

Sustainability in Supply Chain

Regional drivers: Investment and Government Incentives in the Middle East

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Middle East aims to improve the sustainability various sectors such as Energy, Road Transportation, Shipping and through afforestation practices with ambitious goals set for 2030 and beyond



Renewable Energy Transition

Focus on solar and wind energy and reduce fossil fuel dependency and promote energy efficiency technologies.

Sustainable Transportation

Focus on massive public transport expansion, EV adoption through key initiatives like metro projects, large-scale EV charging networks

Eco-friendly Shipping

Cleaner fuels, optimized logistics, and strict emission standards minimize shipping's environmental impact.

Afforestation Efforts

Restoring degraded lands and increasing forest cover through targets like growing **50 billion trees** and aid in carbon sequestration

*Overarching initiatives like **Middle East Green Initiative** aims to reduce emissions by over 670 million tons of carbon-di-oxide*

GHG emission reduction is vital to achieve sustainability, UAE and Saudi Arabia lead with their ambitious goals



Country		Emission Reduction Targets	Net Zero Target Year
	UAE	40% by 2030	2050
	Saudi Arabia	50% of energy mix from renewables by 2030	2060
	Oman	21% by 2030	2050
	Bahrain	30% by 2035	2060
	Kuwait	7.4% by 2035	2060
	Qatar	25% by 2030	No formal target
	Iran, Iraq	15% by 2030	No formal target

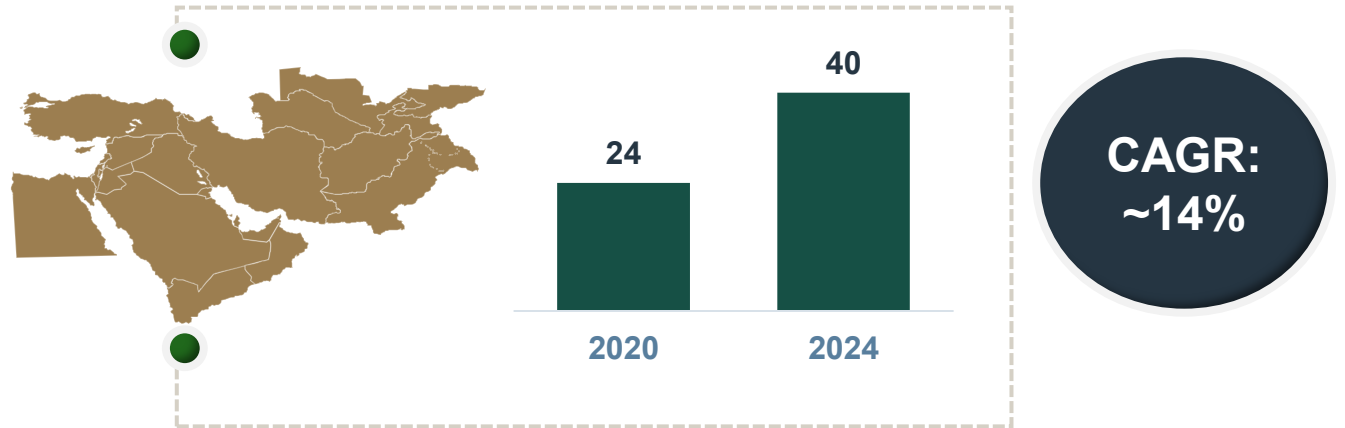
Improving sustainability in the energy supply chain ecosystem





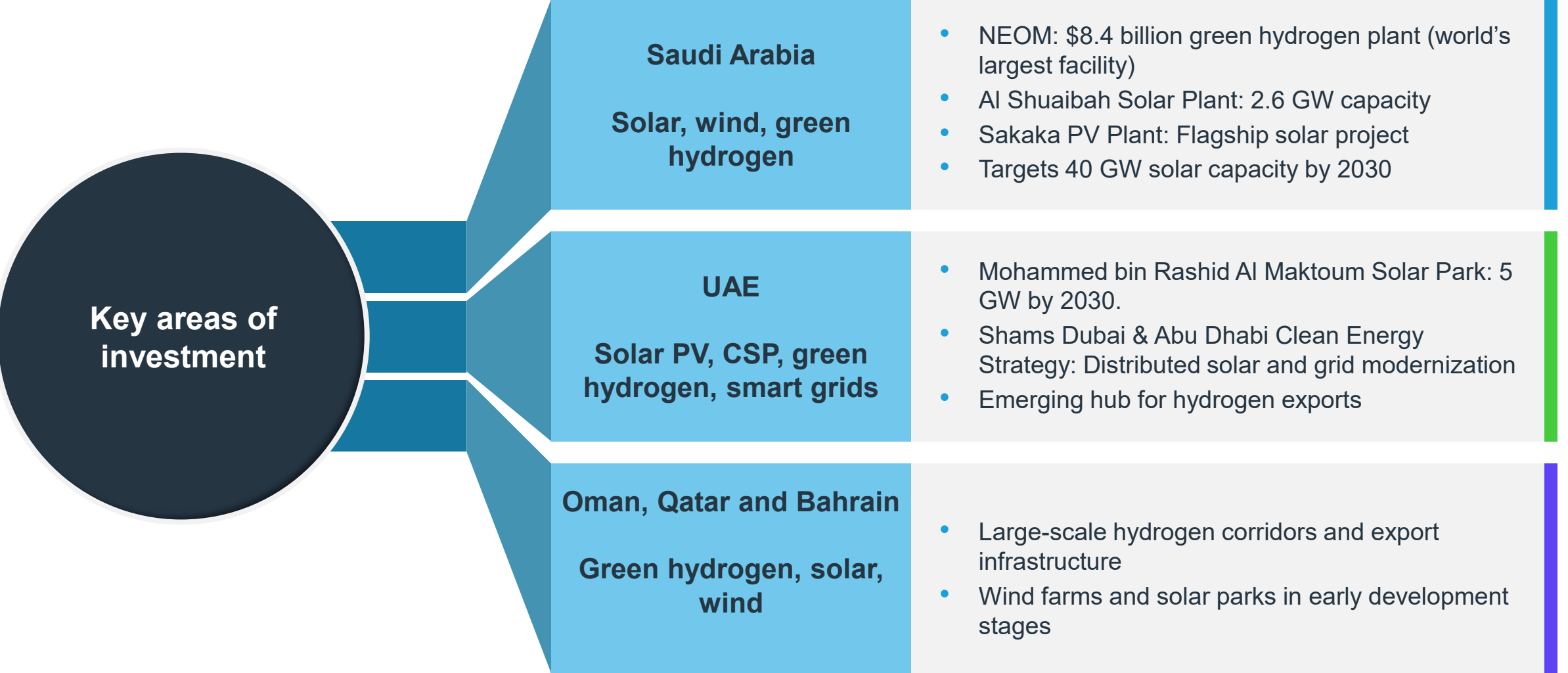
Countries in the Middle East are undergoing an economic transformation, diversifying their economies and moving away from oil and gas dependency

RENEWABLE ENERGY CAPACITY IN MIDDLE EAST (GW), 2020-2024



- *Saudi Arabia's green energy capacity has increased from 0.4 GW to 4.3 GW in the period 2020 to 2024 – 10 X increase*
- *UAE has almost tripled its renewable energy capacity in the last 4 years*
- *Over 90% of renewable energy capacity addition coming from solar*

Heavy impetus on solar power generation and developing Middle East as hub for green hydrogen



Countries have set ambitious targets to improve their renewable energy capacity in short term with aims to achieve carbon neutrality by 2060

UAE

- Has increased **renewable energy** capacity from 3.1 GW in 2022 to 6 GW in 2024 and targets to achieve **14.2 GW by 2030**
- **By 2050**, plans to achieve **44%** installed capacity from clean energy

Saudi Arabia

- **Vision 2030**: Targets to achieve **50% of power from renewable energy by 2030** with a targeted installed capacity of **130 GW of which 59 GW to come from solar** and 40 GW from wind energy projects

Oman

- Country's **Vision 2040** aims to generate **30% of its electricity from renewable sources**, with major initiatives in solar, wind, and green hydrogen spearheading this shift to diversify the economy.



Bahrain

- Under its **National Energy Transition Plan (NETP)**, targets 20% renewables in power generation by 2035. Prioritizes solar power, aiming for 710 MW by 2035, and achieve net-zero emissions by 2060.

Kuwait

- In **Vision 2035**, aims to generate 15% of its electricity from renewable sources by 2030.
- Kuwait has awarded contracts to achieve **17 GW of renewable capacity** and **25 GW of green hydrogen** by 2050.

Qatar

- Under the National Renewable Energy Strategy (QNRES), goal is to achieve **4 GW of renewable energy capacity by 2030**, mainly through **solar power, to comprise 18% of its energy mix**
- Additionally, the plan includes adding 200 MW of distributed solar and aims for carbon neutrality by 2050.

Improving sustainability in the road transportation sector

The shift towards EV has been slow but the region set to turn aggressive in their deployment



- Saudi Arabia plans to discontinue the sale of gasoline-powered vehicles by **2035** and aims to have 30% of its cars as electric by 2030
- Lucid has announced to set up a manufacturing plant with capacity to produce 150,000 vehicles per year



- UAE targets 50% of the passenger vehicle fleet to be electric by 2050 and by 2030 plans to have 10% of total parc and 30% of new vehicles sold by 2030 to be EV and has introduced policies like Green Charger Initiative
- M Glory has set up the country's first EV production facility capable of producing 50,000 cars annually



- Kuwait aims for 30% EV penetration by 2030
- The Kuwaiti government is actively promoting the electric vehicle (EV) market through initiatives like the "EV City" development plan, which offers opportunities for international EV manufacturers to establish operations in Kuwait



Improving sustainability through forestation initiatives





Middle East Green Initiative is one of the world's largest afforestation campaigns.

Key Regional Initiatives and Targets

- **Middle East Green Initiative (MGI):** Led by Saudi Arabia, MGI is a regional alliance with the ambitious goal of planting **50 billion trees** across the Middle East and restoring 200 million hectares of degraded land. This is one of the world's largest afforestation campaigns.
- **Saudi Green Initiative (SGI):** This national initiative aims to plant **10 billion trees** within the Kingdom of Saudi Arabia by 2030, equivalent to rehabilitating over **74 million hectares of land**. By 2030, over **600 million trees** are expected to be planted as part of the first phase roadmap.
- **Other Country Involvement:** Numerous other projects are active in countries like the UAE, Jordan, Iraq, Qatar, and Oman, contributing to the broader regional effort

A photograph of several wind turbines situated on a grassy hill under a blue sky with scattered clouds. The turbines are white with three blades each, and they are positioned at different heights on the slope.

Decarbonization demands supply chain rethinking

Rethinking Supply Chains	What is this ?	Examples/ Case Studies
1 Energy Source Shifts	Supply chains are being redesigned to prioritize renewable energy inputs (solar, wind, clean hydrogen), affecting sourcing hubs, factory locations, and logistics.	Companies like Fakeeh Care Group and Tamer Group are adopting rooftop solar to cut costs and emissions as electricity subsidies decline; Fakeeh saved over SR170,000 in 2024
2 Logistics & Transportation Redesign	Transportation is shifting toward lower-carbon modes, with emissions increasingly measured and verified at the shipment level, reshaping how goods move.	- Airports such as Dubai Airport (DXB) are rethinking infrastructure to incorporate EV & Hydrogen fuels LuLu Group, one of the UAE's largest retail chains, has begun using biodiesel made from used cooking oil collected across its stores to power its delivery fleet.
3 Circular & Waste-Based Models	Recycling, reuse, and reverse logistics (e.g., collection schemes, reuse of materials) are integrated into supply networks to reduce lifecycle emissions.	Tadweer has deployed 25 Reverse Vending Machines (RVMs) throughout Abu Dhabi to collect plastic bottles and aluminium cans, encouraging recycling and supporting the circular loop of turning waste into resources.

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