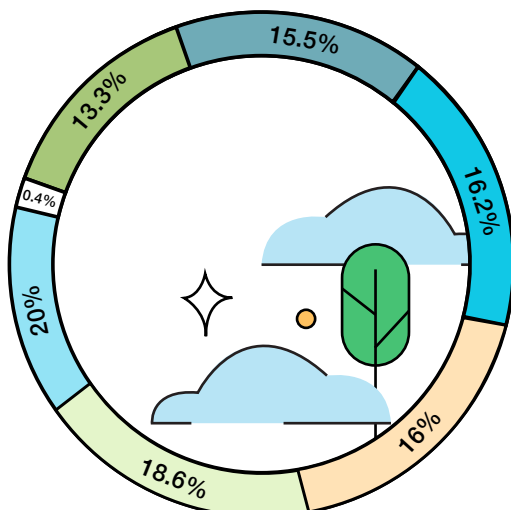
QUESTION 5 (CONT.)

How does your organization measure the impact of its ESG efforts?



However, this trend is not uniformly embraced across sectors. Notably, the construction and engineering industry exhibits the lowest adoption of formal sustainability reporting frameworks. Instead, those within this field predominantly depend on qualitative assessments from stakeholders, industry, or community feedback. This reliance could signal either limited capacity for more sophisticated tracking systems or a strategic decision to align ESG impact measurements closely with project-based stakeholder expectations and local community perceptions.

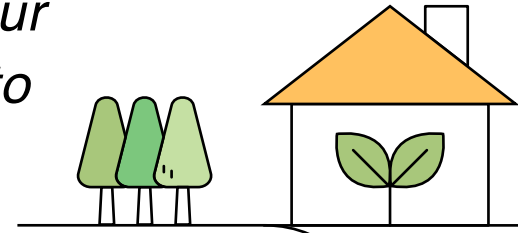
In sharp contrast, the Financial Services and IT & Telecommunications sectors strongly prefer quantifiable metrics such as ESG ratings, indices, and internal KPIs. This preference reflects these industries' culture of performance-driven accountability, where tangible metrics are required for reporting to investors, regulators, and other stakeholders. Consequently, ESG measurement practices in these sectors are closely aligned with established standards, external rating systems, and systematic internal tracking mechanisms.



- ESG ratings or indices
- Qualitative stakeholder feedback
- Internal metrics and KPIs
- Third party audits
- Technological tracking tools
- No ESG impact measurement
- Sustainability reporting frameworks

QUESTION 6

Approximately, how frequently does your organization report ESG performance to its internal or external stakeholders?

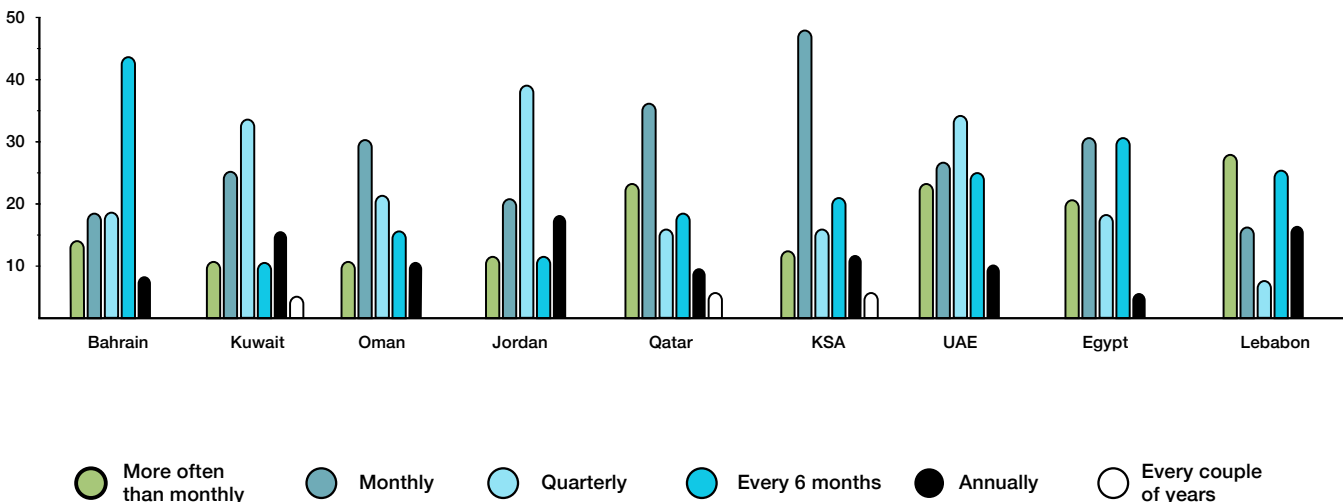


On average, MENA organizations report their ESG performance approximately nine (8.7) times annually. Two-thirds (67%) provide reports quarterly or more frequently, with nearly half (45%) engaging monthly. Additionally, almost all firms (98%) issue ESG disclosures at least annually, reflecting widespread recognition of transparency as crucial to ESG credibility.

Saudi Arabia (47%) and Qatar (36%) are leaders in monthly reporting frequency, likely influenced by evolving regulatory frameworks and heightened stakeholder expectations requiring regular transparency.

Sector-specific practices further illustrate clear patterns. Construction & Engineering favors biannual reporting (39%), aligning ESG updates with project milestones. In contrast, Financial Services and IT & Telecommunications industries prefer monthly disclosures, driven by dynamic operational demands, regulatory scrutiny, and stakeholder pressures for real-time transparency.

Examining operational scope, regional MENA firms typically report ESG performance biannually (26%), whereas international companies do so more frequently, with nearly a quarter (23%) exceeding monthly disclosures. This difference highlights the heightened transparency requirements international firms face in addressing diverse stakeholder expectations.



QUESTION 6 (CONT.)

Approximately, how frequently does your organization report ESG performance to its internal or external stakeholders?



Company size influences reporting frequency significantly, with medium-sized enterprises (100–249 employees) notably favoring quarterly ESG disclosures (36%), balancing stakeholder communication with efficient resource management.

Firms managed by general leadership report ESG metrics more often (30% monthly) compared to those with ESG duties dispersed among multiple managers (23%), emphasizing centralized leadership’s role in enhancing reporting consistency and organizational ESG commitment.

It is important to note the distinction between internal and external stakeholder reporting

During the preliminary desk research conducted for this report, it became evident that many across the MENA region do not consistently communicate ESG performance externally.

As such, the high frequency of reporting captured in this question should be understood primarily in the context of internal stakeholder communications. In many cases, organizations are indeed tracking and reporting on ESG performance, but these disclosures remain within internal governance structures and are not shared publicly.



QUESTION 6 (CONT.)

Approximately, how frequently does your organization report ESG performance to its internal or external stakeholders?

This internal focus helps explain the apparent disconnect between the high volume of reported ESG activity and the relatively limited visibility of these efforts in the public domain. From an external perspective, it may seem as though ESG communication is lacking, when in reality, it is often happening behind closed doors.

This presents a meaningful opportunity. Many organizations are already undertaking the work and producing ESG data internally - what remains is to amplify these efforts outwardly. By proactively sharing ESG outcomes and commitments with external stakeholders, businesses can build transparency, trust, and leadership credibility in an increasingly sustainability-driven global market.

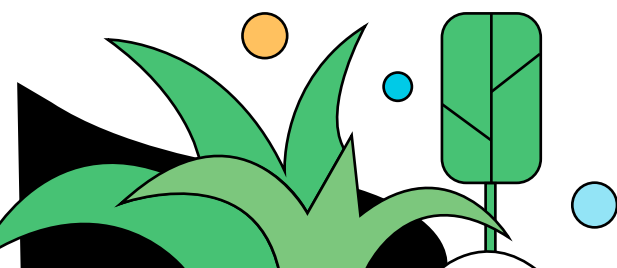
“

The true power of data is unleashed only when it's democratized.

”

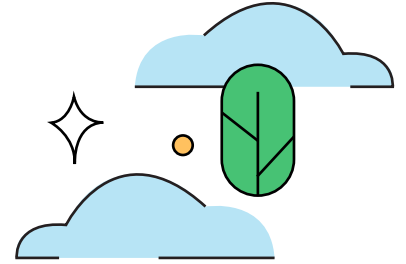
Saul Berman

Former VP Chief Strategist for Digital Strategy, IBM



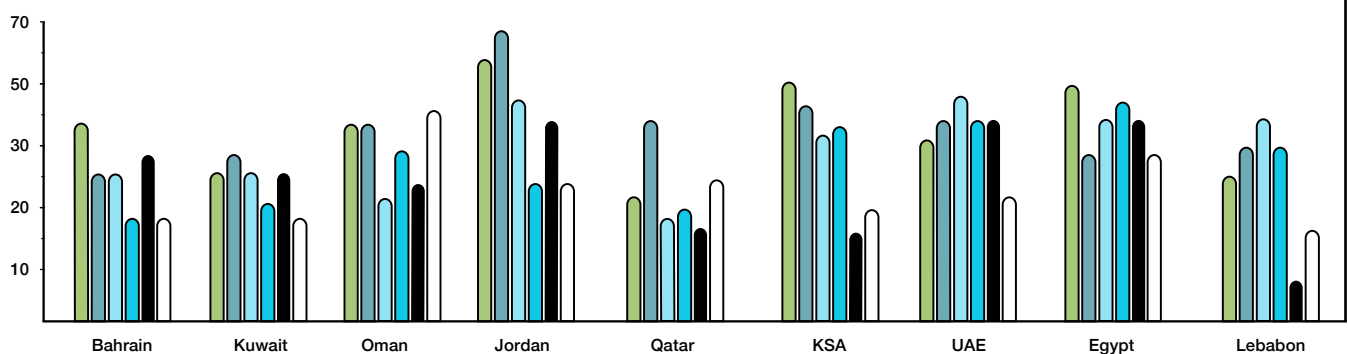
QUESTION 7

What challenges does your company face when measuring the impact of its ESG efforts?



No single ESG measurement challenge dominates across the region, yet a third of firms notably struggle with issues like 'lack of supporting third-party organizations' (36%) and 'limited measurement resources' (34%). Additionally, many face hurdles such as 'unclear project ownership' (30%), 'lack of standardized metrics' (29%), and data-related problems like inconsistent (25%) or inaccurate data (24%).

Jordan particularly highlights these challenges, with 68% reporting resource constraints and 64% citing insufficient third-party support, indicating internal capacity and external ecosystem limitations. Jordan (43%) and Oman (23%) also experience significant issues with inconsistent data collection, suggesting gaps in structured ESG frameworks or regulatory mandates.



● Lack of supporting third party organizations

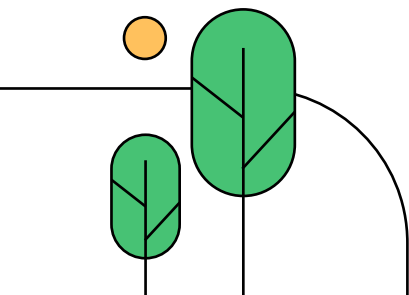
● Limited resources for measurement

● Lack of leadership / ownership

● Lack of standardized metrics

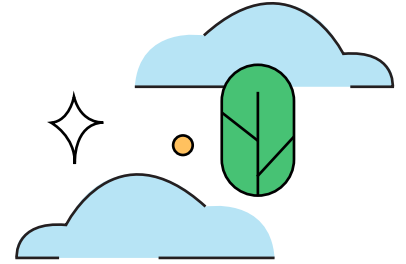
● Inconsistent data collection

○ Inaccurate data

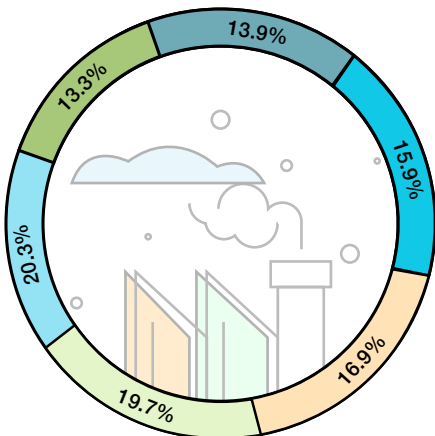


QUESTION 7 (CONT.)

What challenges does your company face when measuring the impact of its ESG efforts?



Sectoral variations emerge distinctly: IT & Telecommunications faces notable third-party support difficulties (41%), potentially due to rapidly evolving ESG models in tech. Construction & Engineering (36%) struggles most with resource constraints, likely balancing ESG measurement against immediate operational demands. Interestingly, IT firms report fewer data consistency problems (14%) compared to Construction (31%) and Financial Services (26%), attributed to advanced digital tracking.

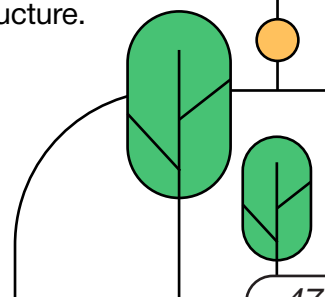
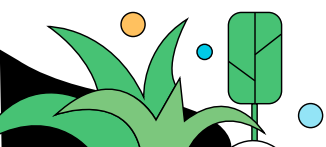


Top Challenges in Measuring ESG Impact (Aggregated Across All Countries)

- Lack of supporting third party Org.
- Limited resources for measurement
- Lack of project ownership
- Lack of standardized metrics
- Inconsistent data collection
- Innacurate data

Company size affects ESG measurement significantly. Larger organizations (29%) encounter more data consistency issues than mid-sized firms (26%), reflecting complex operations and diverse supply chains. Resource constraints impact all business scopes equally - local (35%), regional (34%), and international (35%) - meaning there are universal budgetary challenges.

Regional MENA firms (35%) report unclear ESG leadership roles, highlighting fragmented governance structures. Mid-sized firms (250–499 employees) experience acute third-party support challenges (48%), signaling critical gaps in formal ESG reporting infrastructure.



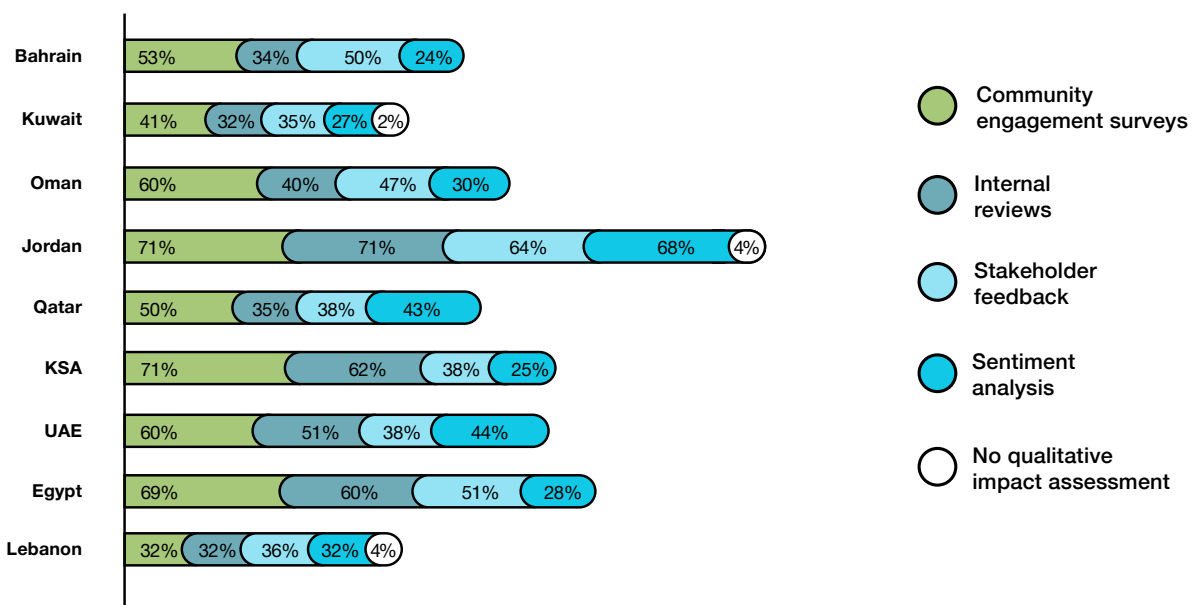
QUESTION 8

How, if at all, does your organization assess the qualitative impact of its ESG initiatives (e.g. improved stakeholder trust, community well-being)?

Virtually all (99%) MENA organizations actively assess the qualitative impact of ESG initiatives, primarily through community engagement surveys (57%), internal reviews (47%), and stakeholder feedback (43%), with sentiment analysis employed by one-third (35%).

Jordan and Saudi Arabia strongly favor community engagement surveys (71%), highlighting these nations' emphasis on direct stakeholder interaction and community impact. In contrast, UAE (62%) and Egypt (60%) predominantly utilize internal reviews, reflecting structured approaches emphasizing accountability and governance.

Jordan notably leads in sentiment analysis adoption (68%), well surpassing Saudi Arabia (24%) and Egypt (29%), denoting a proactive digital approach to assessing stakeholder perceptions and rapidly adapting ESG strategies.



QUESTION 8 (CONT.)

How, if at all, does your organization assess the qualitative impact of its ESG initiatives (e.g. improved stakeholder trust, community well-being)?

Sector-specific trends reveal Construction & Engineering and IT & Telecommunications heavily rely on community surveys (both 62%), reflecting tangible community impacts. Financial Services (43%) and IT & Telecommunications (35%) industries show lower dependence on internal reviews, likely due to external stakeholder pressures. Notably, IT firms excel in stakeholder feedback (49%), facilitated by digital engagement, while Financial Services least utilize sentiment analysis (17%), preferring quantitative metrics.

International businesses strongly favor internal reviews (61%) compared to local (43%) and regional (44%) firms, underscoring structured global governance needs. Meanwhile, local firms go more for stakeholder feedback (47%), emphasizing community-level validation.

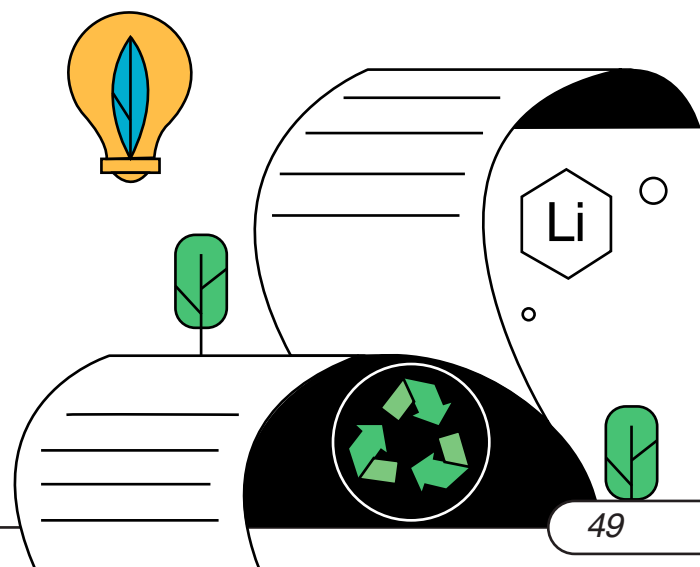
Company size impacts assessment choices: large firms (500+ employees) prefer community surveys (69%) for external validation, mid-sized firms (250-499 employees) look for internal reviews (64%), and smaller businesses (100-249 employees) utilize sentiment analysis (44%), leveraging digital tools amid limited internal resources.

Finally, governance structure influences methods: dedicated ESG teams favor internal reviews (52%), while dispersed or externally managed ESG structures champion stakeholder feedback (42%), reflecting differences in internal governance strength.

“By managing what gets measured, we can break the Tragedy of the Horizon.”

Mark Carney

Canadian Prime Minister & former UN Special Envoy on Climate Action



Section 3

Engagement

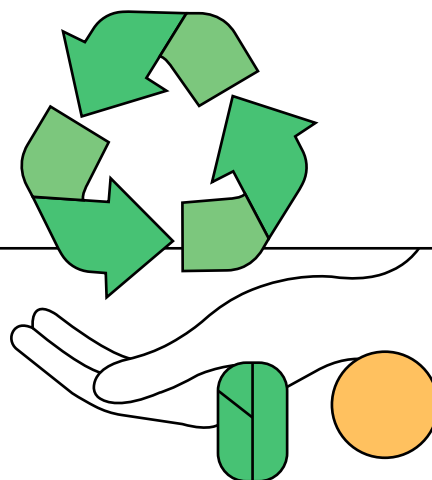
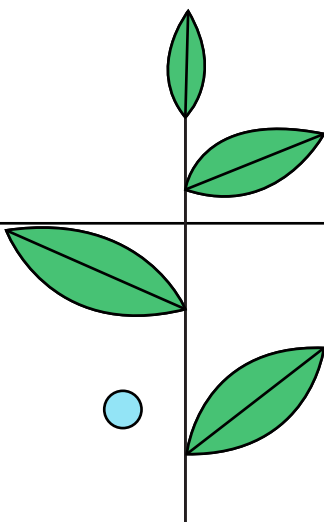
QUESTION 9

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months, specifically under the ENVIRONMENTAL pillar?

All (100%) MENA organizations have implemented environmental ESG initiatives over the past year, with 'adoption of green devices' (38%) and 'optimization of logistics chains' (37%) being most common. Larger organizations consistently step forward most for these initiatives, likely due to greater resources and regulatory demands.

Territory-aligned variations offer deeper insights. Jordan notably shines in logistics optimization (64%), waste reduction (57%), and single-use plastics reduction (64%), emphasizing operational sustainability and efficiency. The UAE prominently adopts green technologies (47%) and single-use plastics reduction (47%), aligning with national sustainability targets like UAE Net Zero 2050, reflecting strong policy-driven ESG actions.

In Qatar (45%) and Saudi Arabia (40%), water conservation dominates, reflecting regional awareness of water scarcity issues. Renewable energy adoption is highest in Jordan (57%), UAE, and Qatar (both 40%), while lower engagement in Lebanon (28%) and Bahrain (20%) indicates infrastructure or policy limitations.



QUESTION 9 (CONT.)

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months, specifically under the ENVIRONMENTAL pillar?

Initiative	Countries Primarily Prioritizing	Secondary Prioritization Countries
Adoption of green devices	● Jordan (64%) ○ UAE (47%) ● Egypt (42%) ● Bahrain (39%)	● Oman (40%) ● KSA (38%) ● Qatar (33%) ● Kuwait (32%) ● Lebanon (24%)
Optimization of logistics chains	● Jordan (64%) ● KSA (51%) ● Oman (40%) ● Qatar (38%)	● Bahrain (36%) ● Kuwait (36%) ○ UAE (33%) ● Egypt (31%) ● Lebanon (16%)
Waste reduction and recycling programs	● Jordan (57%) ○ UAE (56%) ● Oman (40%) ● Lebanon (28%)	● Egypt (42%) ● Bahrain (36%) ● KSA (33%) ● Kuwait (30%) ● Qatar (26%)
Reduction of single-use plastics	○ UAE (47%) ● Jordan (46%) ● Egypt (42%) ● KSA (38%)	● Bahrain (36%) ● Oman (28%) ● Qatar (26%) ● Kuwait (18%)
Investment into renewable energy	● Jordan (64%) ● Qatar (43%) ● KSA (40%) ● Bahrain (27%)	● Jordan (64%) ● Egypt (40%) ○ UAE (36%) ● Kuwait (30%) ● Oman (26%)
Water conservation initiatives	● Qatar (45%) ● Egypt (42%) ● KSA (40%) ● Jordan (39%)	○ UAE (40%) ● Bahrain (32%) ● Kuwait (25%) ● Oman (21%)
Renewable energy adoption	● Qatar (40%) ● Oman (37%) ● Lebanon (28%) ● Bahrain (27%)	● Jordan (57%) ○ UAE (40%) ● KSA (36%) ● Egypt (33%) ● Kuwait (27%)
Carbon reduction or net-zero plans	● Jordan (46%) ○ UAE (44%) ● Egypt (40%) ● KSA (31%)	● Oman (28%) ● Qatar (26%) ● Bahrain (20%) ● Kuwait (18%)
Tracking and reporting of impact	● Kuwait (32%)	● Jordan (64%) ○ UAE (47%) ● Egypt (42%) ● Bahrain (39%)

● Bahrain ● Kuwait ● Oman ○ UAE
● KSA ● Jordan ● Qatar ● Egypt ● Lebanon

QUESTION 9 (CONT.)

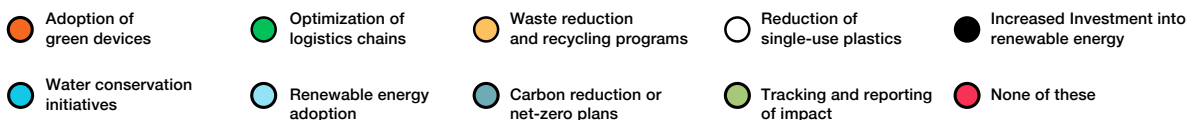
Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months, specifically under the ENVIRONMENTAL pillar?

Sector-specific insights highlight that IT & Telecommunications (41%) emphasizes green devices, aligning ESG with tech infrastructure modernization. Financial Services (43%) prioritize logistics optimization for emissions reduction, while Construction & Engineering (41%) targets single-use plastics reduction to meet regulatory standards and sustainability goals.

Organizational size influences environmental initiatives. Larger companies actively adopt green devices (46%) and reduce plastics (41%), mid-sized firms (250-499 employees) lead waste reduction (44%), while smaller firms report the lowest participation (18%), constrained by limited resources or regulatory incentives.

Overall, environmental ESG strategies in MENA reflect diverse approaches shaped by national contexts, industries, operational scopes, and company size. Leveraging these insights is essential for enhancing sustainability impacts and aligning effectively with stakeholder expectations.

Most Prominent Environmental Initiatives (All Countries Combined)



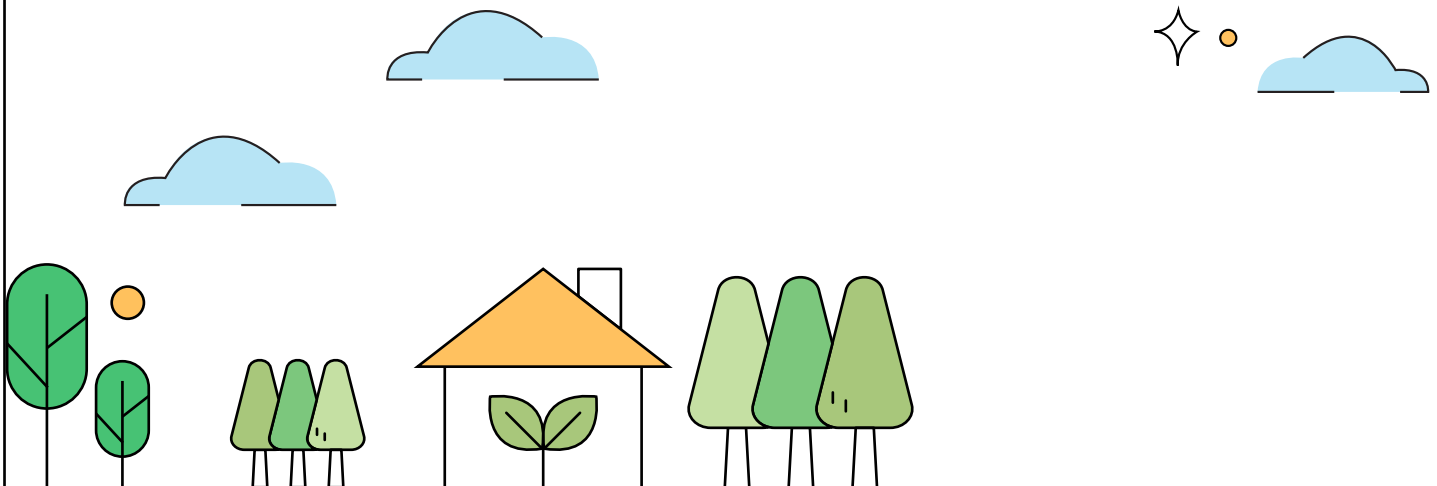
QUESTION 10

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the SOCIAL pillar?

All MENA firms pursued Social ESG initiatives in the past year, though no single approach dominates. Most frequently, organizations focus on employee mental health (39%) and social impact investments (37%), such as Sustainable or Social Impact Bonds. Large companies lead SMEs in employee mental health (46% vs. 33%), community education (38% vs. 27%), and supply chain ethics initiatives (38% vs. 24%).

International businesses excel in social initiatives, consistently prioritizing employee mental health (44%), social impact investments (44%), and community education (43%), following closely global stakeholder expectations and workforce welfare standards.

The UAE (47%) and Saudi Arabia (44%) show strong commitments to social impact investments, highlighting the proactive role of the financial sector in driving societal progress through mechanisms like social bonds. Jordan (57%) and Egypt (42%) have high participation in volunteer programs, contrasting significantly with lower engagement in Qatar (21%) and Lebanon (20%), suggesting stronger cultural or strategic emphasis on community involvement in the former countries.



QUESTION 10 (CONT.)

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the SOCIAL pillar?

Initiative	Countries Primarily Prioritizing	Secondary Prioritization Countries
Initiatives to support employee mental	● Oman (44%) ● Egypt (42%) ● Jordan (42%) ○ UAE (40%)	● Qatar (40%) ○ UAE (40%) ● KSA (38%) ● Lebanon (32%) ● Kuwait (27%)
Social impact investments	○ UAE (47%) ● KSA (44%) ● Bahrain (36%) ● Kuwait (32%)	● Egypt (40%) ● Jordan (36%) ● KSA (36%) ● Oman (35%) ● Lebanon (28%)
Partnerships with NGOs for social impact	● Egypt (42%) ● Bahrain (39%) ● Oman (37%) ● Lebanon (24%)	● Jordan (54%) ○ UAE (38%) ● KSA (36%) ● Qatar (24%) ● Kuwait (23%)
Community engagement projects	● Jordan (61%) ● Egypt (42%) ○ UAE (40%) ● Qatar (33%)	● Kuwait (34%) ● Oman (33%) ● KSA (29%) ● Bahrain (25%) ● Lebanon (12%)
Volunteer programs to encourage staff	● Jordan (57%) ● Egypt (42%) ● KSA (40%) ● Qatar (33%)	● Jordan (64%) ○ UAE (36%) ● Oman (26%) ● Egypt (40%) ● Kuwait (30%)
Diversity, equity, and inclusion (DEI) efforts	● KSA (47%) ● Oman (37%) ○ UAE (31%) ● Jordan (27%)	● Jordan (57%) ○ UAE (40%) ● Oman (28%) ● Kuwait (25%) ● Bahrain (24%)
Education and training programs for local	● Jordan (50%) ○ UAE (47%) ● Bahrain (24%) ● Egypt (24%)	● Egypt (29%) ● Bahrain (27%) ● Kuwait (27%) ● Qatar (26%) ● Lebanon (16%)
Employee well-being programs	● Jordan (61%) ● KSA (44%) ● Oman (29%) ● Qatar (26%)	● KSA (38%) ● Qatar (33%) ● Kuwait (27%) ● Oman (26%) ● Lebanon (24%)
Supply chain ethics	● Egypt (36%) ● Qatar (36%) ● Bahrain (32%) ● Kuwait (18%)	● Egypt (29%) ● Qatar (26%) ● Kuwait (23%) ● Bahrain (20%) ● Lebanon (20%)

● Bahrain ● Kuwait ● Oman ○ UAE
● KSA ● Jordan ● Qatar ● Egypt ● Lebanon

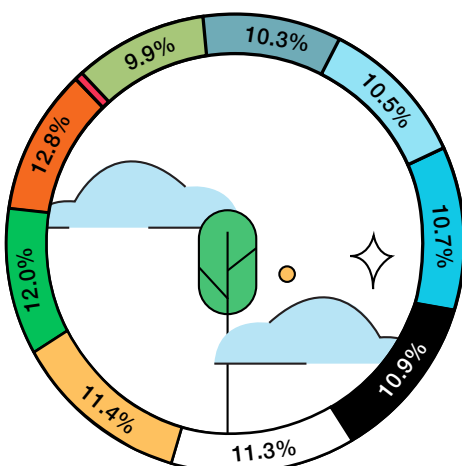
QUESTION 10 (CONT.)

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the SOCIAL pillar?

Sector-specific analysis reveals distinct trends: IT & Telecommunications (43%) prominently has its eyes on employee mental health and supply chain ethics (41%), responding to increased scrutiny regarding ethical sourcing and labor practices. Financial Services & Banking lead in social impact investments (46%), leveraging their financial expertise to drive sustainability outcomes. Construction & Engineering (35%) prefer volunteer programs, aligning social initiatives directly with local community impacts and reputation management.

Operational scope further shapes strategies: international firms (43%) strongly favor structured volunteerism compared to regional (29%) or local companies (32%), indicating comprehensive integration of social impact into global operations. Regional MENA firms (44%) report high social impact investments, reflecting a strategic focus on sustainable finance tailored to regional development goals.

Organizational size also impacts ESG priorities: mid-sized firms notably focus on employee mental health (50%), whereas larger ones are more about social impact investments (41%) and supply chain ethics (37%), reflecting compliance with international standards. Smaller firms participate less in structured initiatives due to resource constraints, while companies with 100-249 employees notably excel in NGO partnerships (37%), strategically enhancing their social impact through external collaboration.



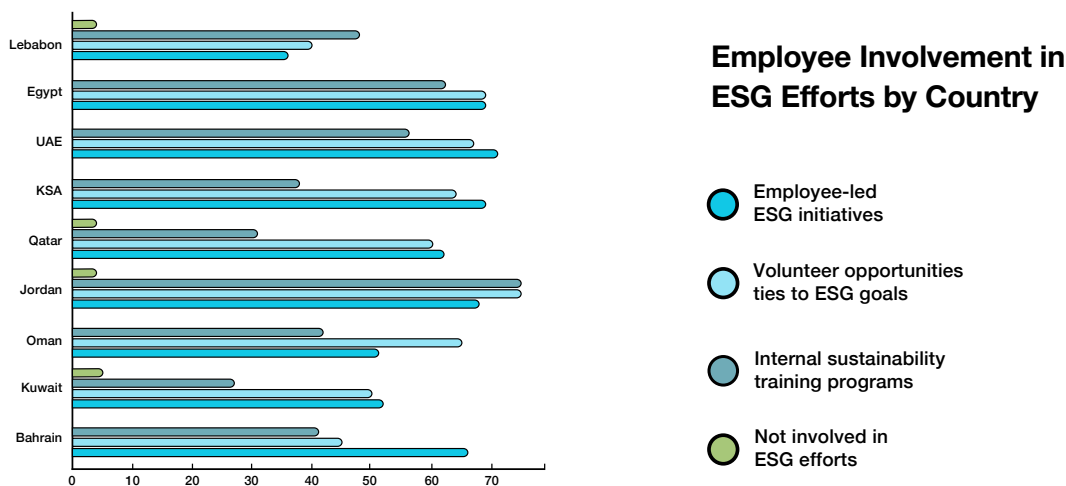
Most Prominent Social Impact and Well-Being Initiatives (All Countries Combined)

- Employee mental health support
- Social impact investments
- NGO partnerships for social projects
- Community engagement programs
- Volunteer programs for staff
- Diversity, equity, and inclusion (DEI)
- Education/training for local communities
- Employee well-being programs
- Supply chain ethics
- None of these

QUESTION 11

How, if at all, does your organization involve its employees in ESG efforts?

Virtually all (99%) MENA organizations involve employees in ESG initiatives, primarily through employee-led activities (61%) and volunteer opportunities (60%), with nearly half (45%) investing in internal sustainability training. Higher-staffed organizations (250+ employees) more frequently implement employee-led ESG initiatives (69%) compared to SMEs (56%).



Country-level differences highlight varied approaches. Jordan (68–75%) and the UAE (71%) lead significantly in employee-led initiatives, volunteering, and internal training, indicating strategic ESG integration into organizational cultures. On the other end, Lebanon (36–48%) shows the region's lowest employee involvement, suggesting limited ESG prioritization or regulatory incentives.

Qatar exhibits an interesting gap, with high staff-led participation (62%) yet low internal sustainability training (31%), signaling potential shortcomings in structured ESG education despite active worker engagement.

Sector analysis also reveals nuances: IT & Telecommunications notably leads employee-led initiatives (65%), emphasizing innovation and grassroots participation but lagging in formal ESG training (41%), highlighting opportunities for more balanced educational frameworks.

Business scope influences involvement, with international and regional firms (both at 65%) surpassing local firms (55%) in employee-led initiatives, likely driven by global stakeholder demands. International firms speak up volunteering (71%) but demonstrate lower internal training (57%), suggesting room for enhanced internal ESG education.

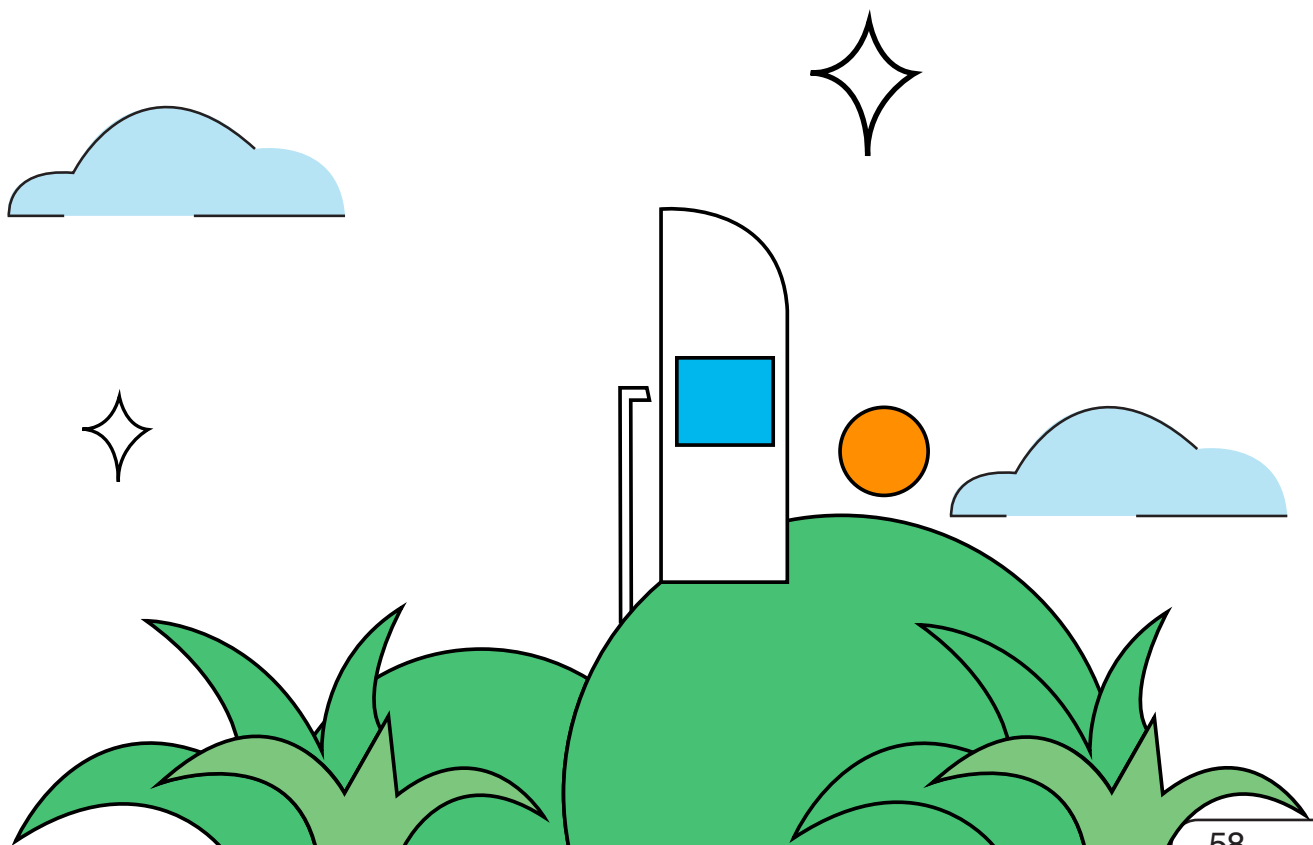
Organizational governance structures spur participation: firms with cross-departmental ESG management achieve higher employee-led involvement (65%), reflecting broader organizational engagement and effective ESG integration across teams.

QUESTION 12

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the GOVERNANCE pillar?

All (100%) MENA organizations actively pursued governance-concentrated ESG initiatives last year, though no single strategy dominated. Top initiatives included regular governance training (38%), ESG-linked executive compensation (36%), increased transparency in reporting (35%), and strengthened cybersecurity policies (35%). Larger firms emphasized executive ESG compensation (43% vs. 31% SMEs) and data privacy (43% vs. 29% SMEs), reflecting heightened regulatory scrutiny.

Country-specific trends significantly shaped these strategies. Saudi Arabia, UAE, and Egypt (44–47%) primarily partnered with government agencies, closely aligning ESG efforts with national policies. Jordan (54%) and Qatar (40%) collaborated with environmental groups, emphasizing climate-driven governance. NGO partnerships were strongest in UAE (47%) and Oman (37%), while Qatar's low NGO engagement (12%) indicated a predominantly government-led ESG approach. Lebanon consistently had the lowest partnership engagement (4–12%), likely due to resource limitations or weaker regulatory incentives.



QUESTION 12

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the GOVERNANCE pillar?

Initiative	Countries Primarily Prioritizing	Secondary Prioritization Countries
Governance training for employees	Egypt – 53% Jordan – 43% UAE – 42% Kuwait – 41%	KSA – 38% Lebanon – 32% Bahrain – 32% Qatar – 31% Oman – 28%
ESG criteria in executive compensation	UAE – 51% KSA – 49% Jordan – 39% Oman – 37%	Qatar – 36% Bahrain – 34% Egypt – 33% Kuwait – 33% Lebanon – 12%
Transparency in reporting	UAE – 42% Kuwait – 41% Oman – 40% Jordan – 40%	KSA – 38% Egypt – 36% Bahrain – 32% Lebanon – 32% Qatar – 31%
Data privacy and cybersecurity	Jordan – 50% Egypt – 44% UAE – 40% Oman – 40%	Qatar – 38% KSA – 38% Bahrain – 33% Kuwait – 25% Lebanon – 20%
Strengthened shareholder rights	Jordan (57%) Egypt (42%) KSA (40%) Qatar (33%)	Bahrain – 39% Qatar – 36% Egypt – 29% Kuwait – 29% Lebanon – 16%
Monitoring & tracking policies	Jordan – 50% KSA – 40% UAE – 40% Oman – 40%	KSA – 31% UAE – 31% Kuwait – 31% Lebanon – 20% Bahrain – 18%
Ethical sourcing guidelines	Jordan – 71% Qatar – 45% Oman – 45% Egypt – 33%	KSA – 27% Bahrain – 20% Kuwait – 16%
Board diversity	Jordan – 57% UAE – 42% Egypt – 36% Oman – 29%	Bahrain – 27% Oman – 26%
Independent audit committee	Kuwait – 42% KSA – 42% Jordan – 39% UAE – 33%	KSA – 29% Bahrain – 25% Kuwait – 25%
Independent audit committee	Jordan – 54% Oman – 33% UAE – 33% Egypt – 29%	Lebanon – 32% Bahrain – 30% Oman – 28% Kuwait – 25%

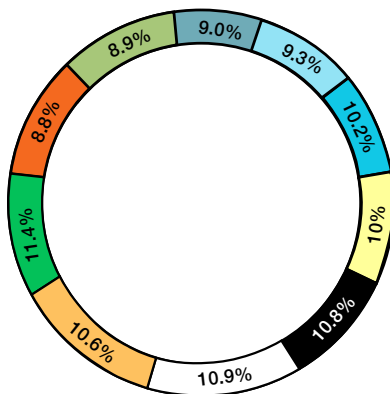
● Bahrain
 ● Kuwait
 ● Oman
 ○ UAE
 ● KSA
 ● Jordan
 ● Qatar
 ● Egypt
 ● Lebanon

QUESTION 12 (CONT.)

Which, if any, ESG initiatives has your organization undertaken (which could have begun in 2025 or in 2024 or earlier) in the past 12 months under the GOVERNANCE pillar?

Sector analysis highlighted clear partnership preferences: Financial Services favored government agency collaboration (49%), driven by regulatory requirements. Construction & Engineering prioritized philanthropic foundations (32%) for community-oriented ESG impacts. IT & Telecommunications were more concerned with partnerships with environmental groups (35%), addressing industry-specific risks such as energy use and data protection. Academic partnerships featured in Construction (29%) and Financial Services (23%), reflecting research-driven governance approaches.

Operational scope also influenced partnership dynamics. International companies formed robust alliances with global NGOs and governments to meet diverse compliance requirements, whereas regional firms favored local industry and community groups, tailoring ESG initiatives regionally. Local firms prioritized community engagement and academic partnerships, adopting grassroots governance strategies



Most Prominent Governance Initiatives (All Countries Combined)

- Third-party audit & reporting
- Governance training for employees
- ESG criteria in executive compensation
- Transparent in reporting efforts
- Data privacy & cybersecurity
- Strengthened shareholder rights
- Monitoring & tracking policies
- Ethical sourcing & procurement
- Improved board diversity
- Independent audit committee

Firm size shaped governance strategies further. Larger firms primarily partnered with government and NGOs due to regulatory pressures, while mid-sized firms balanced environmental and community engagements. Smaller firms (25–99 employees) relied on industry associations and local advocacy groups for collective ESG support. However, all sizes showed limited collaboration with urban planning entities, displaying opportunities to better integrate governance initiatives with urban sustainability frameworks.

Finally, ESG management structure influenced partnerships: externally managed ESG teams favored NGOs, philanthropic organizations, and government collaboration to align externally driven ESG goals, while internal ESG teams chose partnerships delivering measurable environmental impacts and accountability.

QUESTION 13

Which, if any, of the following external organizations does your company partner with, in order to achieve its ESG goals?

Academic partnerships prominently occur in Construction & Engineering (29%) and Financial Services (23%), indicating these sectors leverage research-based innovation for ESG strategy. International companies extensively partner with global NGOs and government entities to meet diverse international standards and regulations. They also actively collaborate with academic and research institutions to remain ahead in sustainability innovation.

Regional MENA-based firms typically collaborate with industry associations and local community organizations, crafting tailored ESG solutions to regional challenges. Local firms strongly look to grassroots community engagement and local academic collaborations, reinforcing direct impact and trust-building.

Company size significantly shapes partnership strategies: larger firms (500+ employees) favor government and NGO collaborations, reflecting higher regulatory requirements. Mid-sized firms (250–499 employees) balance environmental and community engagements, combining governance needs with local impact. Smaller companies predominantly rely on industry associations and local advocacy groups for collective ESG representation.

Partnerships with urban planning and development bodies remain limited across firms, meaning potential for greater integration of ESG initiatives with urban sustainability and infrastructure planning, particularly among larger companies.

ESG governance structures further influence partner selection: externally managed ESG teams typically favor NGOs, philanthropic entities, and governmental collaborations, aligning outsourced ESG activities with social and policy-driven goals. Internally managed ESG teams prefer environmental groups for measurable sustainability outcomes, emphasizing accountability. General management favors governmental and community engagements, aligning corporate ESG strategies with national policy and local objectives, while cross-departmental ESG teams leverage academic and industry partnerships to integrate research and sector best practices.



“ Since most corporate competitors have the same problems with sustainability and social reputation, it's worth trying to solve them together. ”

Simon Mainwaring
Founder & CEO of We First Inc

QUESTION 13 (CONT.)

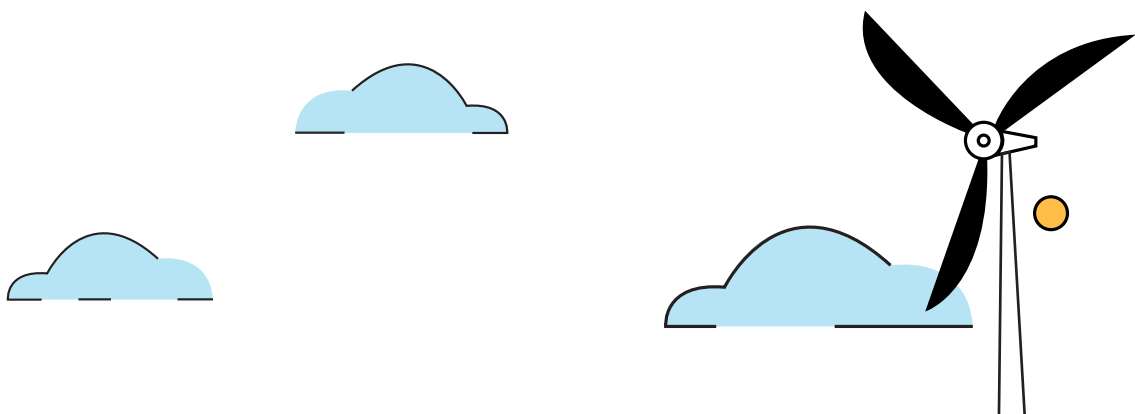
Which, if any, of the following external organizations does your company partner with, in order to achieve its ESG goals?

Virtually all (99%) MENA organizations partner with external entities to advance ESG goals, primarily Government Agencies (36%), Community-Based Organizations (35%), NGOs (34%), Foundations & Philanthropic Organizations (33%), and Environmental Protection Groups (32%). Other partners are used by approximately one-fifth to one-quarter of organizations.

Saudi Arabia (47%), UAE (47%), and Egypt (44%) prominently collaborate with government agencies, aligning ESG initiatives closely with national regulatory frameworks. In contrast, Jordan (54%) and Qatar (40%) emphasize partnerships with environmental protection groups, reflecting a strong focus on climate action and ecological sustainability.

NGO collaborations are highest in UAE (47%) and Oman (37%), whereas Qatar (12%) demonstrates considerably lower NGO engagement, suggesting ESG initiatives there are predominantly government-driven or internally managed. Lebanon consistently reports the lowest levels of partnership engagement (4–12%), likely due to resource limitations or weaker institutional ESG frameworks.

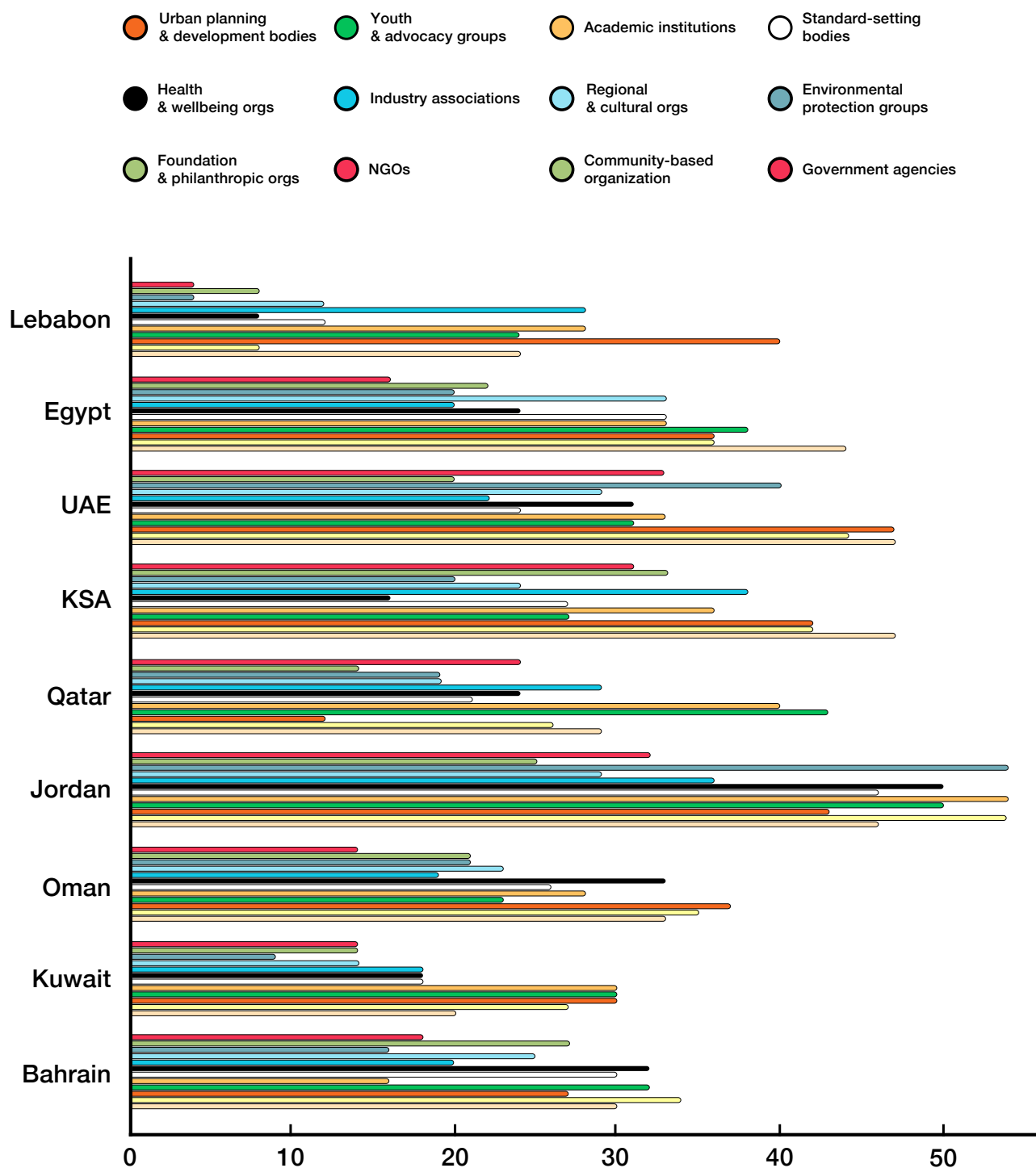
Sector-specific differences are pronounced: Financial Services & Banking (49%) frequently engage government agencies, emphasizing regulatory alignment. Construction & Engineering (32%) primarily collaborate with philanthropic foundations to support community-focused ESG initiatives. IT & Telecommunications (35%) notably partner with environmental groups, addressing sustainability concerns around energy and e-waste.



QUESTION 13 (CONT.)

Which, if any, of the following external organizations does your company partner with, in order to achieve its ESG goals?

Type of ESG Stakeholders Organizations Collaborate with (By country)



QUESTION 14

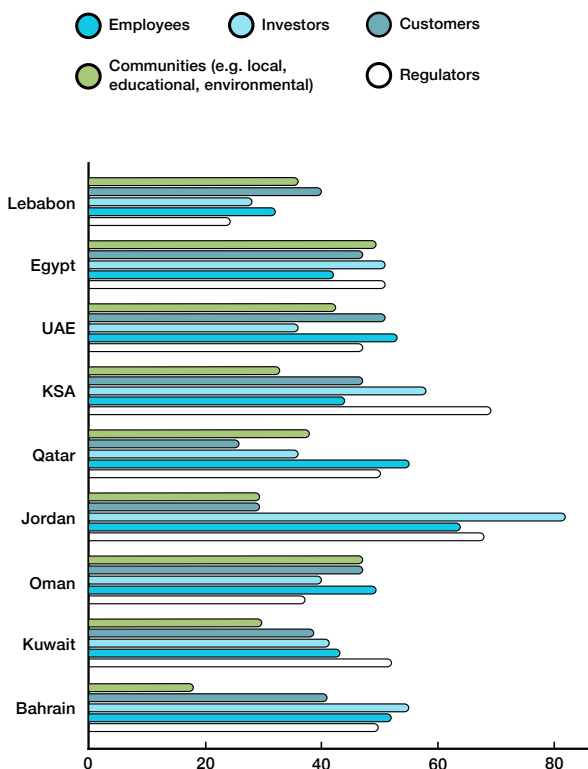
Which stakeholder groups does your company prioritize most, in its ESG efforts?

Internal stakeholders and primary revenue sources are noted to receive the highest focus amongst the entirety of the MENA region. Specifically, half of all firms prioritize their employees (50%), investors (48%), or customers (47%), while external groups such as communities (41%) and regulators (36%) are targeted by around two-fifths of companies.

Customer prioritization is particularly pronounced in Jordan (82%) and Saudi Arabia (58%), exhibiting a strategic integration of sustainability initiatives aimed at appealing to consumer preferences and achieving competitive differentiation. In the UAE (69%) and Jordan (68%), employee-centric ESG initiatives dominate, underscoring corporate emphasis on workforce welfare, ethical labor practices, and internal culture building.

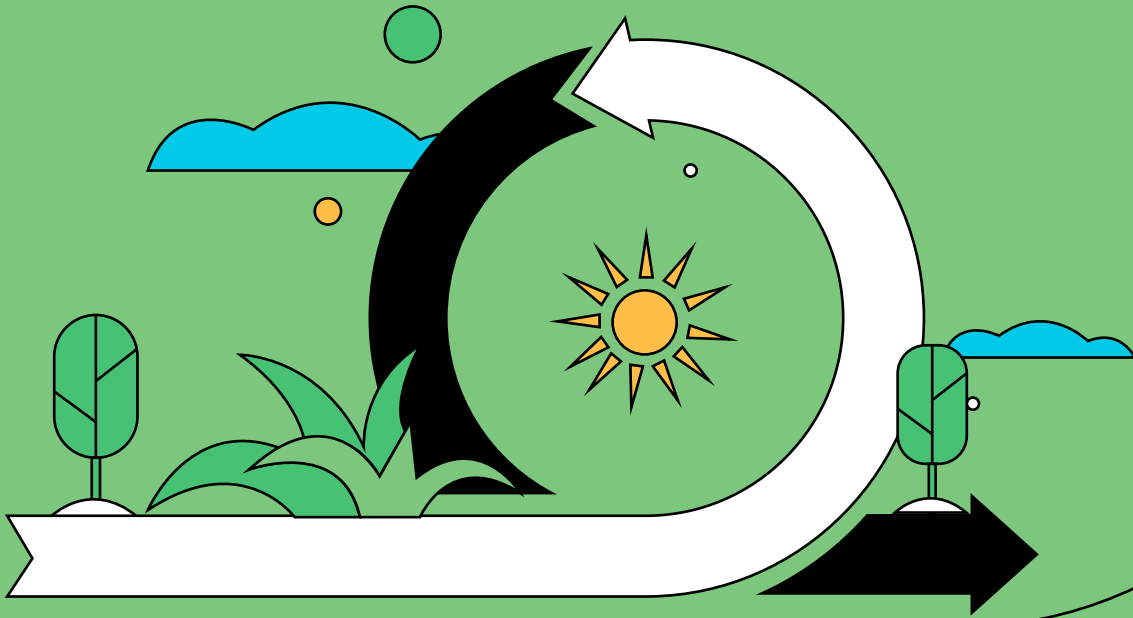
Investor stakeholders are influential in Qatar (55%) and Kuwait (52%), reflecting increased market pressure and expectations that ESG efforts directly contribute to risk mitigation and sustained profitability. Meanwhile, community engagement emerges strongly in the UAE and Egypt (both 51%), where ESG strategies address local social impact, educational initiatives, and regional development.

Primary ESG Communication Target (By Country)



Industry-specific analysis reveals that customers are central to ESG strategies within Construction (68%) and Banking (43%), sectors driven by consumer demand for sustainable infrastructure, ethical financial products, and green investments. Staff-concentrated initiatives similarly lead within Construction (65%) and Banking (60%), aligning industry efforts with workforce well-being and internal governance priorities.

Investors exert significant influence over ESG priorities in IT & Telecommunications (54%) and Construction (49%), signaling a strong alignment between ESG-driven capital allocation and sector growth strategies. Additionally, IT & Telecommunications firms prominently speak about communities (43%), reflecting sector commitments toward digital inclusion, community empowerment, and local socio-economic advancement.



Section 4

Looking *ahead*

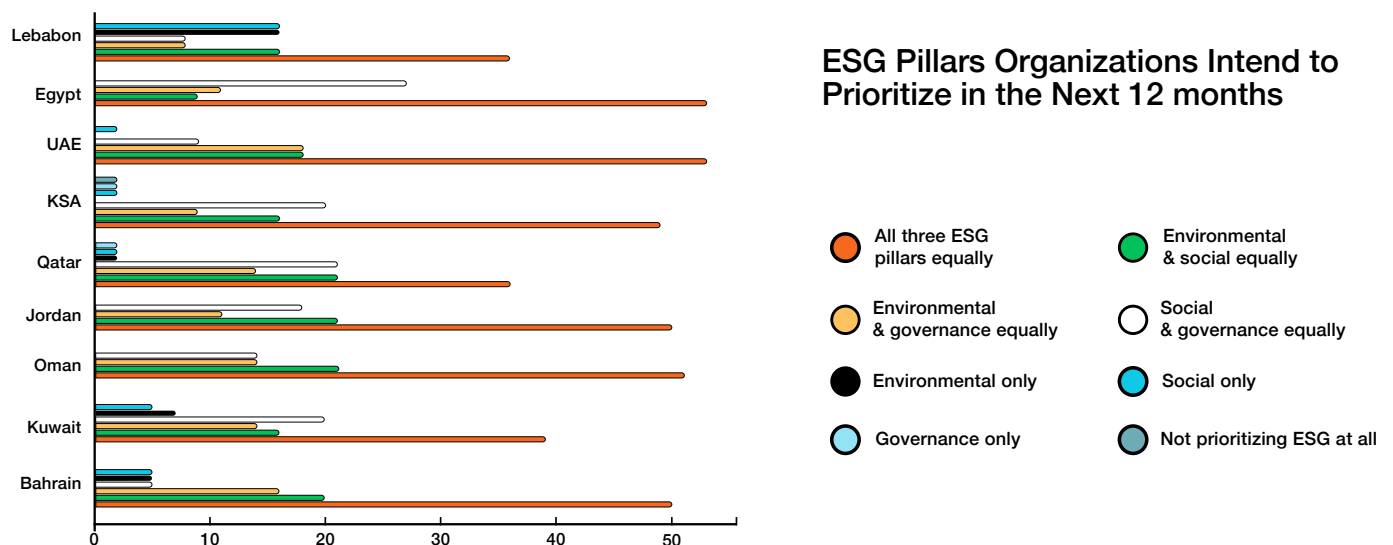
QUESTION 15

Which ESG pillar(s) will your organization focus more on/prioritize, over the next 12 months?

Nearly half (47%) plan equal emphasis across Environmental, Social, and Governance pillars across the region. Specifically, 17% jointly look to Environmental and Social, 13% Environmental and Governance, and 16% focus on Social and Governance. However, an 8% decline in Environmental prioritization suggests shifting strategic interests toward Social and Governance dimensions.

Other trends further clarify regional ESG preferences. Egypt is strong for Governance (91%), whereas Lebanon (52%) significantly lags due to weaker institutional frameworks. Regarding Social priorities, Jordan and Egypt lead (89%), highlighting their focus on community and reputation, while Lebanon's lower engagement (76%) probably results from economic constraints.

Bahrain prominently eyes Environmental initiatives (91%), driven by progressive sustainability policies. Conversely, Saudi Arabia and Egypt (both at 76%) exhibit reduced environmental focus, potentially reflecting a stronger emphasis on economic growth over sustainability.



Sectoral analysis reveals distinct ESG strategies. Financial Services strongly champions Social initiatives (91%), aligning with global CSR trends and financial inclusion practices. Other sectors predominantly focus on Environmental initiatives, indicating regional alignment with global sustainability standards.

Operational scope also shapes ESG strategies. Local firms like Social initiatives (87%), closely aligning with government-led CSR programs. Regional firms balance Social and Environmental initiatives equally (80%), while international businesses heavily side with Environmental ESG (90%), driven by global commitments and investor expectations.

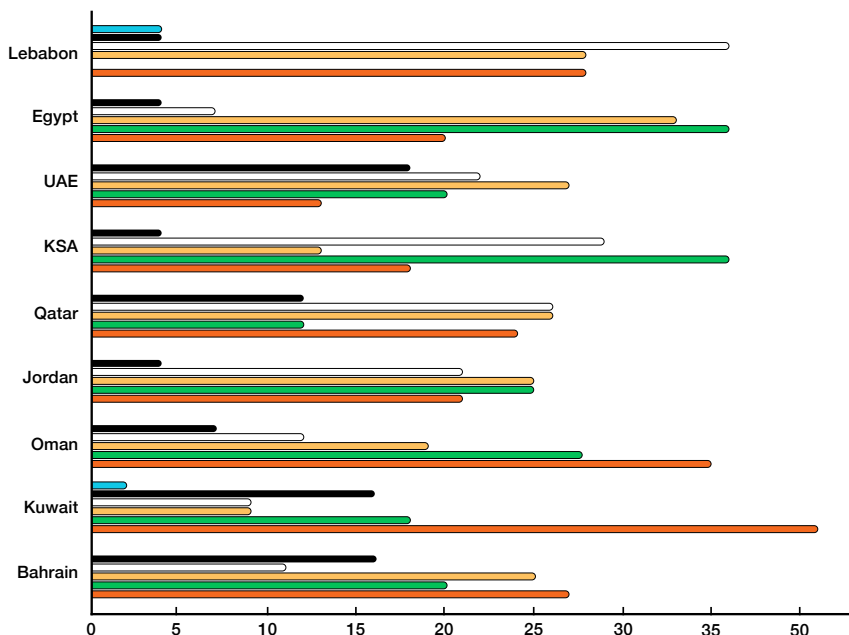
ESG maturity significantly influences priorities. New adopters (≤ 6 years) equally balance ESG pillars (51%), whereas established ESG firms (6–10 years at 82%, and 11+ years at 85%) increasingly prefer Social initiatives, highlighting social responsibility as critical to long-term resilience and stakeholder trust.

QUESTION 16

Which, if any, of the following is your organization's biggest motivator for increasing ESG efforts, over the next 12 months?

Across the MENA region, motivations for enhancing ESG efforts in 2025 are notably diverse. Long-term profitability emerges prominently, particularly in Kuwait (41%) and Oman (35%), indicating that firms in these markets strategically view ESG as essential for sustained market competitiveness. Lebanese firms distinctly veer toward ethical commitment (36%), highlighting transparency and corporate responsibility as primary motivators.

Regulatory compliance is dominant in Saudi Arabia (36%) and Egypt (36%), underscoring how robust governmental frameworks effectively drive corporate sustainability practices. Interestingly, stakeholder pressure remains relatively low in Saudi Arabia (4%) and Lebanon (4%), significantly below regional averages, suggesting limited external demand for ESG transparency in these markets.



Primary Motivators Behind ESG Prioritization (by Country)

- Long-term profitability
- Regulatory compliance
- Competitive advantage
- Stakeholder pressure
- Non of these
- Ethical commitment

Sector-specific motivations further highlight strategic variations. Construction & Engineering balances competitive advantage (27%) and compliance (27%), responding to both market differentiation and regulatory pressures. Financial Services mention mostly competitive advantage (29%) and long-term profitability (23%), aligning ESG with rising demands for transparency and sustainable financial products.

In IT & Telecommunications, long-term profitability (35%) prominently features alongside regulatory compliance and competitive advantage (both at 24%), reflecting the sector's increasing recognition of ESG as critical to innovation and growth.

QUESTION 16 (CONT.)

Which, if any, of the following is your organization's biggest motivator for increasing ESG efforts, over the next 12 months?

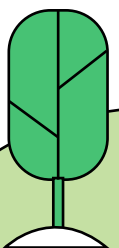
Business scale also shapes ESG priorities: international firms emphasize long-term profitability (29%) and regulatory compliance (25%), driven by global expectations. Local firms, however, strategically highlight competitive advantage (26%) and ethical commitment (22%), aiming to align with international standards despite resource constraints.

Organizational size offers additional insights: larger companies (500+ employees) have profitability (26%) as an ESG driver, leveraging sustainability for differentiation. SMEs evenly balance profitability, compliance, and competitive advantage (24%), reflecting the necessity to address multiple ESG pressures simultaneously.

ESG maturity further influences motivational trends: established ESG adopters (11+ years) answered the survey citing long-term profitability (29%), reflecting recognition of ESG's financial benefits, while mid-stage firms (6–10 years) focus primarily on regulatory compliance (26%). Newer ESG adopters (≤6 years) similarly prioritize profitability (27%) for strategic differentiation.

Interestingly, internally managed ESG frameworks strongly look to profitability (28%), while firms utilizing third-party ESG management notably highlight competitive advantage (32%), indicating external partners' role in positioning ESG strategically for market differentiation. MENA motivations for enhancing ESG efforts in 2025 are notably diverse. Long-term profitability emerges, particularly in Kuwait (41%) and Oman (35%), indicating that firms in these markets strategically view ESG as essential for sustained market competitiveness. Lebanese firms choose ethical commitment (36%), highlighting transparency and corporate responsibility as primary motivators.

Regulatory compliance is dominant in Saudi Arabia (36%) and Egypt (36%), underscoring how robust governmental frameworks effectively drive corporate sustainability practices. Interestingly, stakeholder pressure remains relatively low in Saudi Arabia (4%) and Lebanon (4%), significantly below regional averages, suggesting limited external demand for ESG transparency in these markets.



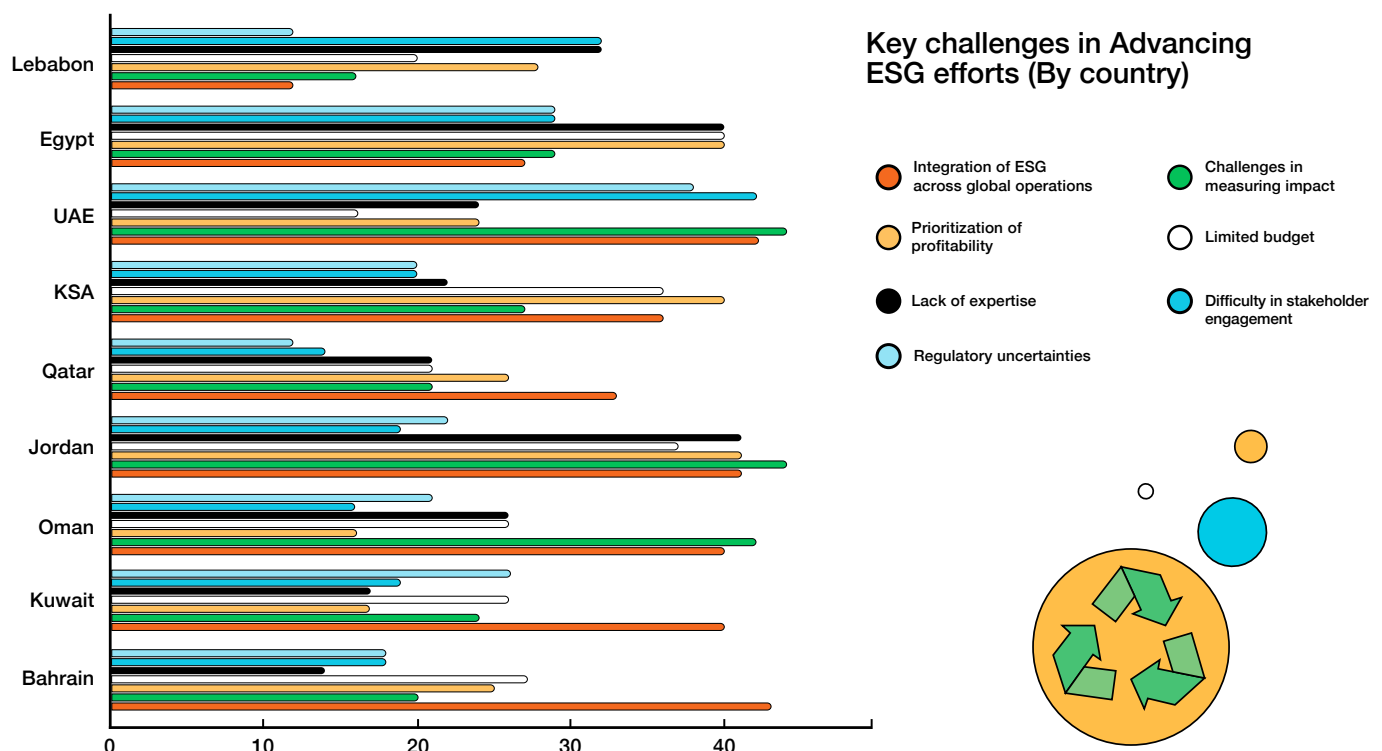
QUESTION 17

What challenges do you foresee in scaling up your organization's ESG efforts, over the next 12 months?

As MENA organizations plan to scale ESG efforts in 2025, several key challenges emerge prominently. Measuring ESG impact is a primary concern, especially in Jordan (44%), UAE (44%), and Oman (42%), underlining critical gaps in standardized data collection and tracking systems. This highlights an urgent regional need for enhanced ESG metrics essential for decision-making and stakeholder accountability.

Financial constraints also impede ESG scaling, i.e. in Saudi Arabia (36%) and Jordan (37%), with profitability pressures (40% in KSA) compounding budget limitations. Egypt faces multiple simultaneous barriers - including limited budgets, profitability prioritization, and insufficient ESG expertise (each ~40%) - suggesting substantial hurdles in ESG implementation due to financial and knowledge constraints.

Sectoral analysis reinforces these trends. Construction & Engineering firms notably struggle with limited internal expertise (38%) and profitability prioritization (38%), complicating effective ESG resource allocation. Financial Services experience significant difficulty measuring ESG impact (49%) and integrating ESG globally (40%), reflecting challenges balancing financial returns with stringent sustainability requirements.



QUESTION 17

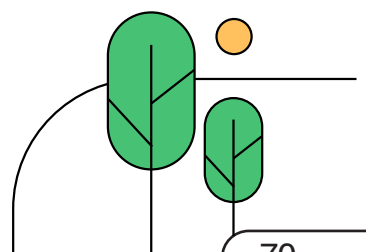
What challenges do you foresee in scaling up your organization's ESG efforts, over the next 12 months?

IT & Telecommunications firms report difficulties integrating ESG across dispersed global operations (37%), illustrating sector-specific complexities due to diverse regulatory environments. Across all industries, global ESG integration, accurate impact measurement, and internal expertise shortages dominate concerns, hinting at widespread recognition of ESG operationalization complexities.

Operational scope further shapes ESG challenges: international firms particularly emphasize global integration (38%) and impact measurement (43%), spotlighting complexities across multiple regulatory frameworks. Larger organizations (250+ employees) cite measuring ESG impact as a core difficulty (42%), while smaller firms highlight global ESG integration challenges (36%), reflecting resource constraints and limited internal capabilities.

Lastly, ESG maturity influences challenges. Newer adopters (≤ 6 years) and intermediate-stage firms (6–10 years) prominently face difficulties embedding ESG globally (37–39%), marking a critical growth phase in ESG integration. Interestingly, organizations utilizing third-party ESG management experience markedly fewer global integration and regulatory challenges (each at 5%), showing that external partnerships effectively reduce operational barriers and simplify ESG implementation complexities.

Country	Challenges in measuring impact	Difficulty in stakeholder engagement	Integration of ESG	Lack of Expertise	Limited Budget	Prioritization of profitability	Regulatory uncertainties
Bahrain	● 20%		● 43%		● 27%	● 25%	
Egypt	● 29%			● 49%	● 40%	● 40%	
Jordan	● 44%		● 41%	● 41%		● 41%	
KSA	● 27%		● 36%		● 36%	● 40%	
Kuwait	● 24%		● 40%		● 26%		● 26%
Lebanon		● 20%		● 32%	● 20%	● 28%	
Oman	● 42%		● 40%	● 26%	● 26%		
Qatar	● 21%		● 33%		● 21%	● 26%	
UAE	● 44%	● 44%	● 42%				● 38%





Section 5

Takeaways

CURRENT CONTRIBUTIONS

Organizations already recognize the interconnected nature of ESG pillars, but there remains substantial room for improvement, particularly in developing balanced and comprehensive ESG frameworks.

Given the variance in pillar prioritization - such as the gap in Bahrain or the specific vulnerability in the Construction and Engineering sector regarding Social and Governance pillars - firms could strategically review their current ESG priorities to ensure all areas receive adequate attention. To bolster resilience and competitiveness, those in sectors or countries currently lagging could consider formalizing comprehensive ESG integration plans, aligning more closely with global standards and regional leaders like Egypt, who have effectively prioritized all three pillars equally.

With ESG adoption timelines varying widely across the region, organizations could significantly benefit from leveraging knowledge-sharing and best practices from early adopters, notably within the Financial Services sector and markets such as Lebanon. Firms newer to ESG - like those in Oman and Construction industries across the region - might proactively seek collaboration, mentorship, or structured partnerships with seasoned ESG practitioners. These alliances would facilitate a smoother transition toward mature sustainability practices, reducing learning curves and rapidly enhancing ESG performance.



ESG is a leadership issue.

Joe Kaeser

Former CEO of Siemens AG

Leadership engagement is a critical determinant in the effective implementation and communication of ESG initiatives. Given Jordan's emphasis on internal ESG communication to drive employee engagement, organizations elsewhere - particularly those in Kuwait, where internal communication appears relatively underutilized - could significantly strengthen ESG integration by adopting similar internal advocacy programs. Firms could focus on establishing dedicated internal ESG communication platforms or sustainability ambassadors, cultivating a robust internal culture that reinforces sustainability values and principles.

EXPANSION OF ESG EFFORTS

The report reveals that while MENA organizations actively involve stakeholders in their ESG journeys, many could benefit significantly from refining their approaches to external engagement and impact measurement.

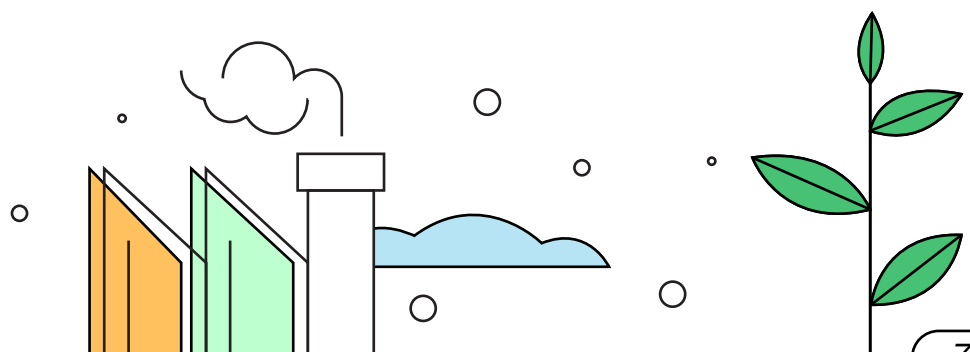
Stakeholder engagement across the region is widespread, with nearly all companies deploying various campaigns or partnerships.

Yet, the variations in practice among countries suggest clear opportunities for enhancement. For instance, Kuwait, which currently shows lower engagement levels, could strengthen ESG positioning by implementing structured, visible campaigns to foster deeper stakeholder relationships. Countries such as Jordan and Egypt, already successful in external engagement, can further leverage their approaches by systematically capturing stakeholder feedback to continually refine their ESG initiatives.

Furthermore, the measurement of ESG impact across the region remains varied, revealing key strategic opportunities.

While qualitative stakeholder feedback is heavily relied upon, this subjective method alone may limit comprehensive ESG impact assessment. Therefore, industries like Construction and Engineering, currently dependent on stakeholder opinions, could substantially bolster their credibility by adopting formalized measurement frameworks - for example, as established sustainability reporting standards or technological tracking tools. This transition would enhance transparency, accountability, and credibility with investors and regulators.

For sectors already adept at using sophisticated metrics, further integrating advanced technological tools and third-party verification could enhance accuracy and reduce issues like data inconsistency and inaccuracies, ultimately strengthening their overall ESG reporting.



EXPANSION OF ESG EFFORTS

Challenges all around

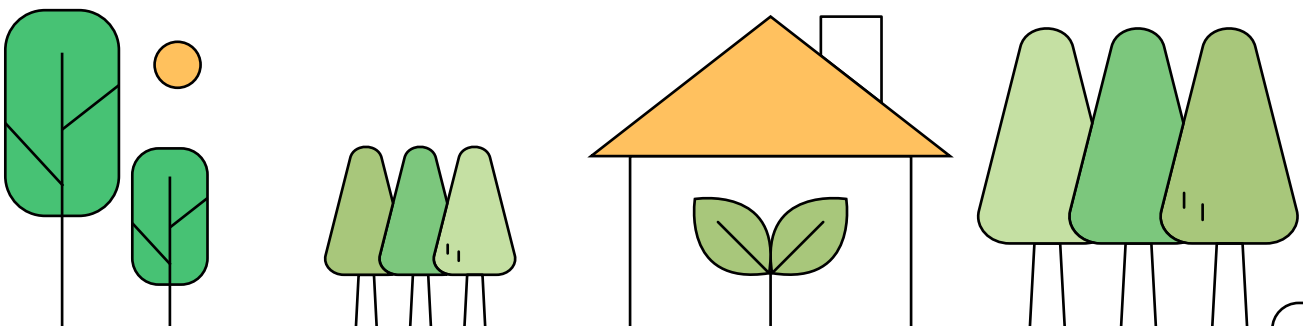
Organizations across the MENA region also face recurring challenges, like limited measurement resources, lack of standardized metrics, and insufficient third-party support. To overcome these barriers, firms - particularly those in Jordan and mid-sized enterprises - should prioritize investments in capacity-building initiatives and external collaborations. Forming partnerships with specialized ESG agencies or adopting shared industry standards could significantly mitigate these measurement challenges.

Assessing qualitative ESG impacts effectively remains critical for fostering stakeholder trust and enhancing organizational credibility. Firms in Saudi Arabia and Jordan that heavily utilize community engagement surveys could enrich their assessments further by integrating digital sentiment analysis, as exemplified by leading organizations. Meanwhile, companies emphasizing internal reviews, such as those in the UAE and Egypt, should increasingly integrate stakeholder feedback and external validation methods to balance internal governance with external stakeholder expectations.

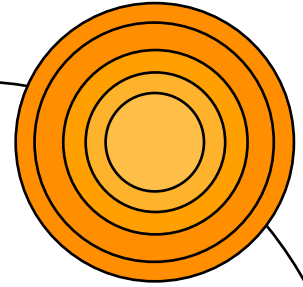


ESG is no longer just about a philanthropic desire to do good and be a good corporate citizen. It heavily influences the way that investors, customers, and potential hires look at us as well.

Hatem Dowidar
Group CEO of e&



EMPOWERING THE THREE CORE PILLARS



The comprehensive analysis reveals clear insights into how MENA organizations approach ESG implementation across Environmental, Social, and Governance pillars, offering strategic pathways forward.

While all MENA organizations actively pursue environmental sustainability, the variance in initiatives highlights potential pathways for deeper impact.

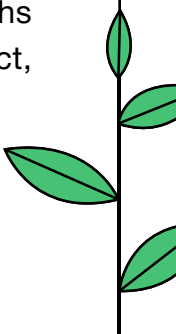
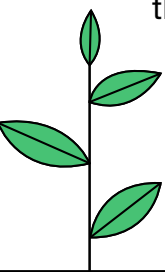
Nations already excelling in operational sustainability (logistics optimization, waste, and plastic reduction), should leverage these strengths to become regional models for operational efficiency. In contrast, nations like Lebanon and Bahrain could significantly enhance their environmental impact by addressing barriers such as infrastructure and regulatory constraints, particularly around renewable energy adoption.

This indicates that....

Businesses across sectors should align their environmental initiatives closely with industry-specific operational benefits. For instance, Construction & Engineering firms that currently emphasize plastic reduction can further integrate circular economy practices to enhance both environmental and cost efficiencies. Financial Services, strong in logistics optimization, might amplify their ESG impact by setting industry benchmarks and sharing best practices to encourage wider adoption.

The strong emphasis on employee mental health and social investments reflects a regional recognition of the human aspect of sustainability. Yet, there are clear opportunities for deepening social impact further. Mid-sized organizations excelling in employee mental health could act as catalysts, developing scalable mental health frameworks adaptable by smaller SMEs that currently lag due to limited resources. Similarly, sectors like Financial Services and IT, already leaders in social impact investments and supply chain ethics, should deepen their ESG credibility through transparent reporting and external certifications, solidifying their leadership positions.

Nations with robust volunteer participation (Jordan, Egypt) can leverage these strengths further by integrating structured measurement frameworks to assess volunteer impact, thus enhancing both employee engagement and corporate reputation.



EMPOWERING THE THREE CORE PILLARS

The strong emphasis on employee mental health and social investments reflects a regional recognition of the human aspect of sustainability.

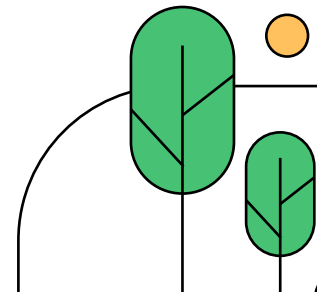
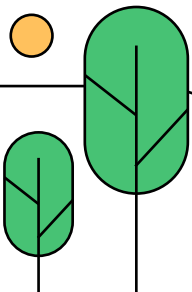
Yet, there are clear opportunities for deepening social impact further. Mid-sized organizations excelling in employee mental health could act as catalysts, developing scalable mental health frameworks adaptable by smaller SMEs that currently lag due to limited resources. Similarly, sectors like Financial Services and IT, already leaders in social impact investments and supply chain ethics, should deepen their ESG credibility through transparent reporting and external certifications, solidifying their leadership positions.

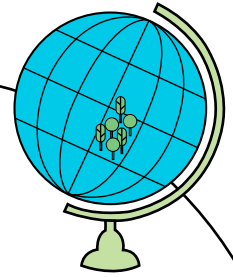
Nations with robust volunteer participation (Jordan, Egypt) can leverage these strengths further by integrating structured measurement frameworks to assess volunteer impact, thus enhancing both employee engagement and corporate reputation.

With widespread staff involvement evident, the next step for organizations is deepening this engagement strategically.

Nations like Jordan and UAE, already demonstrating high involvement, could enhance ESG effectiveness by pairing strong participation with targeted internal ESG training programs, addressing identified gaps such as those observed in Qatar. This would translate employee enthusiasm into structured sustainability competencies.

Industries such as IT & Telecommunications, while innovative in employee-led initiatives, would benefit significantly from strengthening formal ESG education frameworks, thus aligning grassroots innovation with informed, strategic sustainability practices. Cross-departmental ESG management structures, clearly beneficial in enhancing employee engagement, should become a recommended governance practice for maximizing internal ESG effectiveness across firms.





EMPOWERING THE THREE CORE PILLARS

Given universal adoption of governance initiatives, the primary concern should now shift towards deepening strategic partnerships.

Countries extensively partnering with government entities (Saudi Arabia, UAE, Egypt) should further institutionalize these relationships by creating platforms for knowledge exchange, enabling consistent regulatory alignment. Conversely, countries with lower partnership rates, one being Lebanon, could strategically enhance governance effectiveness by building structured collaborations with regional ESG bodies or international NGOs, thus overcoming local resource constraints.

Sector-specific partnerships already showing strengths could further enhance governance impacts by establishing formal alliances or consortia that share best practices, thus solidifying industry-specific ESG governance standards.

While MENA organizations widely embrace external partnerships, clear pathways exist to deepen their effectiveness. International businesses already successful in partnerships with global NGOs and government entities could further enhance credibility and innovation by strategically partnering with specialized academic and research institutions.

Regional firms concerned with industry associations and local organizations could expand ESG influence by initiating collaborative regional ESG frameworks, addressing socio-environmental challenges collectively.

Effective ESG strategies should prioritize stakeholder groups strategically aligned with organizational strengths and market needs.

Countries like Jordan and Saudi Arabia, strongly prioritizing customers, should deepen market differentiation by transparently communicating ESG benefits directly to consumers. Meanwhile, worker-focused countries (UAE, Jordan) should further institutionalize engagement programs, creating sustained internal advocacy for ESG initiatives.

Investor-centric markets (Qatar, Kuwait) could significantly benefit from enhanced transparency and robust ESG reporting frameworks, thus reinforcing investor confidence and attracting sustainable finance. Community engagement, evidently strong in UAE and Egypt, can be further leveraged through structured impact measurement, enabling transparent demonstration of local ESG impacts, thereby bolstering corporate reputation and community trust.

IDENTIFYING PRIORITIES

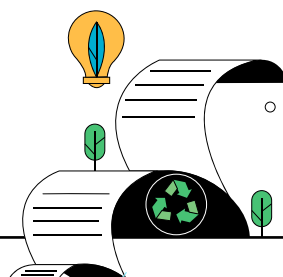
Organizations in the MENA region remain committed to comprehensive ESG strategies, yet subtle shifts indicate an evolving focus.

With nearly half (47%) continuing to equally emphasize all three pillars, the slight decline in Environmental picks suggests firms are realigning resources toward Social and Governance aspects. Companies should proactively review these shifts internally for balanced sustainability efforts, particularly as regional benchmarks evolve.

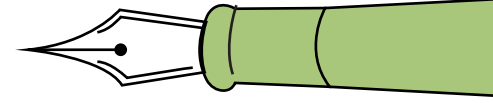
Egypt's strong Governance prioritization (91%) illustrates the impact of robust regulatory frameworks, highlighting the necessity for businesses operating in less structured markets, such as Lebanon (52%), to establish clearer internal governance protocols to enhance credibility and compliance. Meanwhile, Bahrain's leadership in Environmental initiatives (91%) provides a replicable model for countries like Saudi Arabia and Egypt, where economic priorities have somewhat overshadowed sustainability. Companies in these markets should leverage regional best practices and advocate for clearer policy incentives to strengthen environmental commitments.

Financial Services firms' emphasis on Social initiatives (91%) aligns well with global CSR trends, suggesting opportunities for other sectors to adopt similar inclusive practices, thus building stakeholder trust and enhancing brand differentiation. Local companies particularly speaking on Social pillars should deepen their community engagement and internal workforce initiatives, while international firms preferring Environmental aspects should continue leveraging global sustainability frameworks to maintain competitive advantage and investor appeal.

Mature ESG adopters significantly worried about Social dimensions (85%) highlight a clear pathway for newer adopters, suggesting a strategic shift over time towards recognizing human capital and community relationships as central to sustained ESG success. Organizations newer to ESG should build structured roadmaps that incorporate progressive adoption of these social sustainability elements as their ESG strategies mature.



MOTIVATIONS FOR STRATEGIC IMPACT



ESG motivations vary significantly across the MENA region, necessitating targeted strategic responses.

The clear prioritization of long-term profitability in markets like Kuwait and Oman underscores the importance of explicitly linking ESG strategies to financial performance metrics. Firms in these markets should develop clear, measurable ESG KPIs directly tied to profitability and competitive differentiation, enabling stronger internal buy-in and clearer external stakeholder communication.

Lebanon's unique focus on ethical commitment indicates a powerful opportunity for firms to distinguish themselves through transparency and accountability. Lebanon should proactively adopt robust sustainability reporting frameworks and integrate transparent ESG narratives into corporate identity, thus enhancing trust and stakeholder confidence in a challenging economic environment.

Regulatory compliance as a strong motivator in Saudi Arabia and Egypt suggests firms should look to proactive engagement with evolving regulatory environments, implementing systems for ongoing compliance management. Given lower stakeholder pressure in markets like Saudi Arabia, businesses have an opportunity to proactively shape ESG narratives, potentially increasing market differentiation by communicating their voluntary ESG commitments clearly to investors and customers.

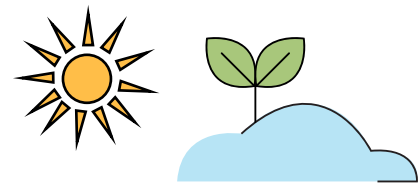
Sector-specific insights further refine strategies.

Construction and Engineering firms should strategically leverage regulatory compliance and competitive advantage simultaneously, zooming in on ESG-driven certifications to clearly demonstrate compliance and market leadership. Financial Services firms who want competitive advantage and profitability can deepen ESG integration by offering transparent sustainable finance products, connecting closely with market demands for transparency.

International companies' strong profitability and regulatory compliance sharpening highlights the necessity for these firms to maintain agile ESG strategies adaptable to diverse regulatory frameworks, proactively investing in global ESG best practices to sustain market differentiation. SMEs, balancing profitability, compliance, and competitive advantage, should prioritize flexible ESG frameworks allowing cost-effective adaptability to shifting market demands and regulations.

Companies with internally managed ESG frameworks, championing profitability, could further enhance sustainability performance by leveraging external ESG expertise strategically, enabling clearer alignment with competitive market advantages. Those currently leveraging third-party ESG management should make ESG differentiation strategies integrate closely with core business operations for sustained competitive advantage.

CHALLENGES AND SCALING



As firms aim to scale ESG initiatives in 2025, significant challenges provide clear opportunities for focused improvement. The pronounced difficulty in measuring ESG impact, particularly in Jordan, UAE, and Oman, illustrates the critical need for organizations to invest in standardized data tracking and reporting tools. Companies should prioritize building robust ESG data infrastructures, incorporating recognized frameworks and digital measurement tools to enhance transparency and accountability.

Resource constraints, notably in Saudi Arabia and Jordan, suggest the need for more strategic allocation of ESG resources. These markets should adopt cost-efficient ESG initiatives and seek collaborative partnerships with external organizations, such as NGOs or industry groups, to pool resources and amplify impact without extensive budgetary increases. Egypt's simultaneous financial and expertise barriers indicate firms could significantly benefit from targeted ESG training and capacity-building programs, potentially developed through cross-sector partnerships or international collaborations.

Construction and Engineering firms facing resource constraints and profitability pressures should strategically align ESG initiatives with core operational efficiencies, demonstrating tangible short-term benefits to justify continued investment. Financial Services' struggles with ESG measurement and global integration shine a light on the need for more integrated ESG risk management frameworks and globally recognized certifications, thus enhancing credibility and operational coherence across diverse markets.

IT & Telecommunications firms' global ESG integration challenges show us the importance of leveraging centralized ESG governance systems capable of adapting sustainability strategies effectively across multiple jurisdictions. All firms should proactively establish clear internal ESG leadership structures to eliminate role ambiguity, especially crucial for regional firms currently facing fragmented ESG governance challenges.

Newer and mid-stage ESG adopters experiencing significant global integration challenges would benefit substantially from strategic third-party partnerships, as exhibited by the success of externally managed ESG frameworks in overcoming regulatory and integration hurdles. Organizations should strategically consider outsourcing specific ESG management elements to specialized third-party providers, bringing about smoother ESG adoption and scalability, particularly in complex operational environments.

Ultimately, MENA organizations aiming for effective ESG scaling must prioritize structured impact measurement, strategic resource allocation, enhanced internal ESG governance clarity, and selective external partnerships to overcome identified barriers effectively, setting a strong foundation for sustained ESG excellence beyond 2025.

Section 6

Closing Remarks

A DEFINING MOMENT FOR ESG IN MENA

The ESG movement in the MENA region has passed a critical inflection point. Once viewed as a peripheral consideration, environmental, social, and governance factors have rapidly advanced to the center of strategic conversations — across boardrooms, policy corridors, and investor dialogues. What was once optional is now essential.

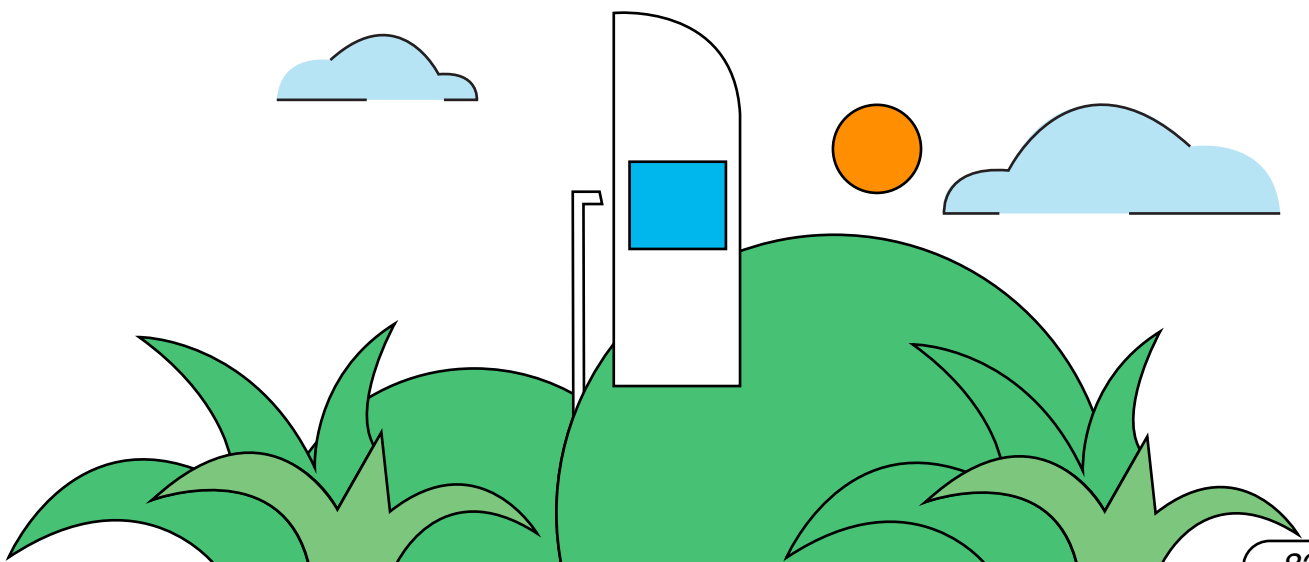
Our report highlights a region awakening to the immense potential of ESG. We see a rising tide of corporate responsibility, institutional alignment, and cross-sector engagement. Businesses are no longer asking if they should act on ESG, but how they can lead with purpose.

Yet, the road ahead demands more than individual effort. The findings underscore one urgent truth: collaboration across the entire ESG value chain is no longer a luxury — it is a necessity. Governments, regulators, corporates, family businesses, investors, and civil society must move in concert to translate momentum into measurable impact.

The MENA region is uniquely positioned. With its ambitious national visions, abundant youth demographic, and increasing global influence, it has all the ingredients to become a global leader in sustainable development. But leadership requires action — bold, coordinated, and sustained.

Now is the time to build ecosystems of trust.
Now is the time to align profit with purpose.
Now is the time to embed ESG into the DNA of regional growth.

Let this report serve not as a conclusion, but as a call to action. The window of opportunity is open — and the future belongs to those who choose to shape it.



**“The greatest threat
to our planet is
the belief that
someone else
will save it**

**It’s time we
start acting
like it.**

Robert Swan

Polar explorer and environmental advocate

LEADING
by **EXAMPLE**



Thank you

Developed by Cicero & Bernay Communication Partner.