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From Symbols to Substance: Exploring SDG-Washing in UAE Sustainability Reports

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Abstract

Sustainability reporting has emerged as a critical mechanism through which governments, corporations, and institutions demonstrate accountability and transparency in their pursuit of the United Nations Sustainable Development Goals (SDGs). In the United Arab Emirates (UAE), where economic diversification, environmental stewardship, and social well-being are central to national development agendas such as Vision 2030 and Vision 2050, sustainability reporting has gained prominence. However, the implementation and standardization of such reporting practices face several challenges, including regulatory inconsistencies, cultural and institutional barriers, lack of standardized frameworks, and limited stakeholder engagement. The findings indicate that while the UAE has made considerable progress in promoting sustainability through government initiatives and corporate responsibility programs, significant gaps remain in terms of consistency, integration of SDGs into business strategies, and effective disclosure of environmental and social impacts. Addressing these gaps requires the development of a coherent national framework, greater institutional support, and capacity-building initiatives that can bridge the divide between international expectations and local realities.

Keywords: Sustainability reporting, United Arab Emirates, SDGs, corporate accountability, environmental governance, stakeholder engagement, transparency

I. Introduction

The growing global emphasis on sustainability has placed the United Nations Sustainable Development Goals (SDGs) at the forefront of policy-making, business strategies, and societal priorities [1]. As a country with a unique economic model driven by oil wealth but rapidly diversifying into knowledge-based and green economies, the United Arab Emirates occupies a strategic position in the global sustainability agenda [2]. The UAE has launched various initiatives such as the UAE Green Agenda, the Energy Strategy 2050, and the National Climate Change Plan to align with the SDGs. Sustainability reporting, therefore, becomes an essential tool for both public and private sectors to communicate progress, identify challenges, and attract international recognition and investment. Despite its strategic importance, sustainability reporting in the UAE encounters multiple challenges. Unlike developed economies where reporting practices are highly institutionalized, the UAE faces regulatory fragmentation, reliance on voluntary guidelines, and varying levels of organizational commitment. Some companies adopt global frameworks such as the Global Reporting Initiative (GRI) or Integrated Reporting (IR), but there is no universal mandate or unified structure across sectors. This creates inconsistencies in data quality, comparability, and transparency.

Moreover, cultural and institutional contexts influence how sustainability is perceived and reported. In the UAE, where rapid development is often prioritized, balancing economic growth with environmental and social sustainability can be complex. The narrative of progress sometimes overshadows the disclosure of challenges, which undermines the credibility of reports. Stakeholders, including investors, employees, and policymakers, are often left without clear insights into the actual progress being made toward the SDGs. The UAE's ambition to be a global leader in sustainability requires bridging these gaps in reporting. By critically examining the challenges, this research contributes to understanding how sustainability reporting can evolve in alignment with the SDGs [3]. It emphasizes not only the structural issues within organizations but also the systemic reforms needed at the national level.

II. Literature Review

Sustainability reporting has been widely studied as an instrument of corporate governance and accountability. Internationally, scholars highlight frameworks such as GRI, SASB, and IR as benchmarks for best practices. Research also emphasizes the role of reporting in enhancing transparency, fostering stakeholder trust, and measuring progress toward global sustainability goals. However, literature also reveals persistent challenges such as green washing, inconsistent indicators, and lack of integration between sustainability strategies and corporate performance. Within the Gulf region, studies highlight the unique economic and cultural contexts that shape sustainability reporting. Oil dependency, high energy consumption, and rapid infrastructure growth pose distinct environmental challenges. At the same time, the region's socio-political structures influence the prioritization of certain SDGs over others. Research has shown that Gulf countries often prioritize economic diversification and renewable energy while placing less emphasis on issues such as gender equality and labor rights in reporting.

Specifically, in the UAE, research indicates that while many organizations voluntarily disclose sustainability information, the scope and depth of reporting vary significantly. For example, multinational corporations operating in the UAE often adhere to international standards, while local enterprises may provide limited or fragmented disclosures [4]. Academic studies highlight that sustainability is often framed as a branding tool rather than a strategic commitment, raising concerns about the authenticity of reporting practices. Another strand of literature discusses stakeholder expectations in emerging economies. Investors increasingly demand standardized and credible sustainability reports, but in contexts like the UAE, limited regulatory pressure and lack of enforcement mechanisms weaken organizational accountability. Previous research underscores the need for harmonized frameworks that reflect both global standards and local socio-economic priorities.

The literature also points toward the growing importance of the SDGs as a unifying framework for sustainability efforts [5]. However, operationalizing the SDGs into measurable indicators remains a challenge, particularly in countries where institutional capacity is evolving. This creates a gap between international expectations and local reporting realities, a gap this paper aims to address in the UAE context.

III. Methodology

This research employed a mixed-methods approach, combining qualitative and quantitative analyses to provide a comprehensive understanding of sustainability reporting challenges in the UAE. The qualitative component involved a review of publicly available sustainability reports from leading UAE companies across sectors such as energy, finance, real estate, and transportation. Reports were evaluated based on their adherence to recognized frameworks, alignment with the SDGs, and the extent of transparency in disclosure. In addition, interviews were conducted with corporate sustainability officers, policymakers, and stakeholders from non-governmental organizations to capture insights into institutional and cultural barriers [6]. These interviews were transcribed and analyzed using thematic coding to identify recurring patterns and challenges. Particular emphasis was placed on understanding the perception of the SDGs and how they influence reporting strategies [7].

The quantitative component involved constructing a reporting quality index based on 30 indicators derived from global frameworks such as GRI and IR. These indicators were categorized under environmental, social, and governance (ESG) dimensions. Each report was scored against the index, and results were compared across sectors to assess consistency and comprehensiveness. The methodology also incorporated benchmarking against global best practices. Reports from international corporations in comparable industries were analyzed to highlight the gap between UAE practices and international standards. This comparative analysis provided a clearer perspective on where UAE companies stand in terms of sustainability reporting maturity. Finally, data triangulation was employed to ensure reliability. The combination of report analysis, interviews, and benchmarking provided a holistic view of both organizational-level practices and systemic challenges, thereby strengthening the validity of the research findings.

IV. Experiment and Results

The experiment focused on analyzing sustainability reports from 25 companies headquartered in the UAE. The sample included entities from energy, banking, real estate, aviation, and retail sectors. Each report was evaluated against the constructed reporting quality index. Results revealed significant variation across industries [8]. Energy companies, particularly those linked to government initiatives on renewables, scored highest in environmental disclosures, while real estate companies tended to emphasize social contributions such as community development. However, a recurring challenge was the lack of explicit alignment with the SDGs. Only 40% of reports explicitly mapped their initiatives to specific SDGs, and even fewer provided measurable targets or progress indicators. For instance, while several companies claimed commitment to SDG 7 (Affordable and Clean Energy), only a minority disclosed concrete metrics on renewable energy usage or efficiency improvements.

The interviews corroborated these findings, highlighting that many organizations perceive sustainability reporting as a reputational requirement rather than a strategic necessity. Several respondents noted that while top management supports sustainability initiatives, operational-level integration remains weak. These disconnect often results in reports that are more aspirational than factual. The quantitative scores also indicated a gap between UAE companies and international benchmarks [9]. On average, UAE companies scored 55 out of 100 on the reporting quality index, compared to 75 for comparable international corporations. The main weaknesses were in governance transparency and integration of SDG indicators into business performance metrics. Overall, the experiment demonstrated that while progress has been made, sustainability reporting in the UAE is still at an early stage of institutionalization. The results highlight the need for stronger regulatory frameworks, capacity building, and stakeholder engagement to ensure reporting evolves from a voluntary branding exercise into a meaningful tool for accountability.

V. Discussion

The findings underscore the multidimensional challenges of sustainability reporting in the UAE. First, the absence of a standardized national framework creates inconsistency across sectors. While some companies adopt international standards, others rely on ad-hoc reporting practices, making comparisons difficult. This fragmentation undermines the ability of stakeholders to assess progress toward the SDGs systematically. Second, the cultural and institutional context plays a pivotal role. In the UAE, sustainability is often framed through narratives of innovation and national pride, which sometimes overshadow transparent disclosure of challenges. The desire to project a positive image can lead to selective reporting, raising concerns about credibility and greenwashing [10]. This is particularly problematic when reports highlight achievements without addressing shortcomings or providing verifiable data.

Third, stakeholder engagement remains limited. While investors and international partners demand high-quality sustainability disclosures, local stakeholders such as employees and communities are often excluded from reporting processes. This lack of inclusivity reduces the relevance and impact of sustainability reports in driving systemic change. Fourth, the integration of SDGs into business strategies is still nascent. Companies often mention the SDGs but fail to translate them into actionable targets. Without measurable indicators and timelines, the contribution of organizations to national and global sustainability goals remains unclear. This weakens the strategic potential of reporting and risks reducing it to a symbolic exercise. Finally, the gap between UAE practices and international benchmarks highlights the urgency for institutional reforms. Establishing a regulatory mandate for sustainability reporting, offering training programs, and developing sector-specific guidelines could help bridge this gap. Moreover, fostering a culture of accountability and transparency is crucial for ensuring that sustainability reporting genuinely contributes to achieving the SDGs in the UAE [11].

VI. Conclusion

This study reveals that while the United Arab Emirates has demonstrated strong commitment to sustainability through national policies and corporate initiatives, significant challenges hinder the effectiveness of sustainability reporting in advancing the SDGs. The absence of standardized frameworks, cultural tendencies toward selective disclosure, limited stakeholder engagement, and weak integration of SDG indicators collectively undermine the credibility and utility of reports. The experimental analysis of corporate reports confirms that sustainability reporting in the UAE lags behind international best practices, highlighting the need for systemic reforms. For the UAE to fulfill its ambition of being a global sustainability leader, it must prioritize developing a unified national framework, strengthening institutional support, and embedding accountability at all organizational levels. Doing so will not only enhance transparency but also ensure that sustainability reporting becomes a transformative tool for aligning economic development with environmental stewardship and social progress.

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