

As Oman continues its journey towards a more sustainable future, it's imperative for businesses to understand and comply with the evolving regulatory landscape. The Muscat Stock Exchange (MSX) has recently introduced comprehensive Environmental, Social, and Governance (ESG) guidelines, setting new standards for corporate sustainability reporting.

Who Needs to Report?

The guidelines apply to all SAOG/public joint stock companies listed on the MSX. This includes companies engaged in various sectors, ranging from manufacturing and energy to services and retail.

When is Reporting Due?

While voluntary reporting is encouraged this year for activities conducted in 2023, mandatory reporting will take effect in 2025. Public companies will be required to submit standalone ESG reports aligned with the Global Reporting Initiative (GRI) Universal Standards by March 31, 2025.

Key Updates on Sustainability Reporting in Oman

- **Introduction of ESG Guidelines:** The MSX has laid down 30 parameters to measure a company's ESG performance, encompassing areas such as carbon emissions, labor practices, board diversity, and other sustainable initiatives.
- **Mandatory Reporting:** Public companies will be obligated to disclose their ESG performance in standalone reports. The reports must track areas of improvements in energy management and gender equality and diversity initiatives at all organizational levels.
- **Focus on Key Areas:** The guidelines introduce regional environmental initiatives that complement the GCC's 2022 ESG disclosure metrics, focusing on reducing single-use plastics and paper waste and encouraging recycling and clean energy.
- **Alignment with Vision 2040:** These updates help realise Oman's broader sustainability goals as outlined in Vision 2040. Vision 2040 underscores Oman's commitment towards a more sustainable and prosperous future.

Oman's adoption of ESG guidelines is a testament to its growing awareness of the importance of sustainability. By mandating ESG reporting, the MSX is driving transparency, accountability, and responsible corporate behavior. This initiative not only contributes to Oman's economic and social development but also puts the country ahead into more sustainable investing and finance. As the guidelines continue to evolve, it is expected that the corporate landscape of Oman will be radically overhauled, with companies increasingly embracing ESG principles and practices.