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Christian Murad and Lorriane Spalding report on the increased sustainability claims in the UAE and the Middle East following the Expo2020. Will the increase in claims reduce the region's carbon footprint or only elevate the risk of greenwashing – is the halo effect real?

Sustainability

ABOUT THE AUTHORS



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Between the heat, sand, steel, glass, and high-rise buildings, the fast-growing city of Dubai in the UAE has one of the largest ecological footprints in the world, yet strives to achieve a net-zero emissions by 2050 goal.¹ With a fiscal reliance on hydrocarbons, given the vast oil and gas resources in the region, the Middle East may not be the first stop on the sustainability map – however, it is one worth noting given the political and commercial push in this area. The UAE, one of the more diversified economies, by 'virtue of vision' aims to become a world leader in the green economy and sustainability development.² The region has seen a significant rise in sustainability claims by businesses, pledging to achieve the sustainability goals after the success of the Expo2020 last year.³ This raises the question of whether the rise in 'eco' claims by business will hinder the overall success for the UAE to achieve its net-zero 2050 goal. With this strategic initiative, announced in 2017, the UAE became the first country in the Middle East and North Africa to make such a bold statement – while the UAE was also the first GCC (Gulf Cooperation Council) country to ratify the Paris Agreement. With the UAE leading the way, Saudi Arabia, one

of the largest economies in the region, followed suit with its own pledge to reach net zero by 2060. While individual economies rely on different paths to reach these goals, varying from diversifying the energy supply mix to water administration, the opportunity to take an advantage of an increased strategic interest in sustainability – or at least the claims of being sustainable.

The Expo2020 - a vision that became a reality has had a significant impact on sustainability in the region. The most recent (although small, forming part of several) sustainability changes flowing from the global event, is charging for single-use plastic bags in the UAE region.⁴ The UAE government initiated several green initiatives and prepares to host the global review in 2023 (COP28).⁵ As climate change requires immediate action now more than ever, it is clear that governments and companies across the world associate climate risks with financial risks and there has been a significant shift in their business models to protect supply chains.⁶ Even though the overall outcome of most of these summits is positive, significant gaps remain which includes the enforcement of the agreements made. Enforcement can

¹ Telecommunications Regulatory Authority, UAE Green Growth Strategy, June 19, <http://www.tra.gov.ae/>, [CS19.pdf](#).

² Radwa Radwa Said, UAE Economic Diversification Record, 14 June 2016, <https://trendsresearch.org/insight/uae-economic-diversification-record/>; Green Economy for Sustainable Development, 15 April 2022, <https://u.ae/en/about-the-uae/economy/green-economy-for-sustainable-development>.

³ Paulo Afonso, Antonio Zanin and Orlando Duran, Sustainability 2022, 14(11), <https://www.mdpi.com/2071-1050/14/11/6418>.

⁴ Lindsay Judge, The Sustainability Impact Expo 2020 Dubai, [The Sustainability Impact of Expo 2020 Dubai - A&E Magazine \(aeworld.com\)](#).

⁵ UAE and Energy Transition towards COP28 Report, Abu Dhabi Global Market, July 2022, [20220627-bnp-paribas-and-adgm-explore-key-areas-of-climate-action-full-report.pdf](#).

⁶ *Id.*

only take place if the implementation is 'transparent' and 'credible'.⁷ The need for strong corporate governance will be pivotal to creating a tangible impact and decreasing the risk of greenwashing.⁸ Another significant gap across the globe, is the fact that companies have guidelines to follow, but no regulatory body or a 'hub-provider' in place to ensure compliance or due diligence on the viability of sustainability initiatives (or claims). In February this year the European Commission adopted a corporate sustainability due diligence Directive to close this gap.⁹ Typically, the region reacts to inbound waves of regulatory change from European and US markets and this might be another wave the region embraces or leverage a one stop shop or a so called 'hub-provider'. However, as it stands at the moment, multinational companies and employers are finding the green movement more challenging than expected.

As a result, civil cases for greenwashing are on the 'rise through a myriad of different laws'.¹⁰ These laws include consumer protection laws and securities regulations.¹¹ Greenwashing can take place in different forms, from simply imprecise claims to exaggerated deceit. Increased costs to go

green increase the risk of greenwashing naturally. Businesses will change this only when their bottom line is impacted, and right now the only impact for them is the increase in cost to go green. Increased cost for the business equals increased cost for the consumer, not the ideal situation in any economic climate.¹²

Are these sustainability development claims in the UAE only 'Greenwash on Stilts', or do they contain substantial merit?¹³ The current carbon dioxide emissions in the UAE have doubled since the year 1990, which currently places the UAE above the US and¹⁴ the UAE currently sits at the top of the list of countries having the highest environmental footprint.¹⁵ Indicating that the sustainability goals made by the UAE are set high, but the pressure to deliver and achieve these goals is even higher.

As a part of its diversified economy and global position as home to, not one but two global airlines, it has the potential to become a world leader for green shipping and aviation, yet how the region will translate its ambitions into actions remains to be seen. The Ministry of Climate Change and Environment boosted its UAE's Climate

⁷ *Id.*

⁸ *Id.*

⁹ [Corporate sustainability due diligence \(europa.eu\)](https://corporate.sustainability.europa.eu/)

¹⁰ Greenwashing Disputes on the rise, Middle East Global Law Firm, Norton Rose Fullbright, <https://www.nortonrosefulbright.com/en-me/knowledge/publications/e87c69e7/greenwashing-disputes-on-the-rise>.

¹¹ *Id.*

¹² Kitchen Confidential, It's time to call out greenwashing for what it is, January 6, 2022, [Kitchen](#)

[Confidential: It's time to call out greenwashing for what it is - Caterer Middle East.](#)

¹³ Fred Pearce, Greenwash: Gulf's greenwash claims awash in a desert deception, January 29, 2009, [Greenwash: Gulf's green claims awash in a desert of deception | Fred Pearce | The Guardian.](#)

¹⁴ *Id.*

¹⁵ WWF, Living Planet Index, [WWF Living Planet index](#)

Action initiative by implementing a new Climate Responsible Companies pledge, where twenty-one private sector companies already signed up.¹⁶ Evidently taking major steps in actioning its Green Agenda.

After the above analysis, it is safe to debunk the theory 'that what's good for the planet is good for business as some companies in the UAE highlight the challenges and negative impact of the high cost of 'eco' friendly initiatives. Despite these challenges the UAE is prepared to do whatever it takes to reinvent the size of a country's footprint to create a measurable impact on our planet and a greener future for generations to come. It is evident that when the UAE has a vision it becomes its mission – as witnessed with the successful delivery of Expo2020 event – which in the backdrop of the pandemic has served as a launchpad for greater ambitions for a region in need of a defined sustainability agenda.

¹⁶ Boost for UAE's net zero emissions initiative as 21 companies sign new pledge, UAE National News.com, September 1, 2022,

<https://www.thenationalnews.com/uae/2022/08/30/boost-for-uaes-net-zero-emissions-initiative-as-21-companies-sign-new-pledge/>.

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