

# **Decarbonising Supply Chains in the Middle East:**

## **A Sustainable Procurement Roadmap for Vision 2030 and Net Zero 2050**

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White paper

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# Executive Summary

**A**s environmental targets become national imperatives in the Gulf Cooperation Council (GCC), supply chains are emerging as one of the most critical and complex levers for decarbonisation. Every GCC member has launched programmes or initiatives aimed at advancing local content and reducing carbon emissions. These shared ambitions reflect a growing regional consensus, even if the pace and mechanisms differ from country to country.

With some of the world's most ambitious infrastructure and industrial development underway, the GCC faces a unique challenge: managing the carbon footprint of complex supply chains while maintaining growth and competitiveness. In sectors like construction, energy, and manufacturing, supply chain emissions (Scope 3) often exceed 70% of total emissions, making them a key priority for climate action.

In Saudi Arabia and the United Arab Emirates (UAE), the respective goals of Vision 2030 and Net Zero 2050 require not only ambition at the top, but operational change across procurement, logistics, and supplier networks.

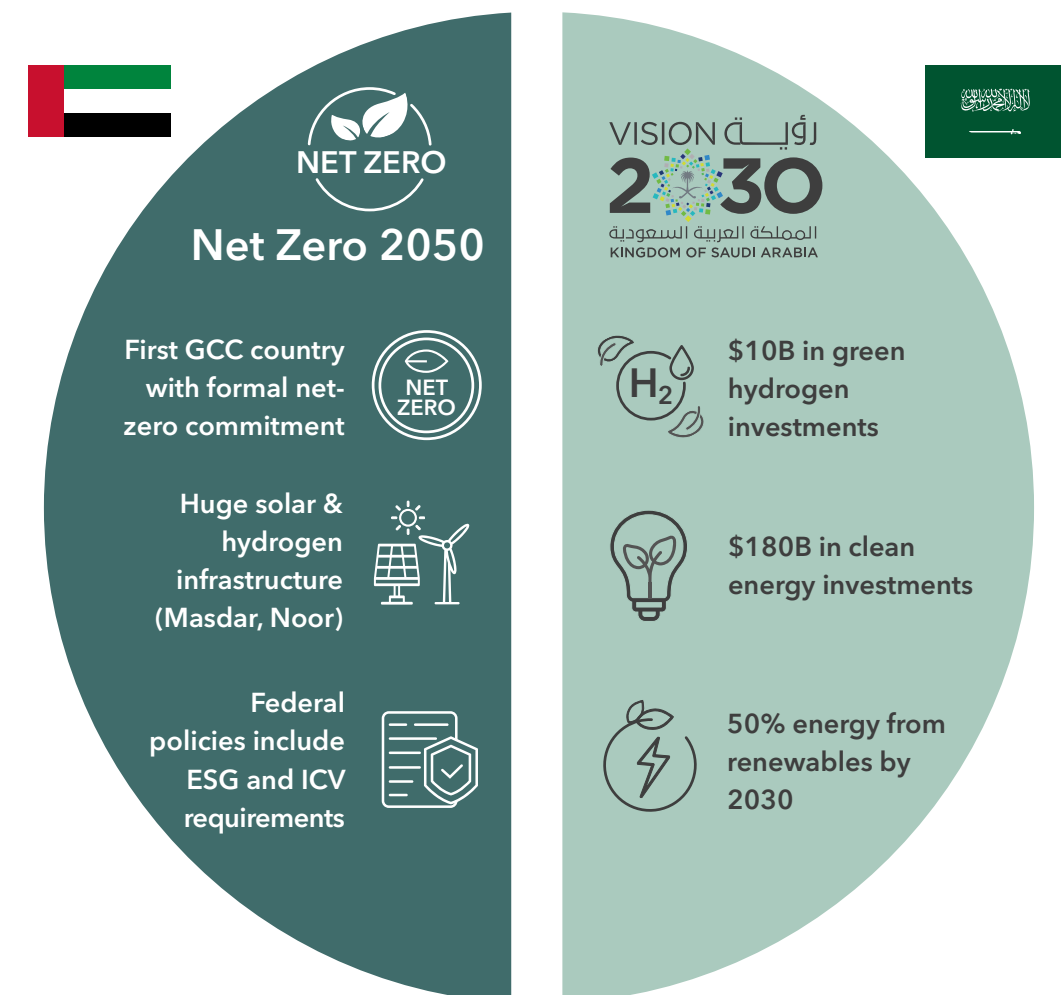
Procurement professionals face a dual challenge: reduce emissions while maintaining economic competitiveness and alignment with national localisation initiatives.

This white paper provides procurement, supply chain, and ESG leaders with a strategic yet practical roadmap to decarbonise their supply chains. It outlines:

- How procurement teams can act as sustainability drivers.
- Actionable steps such as carbon audits, ESG due diligence, and supplier engagement.
- How to navigate regulatory expectations such as ESG reporting and green procurement.

- The role of technology, platforms, and data in driving sustainable procurement.
- How to align with regional programmes supporting the transition to net zero.

The paper is designed for decision-makers operating in the GCC who must balance sustainability, local economic development and regulatory alignment and draws from global ESG best practices. All recommendations have been contextualised to reflect the policy, industrial and regulatory landscapes of the Gulf.







# Policy Context: Vision 2030 and Net Zero 2050

Across the GCC national sustainability frameworks are driving sweeping transformation in procurement and supply chain practices. Two flagship strategies Saudi Arabia's Vision 2030 and the United Arab Emirates' Net Zero 2050 initiative are redefining the region's approach to emissions, energy, and local economic development.

## Saudi Arabia: Vision 2030

Launched in 2016, Vision 2030 is Saudi Arabia's long-term strategy to reduce oil dependency and build a sustainable, innovation-led future. Environmental sustainability is a central pillar of this vision, directly influencing national infrastructure, energy, and procurement strategies:

- [50% of electricity](#) to come from renewables by 2030.
- Development of giga-projects like

[NEOM](#), designed as carbon-neutral smart cities.

- Investment of over [\\$10 billion](#) in green hydrogen and renewable energy projects, including the \$8.4 billion NEOM Green Hydrogen Project.
- Local Content Programmes such as [Nusaned](#) and Aramco's LCP integrate environmental requirements into procurement frameworks.

Procurement teams in Saudi Arabia face increasing expectations to align sourcing strategies with environmental goals while adhering to local content policies. Compliance with ESG metrics is becoming essential to win contracts, particularly in government led and strategic projects. Supplier onboarding now includes ESG due diligence, with carbon audit data becoming more commonly requested as part of the selection process.

This shift reflects a broader redefinition of supply chain value in Saudi Arabia where sustainability performance is now seen as integral to commercial competitiveness, regulatory alignment and national development priorities.

## UAE: Net Zero 2050

In 2021, the UAE became the first country in the region to commit to net-zero emissions by 2050. This has driven a wave of sustainability-focused investments and policy actions:

- More than [\\$163 billion](#) allocated to clean energy investments.
- National companies like [Masdar](#) aim to produce 1 million tonnes of green hydrogen per year by 2030.
- The [ICV Programme](#) incentivises local suppliers who meet sustainability and compliance standards.

- The [Make it in the Emirates](#) initiative promotes local manufacturing aligned with ESG principles.

These initiatives mean that green procurement, ICV certification, and ESG reporting are becoming increasingly central to federal and local procurement strategies, and legislation and reporting standards are likely to be introduced. Until there is formal ESG reporting legislation and standardised frameworks in place, the burden will be on procurement teams and suppliers to navigate overlapping and inconsistent requirements, and prepare for UAE legislation.

This environment creates opportunities for digital platforms and unified data tools that can simplify ESG due diligence and reduce reporting fatigue.



# The Role of Procurement in Decarbonisation

**70% of emissions in global supply chains fall under Scope 3 [CDP, 2023]**

## Policy Fragmentation in the UAE

Despite growing investment and national commitment to sustainability, the UAE currently does not currently have a formal, centralised ESG reporting framework. Procurement and ESG teams often face overlapping or conflicting reporting directives from international frameworks (e.g., GRI, CDP, TCFD) without a unified local standard. This creates complexity, increases resource burdens on suppliers, and makes consistent ESG benchmarking more difficult.

Many suppliers are experiencing 'reporting fatigue' as they juggle differing expectations from international buyers, regulators, and government-led initiatives.

Simplifying these expectations through shared platforms, regulatory clarity, or collective action potentially led by government, buyers, and industry associations could significantly reduce friction and accelerate ESG adoption across the UAE's industrial base.

Procurement leaders are now expected to go beyond cost and compliance to become agents of environmental impact. Supply chain-related scope 3 emissions account for more than **70% of total emissions** in many industries with some industries accounting for as much as 90%.

In the GCC, this expectation is intensified by national policy, investor scrutiny, and shifting compliance norms. Procurement is not only about selecting vendors but about shaping how an organisation delivers on

environmental, social, and governance (ESG) priorities.

Procurement functions are now key to:

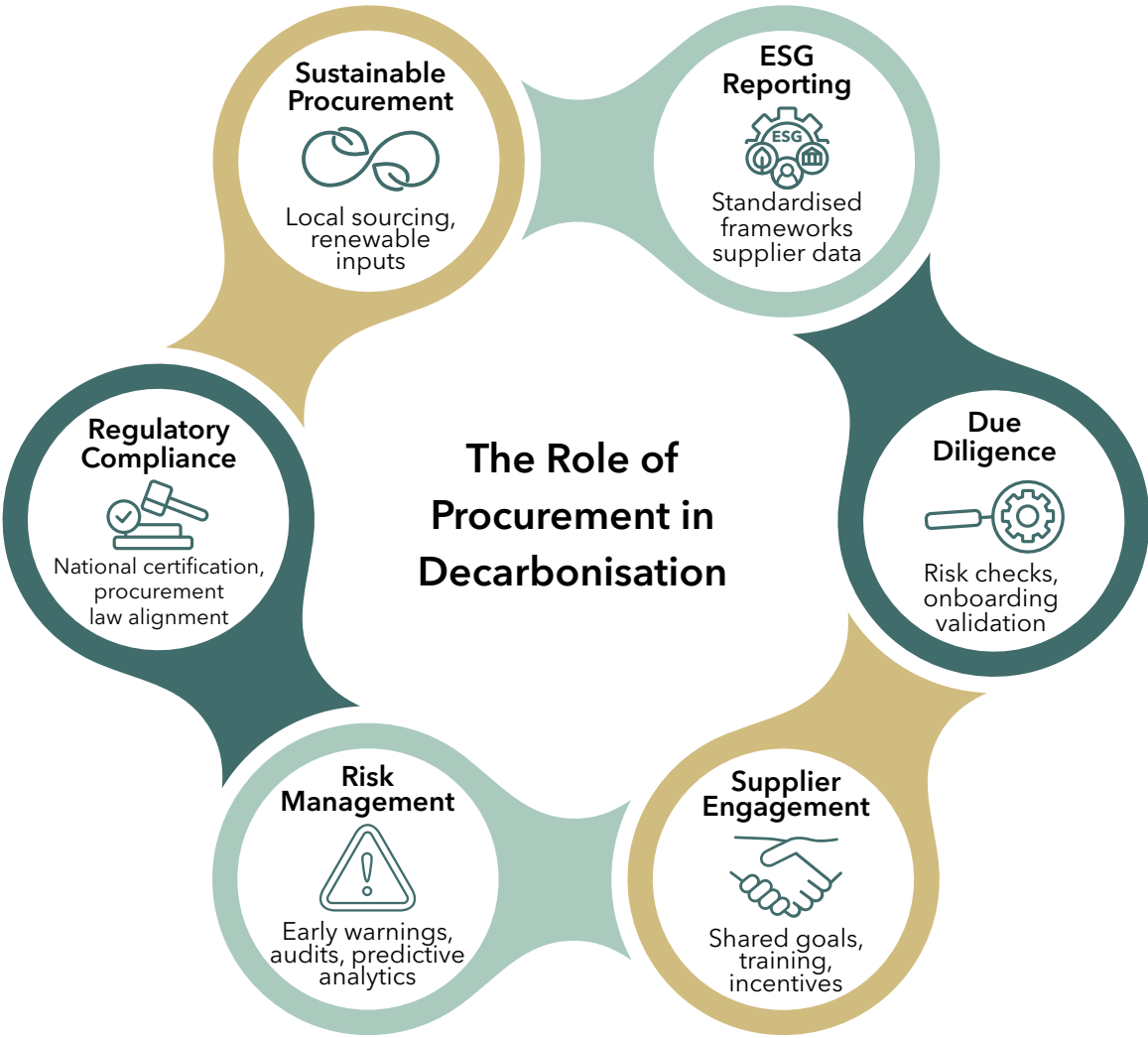
- Reducing supplier-related emissions through specifications and selection.
- Setting sustainability requirements in tenders and contracts.
- Integrating ESG due diligence in onboarding.
- Driving collaboration across cross-border supply chains.
- Ensuring supplier compliance with regional ESG regulations and procurement law.

This broader role calls for a mindset shift. Procurement teams must understand ESG reporting frameworks, carbon audit methodologies, and the evolving regulatory landscape in the UAE and Saudi Arabia. Buyers are expected to engage suppliers in data-sharing and emissions tracking, while also building incentives for lower-carbon alternatives and local supplier development.

A [Bain & Company](#) report found that over 70% of procurement leaders in high-impact industries are integrating ESG into supplier performance frameworks, but only 25% feel they have the tools or data to do so confidently. This highlights the need for better technology, analytics, and training.

Ultimately, procurement is no longer a back-office function. It is a strategic driver of competitive advantage, reputational integrity, and progress.





**Policy Complexity in Saudi Arabia**

Saudi Arabia’s ESG landscape is advancing rapidly under Vision 2030, yet challenges persist. Procurement teams often face complexity in aligning ESG expectations across multiple mega-projects, particularly when different ministries, buyers, or contracting standards apply.

Although national programmes such as Nusaned and IKTVA support in providing clearer frameworks, ESG reporting is still not mandated at a federal level. However, this is expected to change. The Saudi

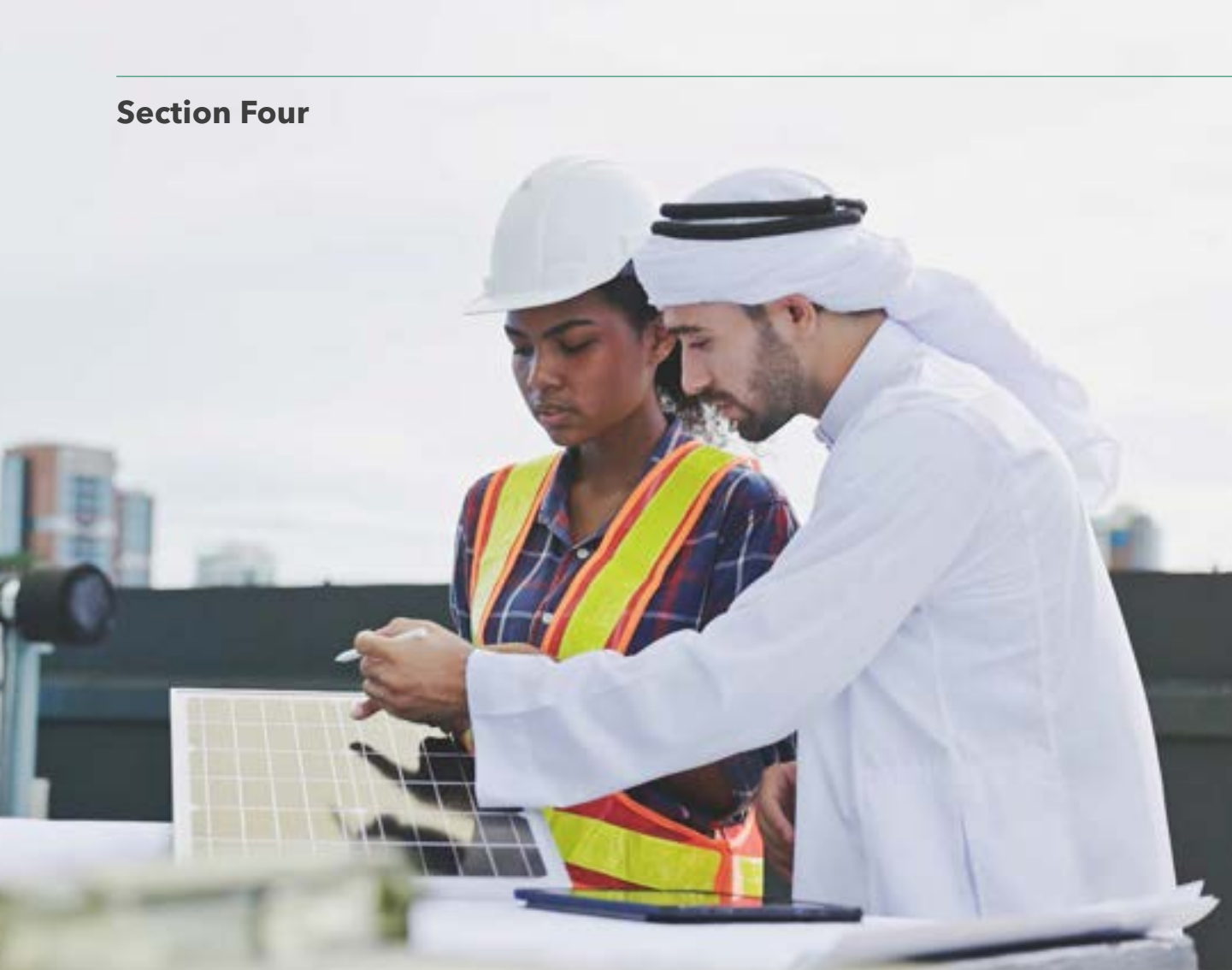
Exchange (Tadawul) has introduced a voluntary ESG disclosure framework and encourages listed companies to align with it, a move widely seen as a precursor to future regulatory standardisation.

Within the current landscape suppliers may be required to meet Aramco-specific ESG requirements, IKTVA metrics, or sector-specific compliance protocols all of which can vary in format and intensity.

This reinforces the importance of platforms that unify ESG due diligence, reduce data duplication, and provide consistent monitoring tools aligned with local content expectations.







# Practical Steps Procurement Teams Can Take

GCC nations, especially Saudi Arabia and the UAE are among the world's most significant global trade and logistics hubs. Their strategic geography, infrastructure investments, and abundant energy wealth make them critical players in global supply chains. However, this scale also increases the environmental impact of procurement decisions, particularly when it comes to Scope 3 emissions.

Procurement teams who do business across the GCC and globally face increasing pressure to operationalise decarbonisation while meeting localisation and compliance goals. To bridge this gap between strategy and execution, supply chain leaders can focus on integrated, step-by-step actions.

## 1. Map and measure your emissions

Start with a carbon audit across key procurement categories. According to the CDP Global Supply Chain Report, Scope 3 emissions account for more than 70% of total emissions in most sectors ([CDP, 2023](#)). Focus on high-impact suppliers, particularly in energy-intensive sectors such as construction, manufacturing, and logistics. Use reliable data to understand baseline Scope 1, 2, and 3 emissions.

- **Tip:** Categorise suppliers by emissions potential, region, and criticality to business continuity.

## 2. Prioritise high-impact categories

Use a risk-and-impact matrix to identify where you can achieve the most carbon savings. Typically, imported raw materials and international logistics account for a disproportionate share of embedded emissions.

- **Consider:** Carbon intensity of suppliers by geography and material type.

## 3. Build ESG into RFQs and contracts

Include clear ESG reporting and carbon reduction metrics in tender and renewal documentation. Require suppliers to share ESG data and improvement plans as part of prequalification or onboarding.

- **Add:** ESG due diligence questions, emissions targets, and data-sharing requirements.

## 4. Segment your supply base

Not all suppliers are ready to decarbonise at the same pace. Group them into tiers:

- **Leaders:** Already aligned with your ESG goals
- **Movers:** Willing but need support
- **Laggards:** High risk, non-compliant

Tailor engagement and escalation policies accordingly.

## 5. Support suppliers with tools and training

Procurement teams must serve as partners, not just enforcers. Providing education and support can increase supplier engagement and accelerate emissions reduction. For instance, the UAE's Ministry of Industry and Advanced Technology actively promotes training and supplier development through its In-Country Value programme ([MOIAT, 2024](#)). Offer resources such as carbon calculators, templates, or workshops.

## 6. Monitor progress and communicate

Use digital platforms or ESG software to centralise supplier performance data, track ESG KPIs, and flag compliance risks. Report progress internally and externally to build confidence with stakeholders and regulators.

- **Best practice:** Include carbon metrics in monthly procurement dashboards



# Technology, Platforms and Data

The complexity of decarbonising supply chains while complying with localisation mandates and ESG regulations makes technology a key enabler. Digital platforms allow procurement teams to streamline supplier data, reduce manual ESG due diligence, and monitor real-time carbon performance.

According to the [World Economic Forum](#), digital technologies including cloud-based platforms, AI, and blockchain can reduce emissions by as much as 20% across global supply chains by improving transparency, traceability, and responsiveness. In the GCC, where construction and energy projects are capital-intensive and multi-tiered, these efficiencies are particularly critical.

## Key technology functions include:

- Supplier [ESG software](#) to manage documentation, audit status, and self-assessments.
- Integrated [dashboards](#) for carbon audit and ESG data visualisation.
- AI-based alerts for ESG non-compliance or emerging policy risks.
- Predictive analytics to assess supply chain risk and carbon exposure.

[McKinsey](#) reports that procurement digitisation can reduce compliance risk by 30% and improve supplier onboarding efficiency by 50%, particularly in regions where regulatory frameworks are tightening.

Digital procurement platforms also reduce reporting burdens for suppliers by centralising ESG due diligence documentation and automatically flagging missing or outdated files. These systems are increasingly used by government-backed entities across the GCC to enforce ESG standards in tenders.



# Policy and Programme Alignment

Procurement teams operating in Saudi Arabia and the UAE have to navigate a regulatory environment shaped by national policy programmes that reward local content, sustainability performance, and ESG alignment.

### Saudi Arabia:

Saudi Arabia’s localisation agenda is tightly aligned with its decarbonisation goals. Two central programmes are:

- **Nusaned** (by SABIC): Aims to strengthen local industry by supporting sustainable manufacturing capabilities, often linked to environmental compliance.
- **Aramco’s In-Kingdom Total Value Add (IKTVA) and Local Content Programme (LCP)**: These initiatives integrate sustainability requirements directly into procurement processes, influencing supplier selection and project eligibility.

In many mega-projects, ESG-related data including carbon audit outcomes and ESG due diligence documentation is now part of mandatory supplier prequalification.

### The Data

In Saudi Arabia, recent public reporting highlights significant progress on national localisation efforts. As of Q3 2024, Saudi Arabia’s local content initiatives have reached an estimated value of SR800 billion (\$213 billion), with the share of local content in government procurement increasing from 33% in 2020 to 47%.

According to SABIC’s 2023 Nusaned Annual Report, the initiative formed 152 partnerships and supported over 30,000 direct and indirect jobs. Additionally, over 1,100 products have been added to the mandatory local procurement list since 2022, contributing to SR87 billion in spending. These figures were shared by Minister Bandar Alkhorayef during the 2024 [Local Content Forum in Riyadh](#).

### UAE:

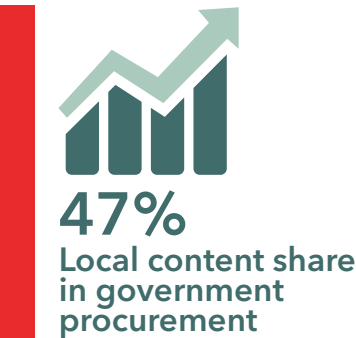
The UAE’s In-Country Value (ICV) Programme, managed by the Ministry of Industry and Advanced Technology, prioritises economic diversification and environmental performance. Companies with ICV certification receive preferential treatment in federal procurement. The programme requires transparency on supplier sourcing, workforce nationalisation, and ESG reporting practices.

Meanwhile, the Make it in the Emirates initiative supports local advanced manufacturing, including low-carbon technologies, and is closely tied to the country’s Net Zero 2050 agenda.

These initiatives create powerful incentives for embedding ESG principles into sourcing strategies.

### The Data

According to the [UAE Ministry of Industry and Advanced Technology](#), recent data from the first half of 2024 shows that over 3,500 ICV certificates were issued, leading to AED 48 billion in procurement spend redirected to ICV-certified suppliers. This represents a 66% increase in localised spending compared to the same period in 2023. These figures reinforce how ICV certification and ESG reporting are becoming foundational to supplier selection in both federal and local procurement.







### Regional Alignment Across the GCC

While the UAE and Saudi Arabia lead regional decarbonisation and localisation initiatives, other GCC member states—including Oman, Qatar, Bahrain, and Kuwait are beginning to introduce their own frameworks.

- **Oman** has launched its National Strategy for an Orderly Transition to Net Zero by 2050, committing to cutting emissions and promoting low-carbon investment. The country is focusing on green hydrogen and industrial localisation through its In-Country Value programme.
- **Qatar** has embedded environmental sustainability within its National Vision 2030 and was the first GCC country to implement a national carbon tax trial. It is prioritising green building standards and localisation incentives for major infrastructure projects.
- **Kuwait** is developing a national ESG framework under its Vision 2035 plan. It has identified decarbonisation of oil and gas operations and sustainable procurement practices as long-term priorities.
- **Bahrain**, through its Economic Vision 2030, is enhancing its renewable energy capacity and supporting private sector sustainability through regulatory incentives.

While each country is at a different maturity stage, common themes are emerging, local supplier development, energy transition funding, and growing ESG scrutiny in procurement.

Regional businesses operating across the GCC must therefore be agile, able to adapt to a mosaic of evolving regulatory frameworks and reporting expectations. Centralised platforms and harmonised ESG scoring frameworks will play a vital role in enabling consistent supplier engagement, emissions monitoring, and localisation compliance at scale.



# Case Study: Sustainability in Action

Two Achilles customers operating in Saudi Arabia, one with a fully Saudi-based supplier base, the other with a more regionally distributed network adopted ESG-integrated supplier onboarding supply chain management solutions through the [Achilles MEA Network](#).

Buyer A, whose entire supplier base is based in Saudi Arabia, demonstrated strong governance and financial performance with a 25.27% increase in financial ESG scores over that last 12 months. Notably, 38% of Buyer A's suppliers have achieved a measurable reduction in emissions since joining Achilles, demonstrating progress aligned with the national Vision 2030 priorities and broader Net Zero ambitions.

Buyer B, with 51% of suppliers based in Saudi Arabia, saw broad improvements in ESG maturity: a 22.42% increase in overall ESG scores, a 39.41% uplift in financial scores, and a 21.72% rise in governance performance. Social scores also rose by 18.43%, and 39% of suppliers achieved material emissions reductions. This supplier pool, while more regionally diverse, demonstrates the impact of structured ESG oversight and local content incentives.

These results reflect how Saudi Arabia's localisation and climate frameworks including Nusaned, IKTVA, and Vision 2030 are influencing procurement behaviour and accelerating private-sector contribution to national goals.





# Conclusion and Next Steps

Procurement leaders across the GCC are at a vital moment. As Vision 2030 and Net Zero 2050 continue to reshape policy, infrastructure, and industry behaviour, the role of procurement has evolved from operational necessity to strategic enabler. This white paper has shown that sustainable procurement is not only achievable but is already underway. Data from real supplier performance in Saudi Arabia demonstrates how buyers can enable emissions reductions, improve ESG scores, and build more resilient supplier ecosystems.

By adopting practical tools such as carbon audits, ESG software, and due diligence platforms, procurement teams can improve compliance with national and international regulations, while positioning themselves as partners in national progress. Buyers that align their sourcing strategies with GCC initiatives and policies benefit not only from preferential treatment in public tenders but also from improved visibility, reduced supplier risk, and more credible ESG reporting.

Technology plays a central role. From digitised onboarding workflows to real-time ESG dashboards, data-led platforms simplify supplier engagement and enable proactive compliance. This also opens procurement to more robust benchmarking, predictive risk modelling, and automation of carbon tracking.

Looking ahead, the case for sustainable procurement aligns with economic, regulatory, and reputational advantage. Whether engaging in mega-projects like NEOM or bidding for federal contracts under ICV, organisations that adopt ESG-aligned procurement practices will be more competitive, more resilient, and more future-proof.

[Contact Achilles today](#) to start decarbonising your supply chain.



# About Achilles

Since our story began more than 30 years ago, Achilles’ goal has been to build a more sustainable, cleaner, safer and fairer world.

Using our global technology platform and protocols based on our unrivalled ESG knowledge and experience, our highly qualified validators and auditors perform due diligence and provide deep insights that ensure the organisations can confidentially manage supply chain risk and fully meet ESG, sustainability, human rights and health and safety obligations.

## Comprehensive Supply Chain Risk Management

Achilles provides a complete supply chain risk solution. We are world-leading experts in procurement and supply chain regulation, health and safety, financial and cyber risk and sustainability and carbon management.

## Unrivalled Supply Chain Transparency

Achilles rigorous validation of supplier information draws from multiple sources to create a complete picture that uniquely also includes in-person audits and worker interviews to provide unrivalled ESG and supply chain transparency.

## Effective Carbon Reduction

Achilles provides the only accredited Carbon Reduction programme in Europe to independently measure and reduce carbon emissions and meet all stakeholder reporting requirements. In 2022, Achilles saved organisations 97,000 tonnes of CO2 – equivalent to the planting of 4.8 million trees.

## The Achilles Difference

Achilles is the only ESG specialist to offer truly in-depth assessments, including on-site audits, to provide the level of supply chain transparency and confidence truly required by today’s most environmentally conscious and ethical organisations.

500+

People



Expert global team including validators and auditors provide end-to-end supply chain management and client support in more than 20 languages.

22

Office Locations



Global reach and local presence ensures understanding of local regulations, language and culture to enable superior supply chain risk management.

6700+

Audits



Achilles unique desk and on-site audit and worker interview capability supports rigorous supply chain due diligence requirements and goals.

#1

Global Platform



The MyAchilles platform is designed to collect, validate and manage complex supply chain data and simplify supply chain management and reporting.

# Contact Us

Learn more about Achilles at [www.achilles.com](http://www.achilles.com).

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## Learn More

To learn more about Achilles and how you can harness our capabilities within your own organisation, contact us [here](#).





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