

Sustainability Pillars continued

Pillar 4
 Lead the market towards sustainability adoption and disclosure



Saudi Tadawul Group is advancing sustainability in Saudi capital markets, linking strong sustainability performance to resilience and market appeal. By enhancing transparency, expanding sustainability guidance and setting a benchmark with its own disclosures, it strengthens investor confidence and drives adoption of sustainability management. Improved access to sustainability data empowers investors and fosters a competitive market, ensuring Saudi Arabia remains a leading global investment hub aligned with its economic and sustainability goals.



UN SDG Contribution

Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Progress and Achievements

Saudi Tadawul Group advanced its commitment to sustainability in 2024, reinforcing its leadership in sustainability integration and sustainable finance.

The Group conducted around 110 dedicated events since launch in late 2022 – including one-on-one advisory sessions, webinars and specialized training for issuers – focused on raising awareness among participants/issuers about relevant rules and procedures.

The **Saudi Exchange** joined the Net Zero Financial Service Providers Alliance (NZFSPA) at COP29, underscoring its commitment to driving a global net zero transition. Sustainability disclosure adoption among Saudi-listed companies gained momentum, with 40% of issuers on the Main Market now reporting their sustainability performance, exceeding the 2024 target of 35%. It also expanded its sustainability advisory services, conducting 75 one-on-one sessions since 2022, and hosted 15 sustainability-focused events and workshops to enhance market awareness and adaptability.

The Saudi Exchange conducted over 35 sustainability awareness webinars and training sessions, helping issuers adopt best practices. In May, it published the Foreign

Companies Listing Guide, setting clear criteria for international issuers seeking to access the Saudi Exchange. It also aligned sustainability disclosure requirements with global standards, including the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations, ensuring transparency and consistency for investors.

Strategic partnerships and infrastructure enhancements have further strengthened the Group’s sustainability impact. The Group signed MoUs with multiple international exchanges and financial institutions, enhancing sustainability standards and facilitating cross-listings. Edaa introduced Omnibus accounts in the Saudi debt market, improving operational efficiency and increasing market attractiveness.

Edaa supported the National Debt Management Center (NDMC) in launching a Savings Sukuk Program, broadening financial inclusion and providing responsible investment options aligned with global sustainability goals. In collaboration with the Saudi Exchange and Muqassa, it also implemented the second bundle of Post-Trade Transformation enhancements, improving efficiency and aligning with global best practices. Additionally, partnerships with Clearstream and Euroclear are facilitating cross-border sustainability investments, positioning Saudi Arabia as a regional leader in sustainable finance.

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WAMID’s Data Monetization Program is transforming sustainability data accessibility by integrating sustainability-related financial data into the market ecosystem. This initiative, along with strategic partnerships in sustainability data monetization, ensures that sustainability considerations remain central to investment decision-making.

Meanwhile, **Muqassa** continued to uphold global financial infrastructure standards by maintaining full compliance with CPMI-IOSCO principles, while expanding acceptable collateral options to strengthen liquidity and market

participation and introduced the Muqassa Risk Work Group to enhance collaboration with its clearing members and to be aligned with global standards.

These collective efforts mark a decisive step toward embedding sustainability principles across Saudi Arabia’s capital markets. By enhancing sustainability disclosures, expanding product offerings and fostering global partnerships, Saudi Tadawul Group is positioning the Kingdom as a premier hub for sustainable investment and responsible market development.

2025 Focus

Saudi Tadawul Group will accelerate its sustainability agenda, reinforcing its leadership in sustainable finance and integration. The Saudi Exchange aims to increase sustainability disclosure among listed companies, targeting 45% of Main Market issuers by year-end, while developing a new sustainability reporting platform to streamline disclosures. Additionally, sustainability data monetization initiatives will expand, offering deeper insights for investors. WAMID will drive these efforts by leveraging partnerships to enhance sustainability reporting and market accessibility.

Muqassa will focus on market resilience, conducting its first Recovery Plan testing and participating in the CCP Default Simulation to strengthen risk preparedness. Muqassa is also set to launch a new suite of products aimed at further enhancing its offerings and services, with a particular focus on the derivatives and repo markets. Edaa will enhance market liquidity through expanded Collateral Management (CM) and Securities Borrowing and Lending (SBL) solutions, while launching Edaa Connect to improve market accessibility and investment transparency. Strengthening cross-border collaboration with global depository centers will remain a priority to align with best practices in sustainable finance.

Through these strategic initiatives, Saudi Tadawul Group will continue shaping a capital market ecosystem that promotes sustainability excellence, fosters sustainable investment and aligns with Vision 2030’s long-term economic and environmental goals.