

Cognitud

**UAE's Commitment to Climate Action:  
Following up on the Progression**

The United Arab Emirates has emerged as a committed nation, demonstrating diverse climate change efforts.

In the wake of reaching their target of achieving net zero emissions by 2050, in August 2024, the UAE came up with a brand new climate law that will come into force next year.

## New climate law highlights



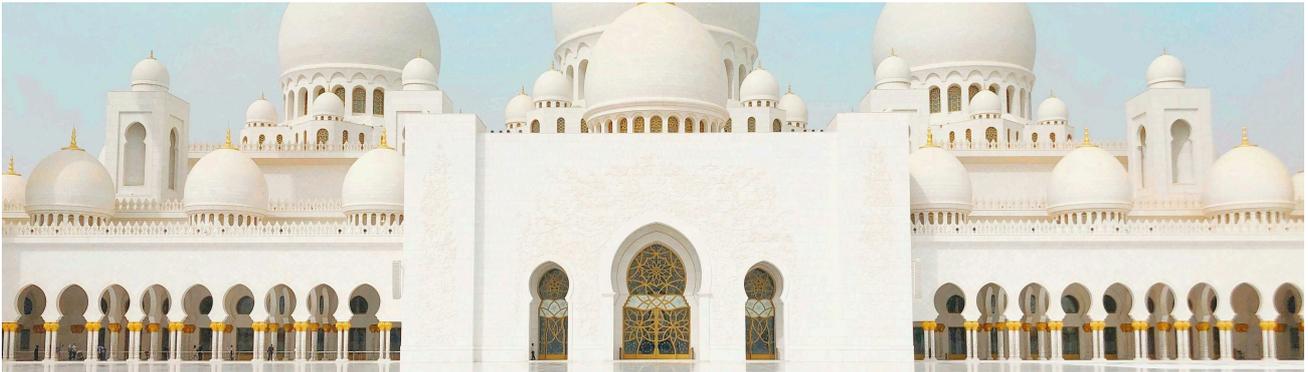
The official mandate on climate, which is to take effect in May 2025, will significantly impact companies (even those in free zones), making it mandatory for them to report their emissions. Since there are around five months left for the mandate to become operative, businesses have ample time to enhance their record-keeping on carbon emissions and devise effective strategies to regulate climate change.



This law is said to greatly impact the sectors that emit carbon in larger quantities, like manufacturing and energy, while equally affecting the listed and larger organizations. This legislation will impel the UAE-based firms to measure their GHG emissions, report on environmental challenges and opportunities, establish scientifically sound emissions goals, and create decarbonization strategies.



Since the violation of the law calls for huge penalties that vary from AED50,000 (\$13,600) to AED2,000,000 (\$544,500), it denotes that in the near future, there will be mandatory adherence with reference to climate change action.



## Significant Climate Actions in the UAE

There have been a number of updates on the UAE's climate change endeavors. Some of these are:

**Nationally Determined Contribution (NDC):** All the 194 countries that signed up to the Paris climate agreement are supposed to submit a more ambitious NDC every five years. The UAE became the first country to publish the third NDC in November 2024, aiming to lower greenhouse gas emissions by 47% by the year 2035. The NDC emphasizes taking actions around diverse spheres such as industry, energy, transportation, and waste management.



**UAE Net Zero by 2050:** The UAE's 2022 initiative sets out to decarbonize its territory by 2050, the first such initiative in the Middle East and North Africa (MENA), with the goal of transforming its economy in accordance with the objectives of the Paris Agreement. This has led to switching to clean energy, optimizing energy use, and advocating sustainable practices. The UAE has already made significant investments in clean technologies and renewable energy projects while also capitalizing on Carbon, Capture, Utilization, and Storage (CCUS).

**Agriculture Innovation Mission (AIM) for Climate:** At the 26th United Nations Climate Change Conference (COP26), 2021, the UAE and the United States set up AIM, the world's largest food security and climate change coalition, with the intention of maximizing investments in sustainable agricultural sectors in order to boost agricultural productivity while mitigating the climate impact. By November 2024, investments had grown to a staggering \$29.2 billion over a 2020 baseline. An addition of 52 new Innovation Sprints this year, bringing the total to 129, and an increase in partners worldwide, from 600 to over 800, further underscores AIM for Climate's transformative impact.





**Global Methane Pledge:** The UAE jumped into this EU-US-led initiative launched in November 2021 at COP26 to contribute to the global mitigation of methane emissions by 30% by the year 2030. In support of the pledge, the UAE launched the Oil & Gas Decarbonization Charter (OGDC) at COP28. Over 50 oil and gas companies from around the world, who represent 40% of the global oil production, have committed to the OGDC. In COP29, aligning with the OGDC's vision, Oil India Limited (OIL) joined forces with the French petroleum giant TotalEnergies to conduct methane emission detection and measurement at all OIL locations in India.

**Hydrofluorocarbon (HFC) Production and Consumption:** On April 19, 2024, the UAE sanctioned the Kigali Amendment to the Montreal Protocol, which is an agreement to phase down the production and consumption of HFCs, a strong greenhouse gas used in air conditioning and refrigeration. The UAE is committed to freezing the production and consumption of HFCs in 2028. This will help the country achieve 85% GHG mitigation by 2047.



## How Climate Change has impacted the UAE

MENA is warming at twice the global average and is projected to be up to 4°C warmer by 2050. The increase in the sea level puts infrastructures like power stations and desalination, and coastal regions, at prime risk of saltwater intrusion, flooding, and erosion. Human health, along with infrastructure and agriculture, is susceptible to getting affected due to the increased severity and rate of dust storms, droughts, and heatwaves. Water scarcity is a huge concern as the country could experience a lack of water availability, which will hugely affect the domestic water supply, industry, agriculture, and more. About any sort of alterations in the temperature or precipitation patterns can result in the decline of biodiversity and loss of habitat.

In order to combat these risks, the UAE is constantly taking climate adaptation measures, which range from implementing strategies to conserve water, develop strong and adaptable infrastructure, and advocate responsible practices for land utilization.

## How businesses are reacting to climate change in UAE

Businesses are aligning their strategies with these targets, integrating sustainability into their operational models and corporate governance, and facilitating dialogue among stakeholders. Several UAE businesses have taken proactive steps to be in line with the country's climate laws. For instance, the real estate and construction sector has come up with green building standards like Estidama and LEED. They also promote the usage of sustainable construction materials while ensuring the buildings are made keeping energy efficiency in mind.



Companies are implementing actions designed to reduce emissions, increase renewables, or scale nascent low-carbon technologies such as green hydrogen and sustainable aviation fuel. There have also been heavy investments in Carbon, Capture, Utilization, and Storage (CCUS) technologies in the UAE. Many of the companies in UAE hospitality sector have set up waste mitigation programs like recycling to promote responsible waste management. Some UAE institutions are also advocating green finance by providing financial backing for various sustainable projects.