

FAB's Sustainable Finance Target: What Qualifies for Inclusion Across Sustainable, Transition and Blue Finance 2026

Introduction – What Counts Towards FAB's Sustainable Finance Targets

A high-level introduction to the activities, products and frameworks that count towards FAB's sustainable and transition finance targets, shared for stakeholder review.

FAB's Sustainable Finance (SF) Target

AED 500bn

Sustainable and transition finance by 2030

Covers lending, investing and facilitation under FAB's frameworks, plus financing beyond them.

A sub-set of the Sustainable Finance Target:

AED 100bn

Blue finance, 2026–2035

Blue finance also counts towards the AED 500bn target.

WHAT COUNTS TOWARDS THE TARGETS

1 Frameworks

Activities eligible under FAB's Sustainable Finance, Transition Finance and Sustainability-linked Finance Frameworks, across all countries of operation.

2 Priority themes

Water, renewable energy, energy efficiency, clean transport, climate adaptation, food security, nature and access to essential services, plus lower-emission pathways for high-emitting sectors.

3 Products and services

Lending and project finance, trade and transaction facilities, investments, and facilitation of sustainable transactions and capital-markets activity.

4 Beyond the frameworks

Financing that supports UAE national priorities: Net Zero 2050 and NDC 3.0, Energy Strategy 2050, Water Security Strategy 2036 and National Food Security Strategy 2051.

5 Blue finance

A subcategory of green eligibility: water and wastewater loans, sustainability-linked loans with water-use KPIs, water-focused transition loans and water related investments.

6 Attribution, governance and reporting

The amount is calculated in accordance with the product scope and calculation methodology set out in Appendix 1 of FAB's Sustainable Finance Framework. We also apply ESG due diligence and ESG governance oversight. Progress updates are disclosed in FAB's annual Sustainable Finance Impact Report.

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Sustainable finance turns FAB's ESG strategy into action

FAB combines clear strategic priorities with financing commitments and a broad set of client solutions.

ESG STRATEGIC PILLARS

LOW-CARBON & NATURE-POSITIVE
Finance climate solutions, support credible transition and build climate, water and nature resilience.

RESPONSIBLE TRANSITION
Improve access to finance and essential services while supporting inclusive social and economic development.

STRONG GOVERNANCE
Apply clear eligibility, ESG risk assessment, oversight, monitoring and transparent reporting.

What counts towards the targets

FAB FRAMEWORKS
- Sustainable Finance Framework
- Transition Finance Framework
- Sustainability-linked Finance Framework

BEYOND THE FRAMEWORKS
Supporting UAE national priorities, including:
- UAE Net Zero 2050 Strategic Initiative and NDC 3.0
- UAE Energy Strategy 2050
- UAE Water Security Strategy 2036
- National Food Security Strategy 2051

Products, services and delivery channels

LENDING
Loans, project finance, trade and transaction facilities for environmental and social purposes, including blue and nature financing or for pure-play companies with environmental and/or social profile

INVESTING
ESG/sustainable bonds, sukuk, equity, funds and structured investments

FACILITATION
Facilitation of sustainable deal structuring, client issuances and investments, contingent facilities, market insights and capital-markets facilitation

Targets

AED 500bn

Sustainable and transition finance by 2030

AED 395bn (79%) achieved, 2022–H1 2026

AED 100bn

Blue finance between 2026 and 2035

Blue finance to 2030 also counts in the AED 500bn

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Frameworks translate priority themes into financing opportunities

Coverage spans sustainable activities, transition needs and sustainability-linked structures, with particular relevance to water, energy transition and food security.

SUSTAINABLE

Eligible environmental and social activities

- Water: efficient desalination, water supply, treatment, reuse, monitoring and storage
- Energy: renewable energy, efficiency, green buildings, clean transport and adaptation
- Food security: climate-smart farming, efficient irrigation, hydroponics, aquaculture and resilient food systems
- Nature conservation: biodiversity, coastal ecosystems
- Social: access to essential services

TRANSITION

Supresource-efficientports lower-emission and pathways for heavy industries

- Energy efficiency, electrification and lower-carbon power
- Hydrogen, alternative fuels and Carbon Capture and Storage projects
- Water-use reduction, wastewater treatment, recycling and reuse in industry
- Sector-pathway alignment, credible client transition plan, no-carbon-lock-in tests

SUSTAINABILITY-LINKED

General-purpose structures linked to measurable client performance

- Water KPIs: Volume of water produced, saved or reused, wastewater treated
- Energy and emissions KPIs: energy savings, renewable energy consumption, GHG emission reduction
- Food and agriculture KPIs: water efficiency, sustainable sourcing and waste diverted from landfill
- Ambitious targets, reporting, verification and financial or structural consequences

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FAB's commitments can support priority UAE investment needs

WHY CLIMATE ACTION MATTERS FOR THE UAE

The UAE's arid climate, water scarcity and concentration of people and infrastructure in coastal areas increase exposure to extreme heat, flooding, sea-level rise and water stress. Climate action therefore needs to combine emissions reduction with adaptation that protects essential infrastructure, ecosystems and communities.

WATER SECURITY

21%
reduction in total water demand by 2036

95%
reuse of treated wastewater by 2036

FINANCING THEMES

- Reverse-osmosis desalination powered by lower-carbon energy
- Wastewater treatment, reuse and recycled-water networks
- Strategic storage, network links, rainwater harvesting and smart monitoring
- Supporting groundwater conservation

ENERGY TRANSITION

47%
emissions cut by 2035 vs 2019

35%
clean-energy generation share by 2031

FINANCING THEMES

- Renewable energy
- Efficient new buildings and Estidama-aligned development
- District cooling, efficient chillers and smart controls
- Municipal lighting and water-efficiency upgrades
- Industrial efficiency, load management and demand-side flexibility
- EV charging infrastructure

FOOD SECURITY

100%
Domestic sourcing for government purchases by 2030

FINANCING THEMES

- Technology-enabled, sustainable local food production across the value chain
- Controlled-environment agriculture, hydroponics, aquaculture and resilient farming
- Efficient water, energy and input use, supported by monitoring and precision systems
- Food-loss and waste reduction, cold-chain, storage and processing infrastructure
- Diversified supply sources, alternative supply plans and resilient food trade

CLIMATE RESILIENCE

2050
National Climate Change Plan horizon

9
priority sectors in the UAE adaptation plan

FINANCING THEMES

- Climate observation, monitoring and early-warning systems
- Resilient water, power, grid, transport and communications infrastructure
- Flood management, drainage networks, bridges and stormwater systems
- Sea walls, coastal pumping and protection of coastal assets
- Green and blue urban infrastructure
- Mangrove, wetland and coral restoration

Sources: UAE NDC 3.0 (2024); UAE Water Security Strategy 2036; UAE Energy Strategy 2050; National Food Security Strategy 2051; National Climate Change Plan 2017–2050; National Climate Adaptation Action Plan. FAB impact: Sustainable Finance Impact Report 2025.

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Additional information on what counts towards FAB's blue finance target

Additional information: a high-level overview of the activities that count towards FAB's AED 100bn blue finance target.

BLUE FINANCE TARGET

AED 100bn

Water-related finance, 2026–2035

Blue finance counts towards the AED 500bn target.

WHY WATER

~40%[1]

Expected global water demand above supply by 2030

~480 m³[2]

Water per person in MENA, the most water-scarce region, vs ~5,500 m³ globally

21% | 95%[3]

UAE Water Security Strategy 2036: water-demand reduction and wastewater reuse

WHAT COUNTS AS BLUE FINANCE

Blue finance includes eligible water-related activities under FAB's Sustainable Finance Framework, Transition Finance Framework, and other activities that contribute to the UAE Water Security Strategy 2036 and broader national climate objectives, including the UAE's NDCs.

Use-of-proceeds loans

Water related loans, facilitation and investments eligible under FAB's Sustainable Finance Framework and the UAE Water Security Strategy 2036.

Sustainability-linked loans

Loans with at least one KPI aimed at reducing water use.

Water-related transition loans

Water related loans, facilitation and investments aligned with FAB's Transition Finance Framework and the UAE Water Security Strategy 2036.

Water-related investments

Blue fixed income and equities that FAB facilitates or invests in.

HOW IT IS COUNTED

Methodology and attribution

The amount is calculated in accordance with the product scope and calculation methodology set out in Appendix 1 of FAB's Sustainable Finance Framework. The same methodology to FAB's AED 500 bn SF target.

Assessment and due diligence

Subject to ESG due diligence under existing policies, including alignment with the Equator Principles where applicable.

Governance and reporting

Approved through FAB's ESG governance structure and reported in FAB's annual Sustainable Finance Impact Report, in accordance with the reporting requirements of the Sustainable Finance Framework.

Sources: [1] Global Commission on the Economics of Water, "Turning the Tide" (2023), citing UN; [2] World Bank, "In MENA, make every drop of water count" (2025); [3] UAE Water Security Strategy 2036.

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