



SUSTAINABLE FINANCE IN THE UAE:



“Summary of
Bank Offerings
and Criteria”



Sustainable Finance in the UAE: Summary of Bank Offerings and Criteria



Sustainable finance in the UAE is rapidly growing as part of the country's commitment to Net Zero 2050 and ESG integration across the economy. Leading banks such as ADCB, Emirates NBD, First Abu Dhabi Bank (FAB), and Mashreq have introduced dedicated green and sustainability-linked financing solutions for businesses of all sizes and sectors.

Types of Sustainable Loans Available

Most major UAE banks now offer:

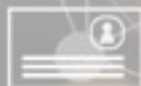
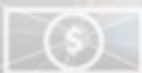
- 1. Green Loans** – Specifically for projects with environmental benefits such as renewable energy, green buildings, energy efficiency, clean transportation, and water conservation.
- 2. Sustainability-Linked Loans (SLLs)** – Tied to the borrower's achievement of ESG-related Key Performance Indicators (KPIs), such as carbon emission reductions, waste minimization, or workforce diversity.
- 3. Transition Finance** – Supports businesses in carbon-intensive industries (e.g., oil, construction, heavy manufacturing) to decarbonize and transition toward cleaner operations.





Bank-Specific Highlights

- ADCB offers both green loans and SLLs under its Sustainable Finance Framework. Eligible projects include renewable energy, water treatment, and certified green buildings. ADCB sets ESG performance targets and tracks compliance through loan terms.
- Emirates NBD provides structured SLLs and green trade finance solutions. Borrowers must demonstrate a strong ESG commitment, with clear and measurable targets aligned with international standards. Their green loans support infrastructure, real estate, and industrial upgrades.
- FAB, the UAE's largest bank, offers the broadest range of sustainable finance products, including green loans, SLLs, and transition finance. Every transaction undergoes ESG screening based on FAB's Sustainable Finance Framework and international benchmarks (e.g., IFC and Equator Principles). FAB is particularly active in financing green energy and large infrastructure.
- Mashreq Bank provides green and SLL facilities to corporate clients, including green building loans and ESG-linked Islamic finance solutions. Projects must show clear environmental or social value, supported by certification or impact assessments. The bank also offers tailored sustainability-linked funding for SMEs and mid-sized firms.





Common Eligibility Criteria Across Banks

To qualify for these loans, businesses must typically:

- Operate in or finance eligible sectors (renewables, green buildings, water, clean transport, etc.).
- Present a clear sustainability strategy, such as a carbon reduction roadmap or social impact program.
- For SLLs, commit to quantifiable ESG KPIs (e.g., energy efficiency targets, emissions reductions).
- Provide supporting documentation, including environmental certifications (e.g., LEED, Estidama), sustainability reports, or ESG audits.

Loans are reviewed by internal ESG committees, and performance is monitored through annual reports or third-party verifications.



Advantages of Sustainable Loans for Businesses



01 Preferential Terms:

Preferential Terms: Green and sustainability-linked loans often offer lower interest rates or better terms for meeting ESG goals. This can lead to significant cost savings.



02 Enhanced Reputation and Investor Appeal:

Using sustainable finance demonstrates environmental and social responsibility, improving brand value, stakeholder trust, and access to ESG-focused investors.



03 Regulatory and Market Readiness:

These loans prepare businesses for upcoming ESG regulations in the UAE and globally. As ESG disclosures become mandatory (e.g., via IFRS S1/S2), being financed under a sustainable framework gives companies a head start.



04 Preferential Terms:

Banks and funds globally are allocating more capital to green and sustainable initiatives. Businesses aligned with ESG are better positioned to tap into these capital flows.



05 Technical Guidance:

Banks like FAB and Emirates NBD provide expert ESG advisory, helping businesses structure credible ESG strategies and improve operational sustainability.



Final Thought

Sustainable finance is no longer a niche offering but a strategic tool for growth in the UAE. By working with banks to access green or sustainability-linked loans, companies not only secure capital on favorable terms but also align with the nation's sustainability goals and global investor expectations. Whether you're in real estate, manufacturing, energy, or services, the UAE's financial system is now equipped to support your ESG journey.

“ESG

isn't just about doing good;
it's about good business.”



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