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The UAE SFWG launches the Principles for Sustainability-Related Disclosures for Reporting Entities in line with the Year of Sustainability

Abu Dhabi (June 10, 2024): In line with the announcement of 2024 as the 'Year of Sustainability', the UAE Sustainable Finance Working Group (SFWG) launched the 'Principles for Sustainability-Related Disclosures for Reporting Entities' as part of the joint efforts of the UAE supervisory authorities to upgrade requirements for sustainability-related disclosures for the UAE financial institutions according to the best international practices.

The principles serve as a declaration of common understanding among the UAE SFWG members of the minimum expectations in this area, within their respective jurisdictions, to ensure the development and implementation of disclosure frameworks in line with these principles, and within the targeted scope related to the environmental, social, and governance (ESG) factors.

The Securities and Commodities Authority (SCA) hosted the working group members to announce the launch of the principles, which were signed by His Excellency Mohammed Ali Al Shorafa Al Hammadi, Chairman of the SCA; His Excellency Khaled Mohamed Balama, Governor of the Central Bank of the UAE (CBUAE); His Excellency Essa Kazim, Governor of the Dubai International Financial Centre; and Emmanuel Givanakis, CEO of the Financial Services Regulatory Authority of Abu Dhabi Global Market (ADGM).

His Excellency Mohamed Ali Al Shorafa Al Hammadi, Chairman of the SCA, delivered the opening speech, in which he thanked the UAE SFWG members, indicating that the launch of the 'Principles for Sustainability-Related Disclosures for Reporting Entities' represents a major landmark in the work done by the group, which has spared no effort since its founding in reaffirming the UAE's commitment to transitioning to a sustainable green economy, in line with the National Climate Change Plan 2050, and boosting the UAE's ranking in global competitiveness reports as well as establishing it as a regional and international reference for climate neutrality.



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Taking place in Abu Dhabi, the signing ceremony was attended by Her Excellency Dr. Maryam Buti Al Suwaidi, CEO of the SCA, and Ian Johnston, Chief Executive of the Dubai Financial Services Authority.

Also present from the Abu Dhabi Securities Exchange (ADX) were Chairman His Excellency Ghannam Butti Al Mazrouei and CEO His Excellency Abdulla Salem Al Nuaimi while attending from the Dubai Financial Market (DFM) were Mr. Khalifa Ahmed Rabaa Al Shehhi, Chief Operating Officer and Mr. Mahmoud Al Ali, Assistant Vice President and Head of Listing and Disclosure Department.

Following the signing, the UAE SFWG member authorities will officially release the principles for licensed financial institutions to encourage them to promote transparency in sustainability-related matters to best serve the interests of all stakeholders in the UAE.

On this occasion, His Excellency Khaled Mohamed Balama, Governor of the Central Bank of the UAE (CBUAE), said: “In line with the wise leadership’s vision to create a more sustainable future, the UAE Central Bank, through its membership in the UAE Sustainable Finance Working Group, continues to ensure effective cooperation and coordination to promote sustainability in the banking and insurance sectors and advance the UAE’s sustainable finance agenda. Launching the ‘Principles for Sustainability-Related Disclosures for Reporting Entities’ underscores the efforts to accelerate the development of an integrated sustainable finance ecosystem and bolster the resilience of the financial sector as part of the efforts to establish a leading global status for the UAE in sustainable finance and achieve climate neutrality by 2050 at the local and international levels”.

For his part, His Excellency Ahmed Jassim Al Zaabi, Chairman of the Board of Directors of the ADGM, said: “We at ADGM, in collaboration with the UAE authorities, are proud of the SFWG’s continuous efforts to promote sustainable finance by introducing robust guidelines that drive transparency and proper disclosure among financial institutions and other entities in line with international standards. This work is a key component to the UAE economy’s transition to net zero and underscores our unwavering commitment to integrating sustainability into finance. Inspired by the ‘Principles for Sustainability-Related Disclosures for Reporting Entities’, ADGM has introduced its own ESG (Environmental, Social, and Governance) Disclosures



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Framework for entities under its jurisdiction as part of its comprehensive framework for sustainable finance, which seeks to enhance transparency, accountability, and the adoption of best practices in sustainability reporting.”

His Excellency Essa Kazim, Governor of the Dubai International Financial Centre (DIFC), said: “DIFC, in its capacity as a member of the UAE Sustainable Finance Working Group, continues to spearhead a range of comprehensive sustainability programmes in the pursuit of a net zero future in collaboration with the government, aligned with the UAE’s ‘Year of Sustainability’, the long-term goals of the Paris Agreement, and the United Nations Sustainable Development Goals for 2030”.

The ‘Principles for Sustainability-Related Disclosures for Reporting Entities’ announced today is further testament to the UAE Sustainable Finance Working Group’s efforts in showcasing how the financial sector can lead the charge in addressing climate change and promoting a just transition to a sustainable economy.”

About the Principles for Sustainability-Related Disclosures for Reporting Entities

The principles highlight four major considerations for reporting entities, including (1) having in place adequate policies, procedures, and systems for reporting on sustainability-related matters; (2) taking into consideration factors, such as transparency, materiality, relevance, and stakeholder engagement when disclosing information, (3) disclosures made must mirror the way they operate, including in the areas of governance, strategy, and risk management; and (4) market participants should consider specific elements when dealing with and offering sustainability-related products to enhance the transparency and quality of sustainability-related, product-level disclosures.

About the UAE SFWG

The UAE Sustainable Finance Working Group was founded in 2019 to facilitate the UAE’s economic transformation and encourage the adoption of sustainable financing at the local level. The working group (UAE authorities) consists of ministries (Ministry of Finance, Ministry of Economy, Ministry of Climate Change and Environment, Office of the UAE Special Envoy for Climate Change), financial services regulators (the CBUAE, the SCA, the Financial Services Regulatory Authority of Abu Dhabi Global Market, and the Dubai Financial Services Authority) and the UAE stock exchanges (the ADX, the DFM, and Nasdaq Dubai).

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