بنك الإمارات دبي الوطني
Emirates NBD

Emirates NBD Group 2024 IFRS S1 and S2 Report

Contents

01
General Requirements

General Requirements

1.1 Understanding Emirates NBD group's approach towards implementing IFRS S1 and IFRS S2 requirements

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, issued by the ISSB (International Sustainability Standards Board) in June 2023 are the first IFRS sustainability disclosure standards. These Standards are yet to be fully endorsed by various jurisdictions across the world, including MENA countries.

Emirates NBD Group ("Emirates NBD" or "the Group") accedes the IFRS S1 and S2 standard disclosure requirements. The Group believes that these measures will promote more comprehensive, transparent and consistent reporting of sustainability-related financial information, while also enhancing governance and management of sustainability practices.

IFRS S1 outlines the essential requirements for a comprehensive set of sustainability-related financial disclosures that an entity must provide regarding sustainability-related risks and opportunities. It emphasises the importance of governance, strategy, risk management, metrics and targets related to these risks and opportunities. Such information is deemed important to enable existing and potential investors, lenders and other creditors estimate the value of the reporting entity.

Additionally, IFRS S1 is intended to be used alongside IFRS S2, which focuses specifically on climate-related disclosures. According to IFRS S2, companies must share information about climate-related risks and opportunities that could reasonably impact their future, including effects on cash flows, access to financing and cost of capital in the short, medium and long term.

Given that the standard is a first of its kind initiative, the Group's aim has been to implement the IFRS S1 and S2 as much as possible in its fundamental structure for the financial year ending 2024 and to integrate it in the best way possible in our strategy and approach towards the management of sustainability-related risks and opportunities, to inform our future strategy and reporting.

The Emirates NBD Group 2024 IFRS S1 and S2 report ("ISSB Report") for the year ended 31 December 2024 comprises of the ESG related financial disclosures for Emirates NBD Group and all its subsidiaries. This report is the Group's first voluntary disclosure of IFRS S1 and S2, and this should be read in conjunction with the Group's other annual sustainability disclosures for a full view of our performance.

1.2 Fair presentation

The information disclosed within this report corresponds to the Financial Year 2024. This information is complete, neutral and accurate. While preparing this report, the Group aimed for:

- A complete depiction of a sustainability-related risk or opportunity is provided, which includes all material information necessary for primary users to understand that risk or opportunity
- A level of clarity which is dependent on the nature of the information, with a focus on presenting as clearly as possible, rather than excluding any complex assumptions, if any
- Presented information free from material error and precise corresponding descriptions
- Reasonable assertions and inputs used in developing estimates; based on information of sufficient quality and quantity
- Information on judgements about the future transparently reflecting both those judgements and the information on which they are based
- Information is presented to explain the context and the connections between the related items of information
- In case of commercially sensitive information which may be related to sustainability-related opportunities, The Group has assessed whether the disclosure of such information may potentially impact the Group's advantage in pursuing the said opportunity.

1.3 Connected information

To ensure consistency across different reports published by the Emirates NBD Group, the Group has relied on the same data and assumptions in preparing the sustainability-related financial disclosures as per the reporting boundaries of our Financial report for the 2024 Financial Year. This includes referencing the same accounting policies, methods and estimates used in the preparation of the financial statements and the same presentation currency i.e. AED (UAE Dirhams).

1.4 Comparative information

The sustainability-related financial disclosures presented in this report correspond to the same reporting group entities and boundaries as the corresponding financial statements. Emirates NBD Group is in the process of further enhancing internal policies and controls in alignment with IFRS S1 and S2 requirements to ensure comparable information across all identified sustainability-related risks and opportunities in coming years and the coverage of relevant performance metrics.

1.5 Timing and location of disclosure

The IFRS S1 and S2 disclosures are intended to be read alongside the Group's general-purpose financial statements.

This report is a first voluntary disclosure of the requirements of IFRS Standard S1 and S2. The information presented in this report represents a time frame corresponding to the Financial Year 2024, however, to fully contextualise the disclosure, Emirates NBD has elaborated on elements which potentially align with the Group's activities within the Financial Year 2023. Such elements are clearly highlighted within the report.

The disclosures have been integrated alongside annual financial statements, for the Financial Year 2024 in alignment with guidance provided by the IFRS Sustainability Disclosure Standards.

1.6 Reporting entity, business model and value chain

Emirates NBD Bank (P.J.S.C.) was incorporated in the UAE on 16 July 2007 consequent to the merger between Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C. under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended) as a Public Joint Stock Company.

The Group serves its customers (individuals, businesses, governments and institutions) and facilitates their financial objectives through a range of banking products and services. Emirates NBD offers Islamic products through its wholly owned subsidiary Emirates Islamic Bank (P.J.S.C.). Emirates Islamic has a presence across the UAE with 40 branches. DenizBank A.Ş, which is a 100% owned subsidiary, became one of the foremost names in the Turkish banking industry. The Group has operations in the UAE, Egypt, India, Türkiye, the Kingdom of Saudi Arabia ("KSA"), Singapore, the United Kingdom, Austria, Germany and Bahrain and representative offices in China and Indonesia.

The Group's principal business activities are:

- Corporate and Institutional Banking (C&IB)
- Retail Banking and Wealth Management (RBWM)
- Global Markets & Treasury (GM&T)
- Islamic banking

Emirates NBD's annual report (Note:36) specify the subsidiaries and the key sectors in which the Group operates (Refer to Appendix 7.2 for a summary of our subsidiaries).

1.7 Sources of guidance

This report follows the IFRS S1 and S2 requirements for disclosing sustainability related financial information. Emirates NBD Group has identified that the following IFRS S2 volumes that are applicable to the operations.

These are:

- Volume 15 – Asset management and custody activities
- Volume 16 – Commercial banking
- Volume 18 – Investment banking and brokerage services

This information presented in this report also links to the Emirates NBD Group ESG report 2024 and Emirates NBD Group ESG momentum report 2024. Both these reports align with the Global Reporting Initiative (GRI) 2021 Universal Standards and Sustainability Accounting Standards Board (SASB) standards, the Dubai Financial Market ESG Reporting Guidelines, and applicable guidelines from Central Bank of the UAE (CBUAE). Other references include Taskforce for Climate-related Financial Disclosures (TCFD) report 2023, and a Corporate Governance report 2024.

Refer to **Appendix 7.1** for a full set of our most recent sustainability-related disclosures, which have been referenced during the preparation of this report.

1.8 Statement of compliance

At Emirates NBD Group, we are dedicated to transparency and to aligning with the IFRS Sustainability Disclosure Standards (S1 and S2) as they evolve. Our accounting policies have been consistently applied throughout the financial year and in comparative figures. The data is consolidated following the same principles used for our financial statements.

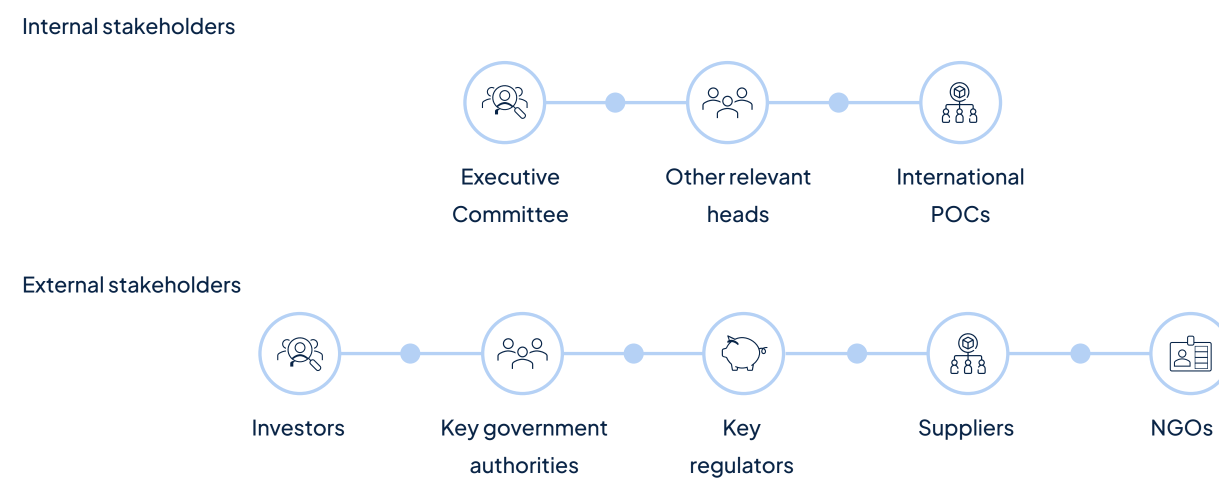
We are committed to continuously improving our approach to financial materiality and the implementation of IFRS S1 and S2, as well as enhancing our related disclosures in the coming years.

1.9 Materiality assessment

In 2024, the Group has refreshed our existing double materiality assessment to identify issues that matter to internal as well as external stakeholders. The process included:

- Assessing the ESG related impact of the business on society, reflecting both internal and external influences.
- Evaluating ESG related impact on the business and its entire value chain, considering both financial and non-financial implications.
- Identification, assessment and management of risk and opportunities for the business, integrating financial and societal impacts in line with double materiality.

The assessment has been guided by the impact of existing and forthcoming regulations, evolving requirements from reporting frameworks, sector, regional and global best practices and benchmarks established by global peers. In addition to the existing shortlist of material topics from the previous assessments, this approach has allowed Emirates NBD to consider emerging themes such as nature-related risks and opportunities, ESG regulations and disclosure requirements as a key focus in the materiality refresh. The assessment was performed through a survey which allowed stakeholders to provide valuable input, highlighting the significant ESG issues according to stakeholder priorities. This survey covered following set of key stakeholders:



As a result of the survey, the five most important and critical areas were identified for Emirates NBD Group from a financial materiality perspective and enterprise value creation from a sustainability perspective. This will be published as part of the Group 2024 Annual ESG Report. These include:

- Sustainable Finance
- Data Privacy and Cybersecurity
- Corporate Governance and Ethics
- Climate-Related Risks and Opportunities
- Diversity and Inclusion

02 Governance

Governance

2.1 Overview

Sustainability is embedded in the Group's business ethos. Its approach to sustainability is reflected in how capital is raised, internal operations are managed, financial products are deployed, and how the Group engages with the economies and societies in which it operates. The Group adapts to evolving market conditions within sustainability, while remaining true to its core principles.

This commitment to sustainability is possible through a governance model managed by the ESG team, with the aim of making a positive impact while generating value for the shareholders. The 2024 Corporate Governance Report and 2024 ESG Report together demonstrate the entirety of the governance structure at the Group.

This report further elucidates sustainability governance, climate-related risks and opportunities, the strategies and the targets and metrics used to manage them. Emirates NBD Group's governance structure ensures adequate oversight across a diverse range of sustainability considerations across the value chain and manages accountability for implementing strategies to manage emerging sustainability-related risks and opportunities.

Figure-2 depicts our overall sustainability governance structure and highlights the board and executive level committees that contribute to the Group's sustainability-related decision-making process.

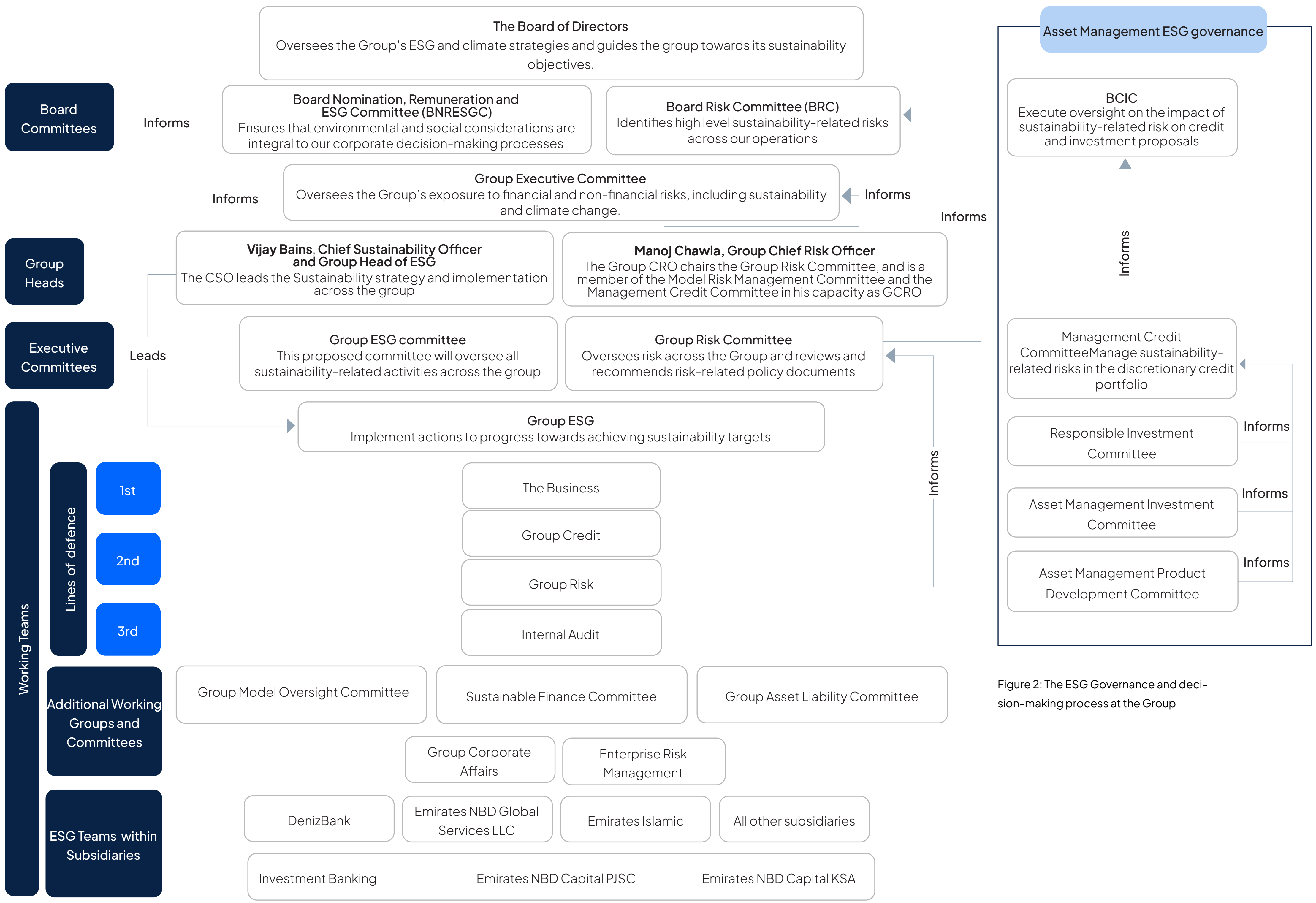


Figure 2: The ESG Governance and decision-making process at the Group

2.2 The role of the board of directors

The Board of Directors (BOD) is at the forefront of ESG governance, serving as the highest authority overseeing all sustainability-related matters. They play a crucial role in shaping sustainability and climate strategies at Emirates NBD, ensuring these are integrated into the initiatives and operations through the designated Board-level committees.

The BOD has established two key committees: the Board Risk Committee (BRC) and the Board Nomination, Remuneration and ESG Committee (BNRESGC), which hold decision-making authority in these areas.

In their annual strategic and financial planning sessions, the Board assesses sustainability and climate-related risks and opportunities. ESG and climate initiatives are monitored and reviewed to adapt to evolving markets and regulatory conditions, with a formal review conducted annually.

2.3 The role of nominated board committees

Board Nomination, Remuneration and Environmental Social Governance Committee (BNRESGC)

The BNRESGC oversees the Group's alignment with the ESG and corporate sustainability strategy and oversees both risks and opportunities management relating to sustainability, including the development of new products, regulatory alignments and capitalisation on emerging ESG trends in the banking sector. The BNRESGC is responsible for approving sustainability-related targets for the Group including sustainable finance targets, when proposed by the Chief Sustainability Officer & Group Head of ESG. Based on these targets, the BNRESGC also oversees incentives and other emoluments across the Group, deciding on appropriate incentives for the achievement of targets (depending on whether a target is "achieved", "mid-stretched" or "stretched"). The BNRESGC ensures alignment between the Group's ESG efforts and its long-term sustainability goals and adherence to the Group Net Zero pathway by overseeing the implementation and progress of ESG initiatives and programmes and reviewing progress every quarter. The BNRESGC is also responsible for reviewing and approving ESG -related documents across the Group, including policies, procedures and disclosures.

The BNRESGC discusses sustainability and climate-related issues during its meetings when consulted by the Chief Sustainability Officer & Group Head of ESG in periodic committee meetings. Sustainability and climate related topics are also prioritised as a topic of general discussion in various other committee-led forums which are subsequently incorporated into the committee agendas.

BNRESGC Member Profile

BNRESGC Member's background and summary of relevant details

Members	Mr. Buti Obaid Buti Al Mulla	Mr. Hesham Abdulla Al Qassim	Mr. Ali Humaid Ali Al Owais
Position	Chairman (Independent Non-Executive Director)	Member (Non-Independent Non-Executive Director)	Member (Non-Independent Non-Executive Director)
Years of experience	33	20	17
Job and related competency	Mr. Al Mulla has over 33 years of professional experience that spans the banking, finance, real estate, hospitality and investment sectors.	Mr. Al Qassim has more than 20 years' experience in the banking industry.	Mr. Al Owais has over 17 years of entrepreneurial experience and in the investment and real estate sectors.
Qualification(s) pertaining to the role	Mr. Al Mulla holds a diploma in Business Administration.	Mr. Al Qassim holds a Bachelor's degree in Banking and Finance and a Master's degree in International Business Management and in Executive Leadership Development.	Mr. Al Owais holds a Bachelor's degree in Business E-Commerce.

Skills, competency and trainings

The BOD at Emirates NBD is committed to developing internal capacities across the Group and maintaining high levels of ESG expertise. The Board has instituted several measures for the continuous enhancement of ESG competencies within the Board itself, at the management level and more broadly across the organisation. At the Board level, the BNRESGC annually reviews the Board's training and awareness programme to ensure the BOD acquires, maintains and enhances knowledge and skills relevant to their Board and fiduciary responsibilities.

To ensure that the expertise on the Board is tailored to exercise oversight into sustainability and climate-related issues, the BNRESGC recommends annual sustainability and climate-related training for the BOD through an ESG training curriculum that is regularly updated to reflect new challenges and opportunities. This structured approach to professional development ensures that the requisite expertise in sustainability and climate-related supervision is maintained to meet the business' demands.

The BOD, as well as the Group heads, undergo annual ESG training, which is refreshed each year, keeping the BOD and senior management at the forefront of industry developments.

To gauge the effectiveness of the Board's oversight of climate strategies, an annual performance review is conducted, which includes scrutiny of ESG-related competencies. Similarly, ESG Key Performance Indicators (KPIs) are included in senior management scorecards. For example, these KPIs include a 5% emissions reduction target, ensuring all relevant members are incentivised to work towards the Group's overall Net Zero 2050 target.

The Board Risk Committee (BRC)

The BRC is responsible for the oversight and management of ESG risks, integral to its role in guiding the Board on the Group's overall risk strategy, appetite and tolerance. The BRC approves critical sustainability policies and frameworks, including the Group's Environmental and Social Risk Policy and (ESRP) Framework and Climate Risk Policy. It also authorises the methodology for the Environmental and Social (ES) risk scorecard and assesses key climate risk elements, such as risk appetite, evaluation procedures and stress test results.

The BRC's responsibilities encompass a broad spectrum of risks, including Credit Risk, Market Risk, Asset-Liability Risk, Capital Risk, Operational Risk, Conduct Risk (ensuring compliance with Consumer Protection Regulations and Standards from the CBUAE), Reputational Risk, Compliance/Financial Crime Risk, Legal Risk, Strategic Risk, Shari'ah Risk, Model Risk and Environmental and Social Risk. Additionally, the BRC oversees the Internal Capital Adequacy Assessment Process (ICAAP) and stress testing processes to confirm that the Group's capital is sufficient to meet regulatory standards and support its strategic objectives in challenging conditions.

The BRC meets quarterly to review the diverse risks impacting the Group's operations. It collaborates with the BNRESGC to ensure the BOD receives regular updates on risk management. The BRC also keeps the BOD informed about advancements in risk management practices within the banking industry and the Group itself.

BRC Member Profile

BRC Member's background and summary of relevant details

Members	Mr. Ali Humaid Ali Al Owais	Mr. Hesham Abdulla Al Qassim	Mr. Jassim Mohammed
Position	Chairman (Independent Non-Executive Director)	Member (Non-Independent Non-Executive Director)	Member (Non-Independent Non-Executive Director)
Years of experience	17	20	18
Job and related competency	Mr. Al Owais has over 17 years of entrepreneurial experience and in the investment and real estate sectors.	Mr. Al Qassim has more than 20 years' experience in the banking industry.	Mr. Al Ali has extensive professional experience, particularly in directing and controlling company operations and providing strategic guidance.
Qualification(s) pertaining to the role	Mr. Al Owais holds a Bachelor's degree in Business E-Commerce.	Mr. Al Qassim holds a Bachelor's degree in Banking and Finance and a Master's degree in International Business Management and in Executive Leadership Development.	Mr. Al Ali holds a Business Administration degree in Public Administration.

The composition of the BRC is in compliance with the applicable regulatory requirements of the Central Bank of UAE

2.4 ESG leads & the role of EXCO

Chief Sustainability Officer & Group Head of ESG, operating within the Group EXCO, is responsible for the development and implementation of ESG-related policies and risk frameworks. He plays a key role in establishing periodic communication between the Board and the management team on ESG and works alongside the Group Head of Risk on climate-related issues. These considerations are integrated into the agenda across executive and non-executive levels.

Alongside contributing their own expertise to further the sustainability agenda, the CSO and the GCRO ensure that employees within each department are equipped with appropriate competencies and skills. Collectively, they ensure the strengthening of processes, frameworks, policies and capabilities to institutionalise the management of sustainability and climate-related risks and opportunities across the Group.

Vijay Bains

The Chief Sustainability Officer and Group Head of ESG (CSO)

Mr. Bains brings 20 years of experience in sustainability, having worked with institutions such as the European Bank for Reconstruction & Development, the World Bank, Lloyds B anking Group and KPMG UK. His expertise encompasses Sustainable Finance framework development, due diligence and sustainability risk management practices.

Mr. Bains is actively involved in several prominent sustainability organisations, including the World Economic Forum's Sustainability Leaders, the S&P Sustainability Leadership Council and various UAE sustainability committees such as the UAE Banking Federation Sustainable Finance Committee, DIFC Sustainable Finance Committee and ADGM Sustainable Finance Committee. Additionally, he co-chairs the Middle East and North Africa (MENA) regional Partnership for Carbon Accounting Financials (PCAF) committee on behalf of Emirates NBD.

At Emirates NBD, Mr. Bains chairs the Sustainable Finance Forum and leads the Group ESG team. He has played a crucial role in the development and implementation of the Emirates NBD Sustainable Finance Framework and oversees the due diligence for all sustainable finance transactions. His leadership has been instrumental in embedding sustainability into the Group's business strategy, including advancing Emirates NBD's 2050 Net Zero target through the reduction and management of Scope 1, 2 and 3 Green House Gas (GHG) emissions, including Financed Emissions.

Manoj Chawla

Group Chief Risk Officer (GCRO)

Mr. Chawla is a senior banker with more than 25 years of experience in risk management, covering areas such as enterprise and regulatory risk, model development and validation, credit risk (both wholesale and retail), global markets, private banking and operational risk management. At Emirates NBD Group, he is responsible for overseeing risk governance across the organisation, including the management of people, policies, portfolios, processes and risk systems.

Mr. Chawla's role extends to managing enterprise risk at the Group level, with a focus on environmental and social risks, ensuring that risk-taking activities remain within the Group's risk appetite across all business lines and regions. He is also tasked with maximising the value of distressed assets and managing various types of risk, including market, operational and cyber risks, as well as model risk and risk analytics.

Further to this, he is responsible for the leading on the measurement of Climate Risk, incorporating both Transition and Physical Risks. He plays a crucial role in the calculation of financed emissions, tracking, providing an estimate of the absolute emissions associated with investments across scoped sectors. These measurements and calculations form crucial inputs into the Group's Sustainability Strategy.

Mr. Chawla plays a key role in the development and implementation of a comprehensive risk management framework across all risk categories at Emirates NBD. His leadership is central to fostering a risk culture that aligns with the Group's strategic objectives. Mr. Chawla chairs the Group Risk Committee, which oversees risk governance at senior management levels and the Model Risk Management Committee, which addresses model risk. He is also a member of the Management Credit Committee, where his focus aligns with the GCRO's responsibilities. He participates in several key management committees that steer the Group's strategy and transformation, including its digitisation initiatives.

Patrick Sullivan

Group Chief Financial Officer (GCFO)

Mr. Sullivan is a Chartered Accountant with 30 years of experience in banking and finance, having worked across the UK, China, Hong Kong, Russia, New Zealand and the UAE. He joined Emirates NBD from Standard Chartered Bank, where he held senior finance roles, including Group Financial Controller, CFO for Standard Chartered China and Head of Finance for Wholesale Banking in Greater China. Prior to this, he worked with PricewaterhouseCoopers in Banking & Capital Markets across several countries.

As a member of the Group Executive Committee, overseeing financial performance across the organisation, Mr. Sullivan is responsible for approving the development and deployment of sustainability-related financial products. He has successfully integrated ESG considerations into Emirates NBD's decision-making processes, aligning sustainability with financial goals. His role is also central to ensuring the accurate reporting of sustainability-related disclosures.

The Group Executive Committee (Group EXCO)

The highest management level committee is the Group EXCO, which is a committee of Group Heads across the Emirates NBD Group. The EXCO is charged with the oversight of Emirates NBD's exposure to both financial and non-financial risks. It is tasked with identifying and addressing business risks and opportunities, including those associated with climate change, in line with the Board directives. The EXCO ensures the Board's agenda is communicated and leads the organization in cultivating a culture and strategy for managing sustainability and climate-related risks. Additionally, the EXCO is responsible for upholding integrity and compliance with relevant environmental and social risk regulations, guidelines, and adapting to evolving practices in response to market conditions.

The Group EXCO exercises the the second level of approval for sustainability and climate-related targets proposed by the ESG team and presented by the Group Head of ESG and are themselves responsible for meeting group-wide ESG targets approved by the BNRESGC.

The EXCO has committed to sustainability and climate-related targets that include:

- A 5% reduction in emissions over the previous year's baseline
- The development of three new sustainable finance products in 2024

The Group Risk Committee (GRC)

The GRC is a committee chaired by the GCRO, reports to the BRC.. The GRC provides comprehensive oversight of risk across the Group's activities, ensuring that risk exposures for all types of risks remain within the overall risk appetite. The committee also oversees and monitors the performance of the Group's credit portfolio, offering guidance through modified credit strategies.

The GRC reviews and recommends the approval of risk-related policy documents to the Board Risk Committee, including the ES Risk Scorecard and methodology, climate risk appetite, climate risk assessment processes and climate risk stress testing results. It acts on any escalations related to breaches or exceptions to the ES Risk, ensuring that risk management remains a priority in the Group's operations.

At the operational level, the GRC is responsible for integrating the the ESRP Framework throughout the organization and managing risk across the Group. The GRC keeps the Board informed through the BRC with regular updates on all risk-related issues, including both financial and non-financial risks, and handles any issues or exceptions related to environmental and social risks. Additionally, the GRC ensures that ES risks are transparently and accurately reported to stakeholders through continuous monitoring and reporting of climate risks.

2.5 Role of the working team members

Specific working team members contribute to managing different aspects of sustainability-related risks and opportunities throughout the Group. They collaborate with the broader organization to communicate the ESG strategy, collect and collate sustainability-related data, and obtain necessary inputs from respective departments. These members are critical in institutionalizing the sustainability agenda and integrating sustainability across the Group.

The Group ESG team is a key working group in driving sustainability at Emirates NBD. It collaborates with the CSO and Enterprise Risk Management (ERM) to define the sustainability strategy, monitoring sustainability and climate-related risks and opportunities affecting the Group and its subsidiaries, including regulatory changes, macroeconomic factors and investor demand. Updates and developments to the sustainability strategy are proposed by the ESG team, in collaboration with other departments and are approved by the CSO. These recommendations are validated by the Group EXCO and ultimately approved by the BNRESGC.

The Group ESG team is responsible for outlining the annual ESG strategy, ensuring effective governance through the monitoring of regulations and providing periodic updates to the BNRESGC. The team ensures that reporting requirements are met in line with global frameworks while adhering to local reporting guidelines, with relevant updates shared with rating agencies.

The Group ESG team are responsible for the day-to-day collation, monitoring and tracking of the Group's sustainability-related targets and metrics, including the Group's Scope 1, 2 and 3 emissions (excluding the calculation of financed emissions). Additionally, the team ensures that community engagement initiatives, such as Exchanges, an award-winning volunteering programme that allows employees, their families, friends and partners to exchange time for community service are institutionalised. This programme aims to make a positive impact on both individuals and the larger community.

Integration of Three Lines of Defence

An important element of the governance framework for sustainability and climate related risks is the Three Lines of Defence risk management model, which oversees the sustainability and climate risk lifecycle, re-enforcing governance and critical assessment of sustainability and climate-related risks and opportunities

First Line of Defence

The **Business Units** is the designated first line of defence in managing sustainability-related risks and opportunities. The Business (or "Business units" or "BUs") refers to the main client contacts who lead transactions and client relationships.
The Business is tasked with ensuring adherence to policies and guidelines, including obtaining the necessary approvals, analysis, documentation, and following all applicable processes for transactions and clients covered by the ESRPF and climate riskframeworks. In implementing these frameworks, the Business works closely with Enterprise Risk Management.

Second Line of Defence

The **Group Risk team** covers different aspects of risk across the Group's varied fields of banking. The Group Risk team works together with the **ESG team** to ensure timely monitoring and evaluation of climate-related risks and opportunities across the Group and subsidiaries' activities. The team provides inputs to the GCRO and the Group Risk Committee. The Group Risk Team also develops climate risk policies, the ESRP and ES risk scorecards. The risk team conducts climate related stress testing and calculates financed emissions while also supporting the Group's ESG agenda.

The **Finance team** is responsible for monitoring and maintaining the financial health of the Group, including contributing to the internal control system. The Finance team supports to build the linkages between the Group's material topics related to sustainability and climate-related risks and opportunities with the financial statements. This aids to provide all other departments with insight into how the Group's sustainability strategy is affecting the Group's performance.

The **Compliance team** ensures that the Group's practices and policies and disclosures meet ethical standards and ensure adherence to Anti-Money Laundering and counter-terrorism financing standards.

Third Line of Defence

The **Internal Audit Team** is responsible for performing independent reviews of sustainability and climate risk assessments to assess the effectiveness of the Group's policies and procedures.

Internal Audit also acts as a check beyond Group Risk and the Group ESG Team to independently assess the controls around publicly disclosed sustainability and climate-related data and reports; and compliance with internal policies and local regulations.

2.6 Role of additional working groups and committees

Additional teams and committees contribute to the management of sustainability and climate-related risks and opportunities throughout the Group but are not directly involved in the decision-making processes and in determining the trade-offs between these risks and opportunities and the Group's broader objectives.

The Group Model Oversight Committee (Group MOC, previously named the "Group Model Risk Management Committee")

Are responsible for reviewing and approving the climate risk stress testing methodology, its assumptions (such as balance sheet assumptions, stress testing horizon), changes in the used macroeconomic variables and transmission channels for the impact of expected credit loss. The Group MOC is responsible for reviewing and approving the ES risk scorecard.

The Group Asset Liability Committee (ALCO)

Is responsible for review and approval of policies and methodologies related to market and liquidity risks emanating from sustainability and climate-related risks. These risks are evolving concepts compared to credit risk and therefore are not part of the current Climate Risk Policy (CRP) implementation but will be incorporated in the future in line with the evolving regulatory landscape and peer-group industry practice.

The Sustainable Finance Forum

Governs and implements the initiatives set out in Emirates NBD Group's Sustainable Finance Framework. The Sustainable Finance Committee is chaired by the CSO. Refer to the Strategy section of this report for more information about how Sustainable Finance is managed at Emirates NBD Group.

Enterprise Risk Management (ERM)

Enterprise Risk Management (ERM) within Group Risk formulates the ESRP, the Climate Risk Policy, as well as other sustainability-related standards and aids in the implementation of these frameworks throughout the Group through the development and dissemination of methodologies and tools. ERM develops and recommends assessment methodologies, metrics, targets and tolerances associated with the Group's climate risk appetite. They monitor compliance against risk appetite thresholds. ERM owns the methodologies and calculations to determine financed emissions, as well as stress testing for both transition and physical climate risks. They are responsible for maintaining adherence to evolving regulations and practices concerning risk, including developing and revising the ES risk assessment models and conducting climate risk stress testing in line with CBUAE guidelines. They provide inputs for internal and external communications on ES Risk activities and processes and support the first line of defence in understanding and assessing climate risks in the form of updates to regulations, internal policies, market developments and global practices.

2.7 ESG Governance across asset management

Emirates NBD Asset Management (Emirates NBD AM) has a dedicated governance structure with minimal interaction with the Group's core governance structure on sustainability and climate related risks and opportunities. The structures are deliberately kept separate to mitigate any conflicts of interests between Emirates NBD AM's advisory roles and products sold by other operations within Emirates NBD.

The Board Credit and Investment Committee (BCIC)
Takes decisions on the ES risk impact of credit and/or investment proposals as an integrated part of the review and credit approval within its credit delegation authority in line with the CRP, ESRPF and the Environmental and Social Risk Assessment Process. The BCIC reports to the Board.

Emirates NBD AM Investment Committee
Maintains oversight over new and existing instruments for funds and segregated accounts. The Emirates NBD Asset Management Investment committee monitors investment performance, risk (including sustainability and climate-related risks) and compliance and helps draft fund and portfolio mandates.

The Management Credit Committee (MCC)
Supports the BCIC in approving the credit proposals for new customers, transactions and renewals based on relevant justification and risk mitigation actions submitted for the committee's review within its delegation authority. There are several cases where MCC members have had detailed deliberations on ES aspects. ES considerations are in the process of being embedded into credit decisioning and is expected to be formalized in a phased manner over time.

Emirates NBD AM Product Development Committee
Oversees the development of investment products including ESG based products and approves risks (including sustainability and climate-related risks) associated with processes identified at the launch of a fund, before being further approved by the Emirates NBD board. The committee meets on an ad hoc basis when there is a product to discuss.

The Responsible Investment Committee (RIC)
Ensures that Emirates NBD AM's services and activities align with the United Nations Principles of Responsible Investment (PRI). Specifically, the committee oversees the implementation of the Responsible Investment Policy and the integration of ESG factors into Emirates NBD AM's investment decisions. The RIC is also responsible for analysing individual securities to understand their ESG credentials through reviews of reports and ratings, focusing on securities with material changes to ESG scores. The RIC also reviews periodic ESG and engagement reports to assess ESG risk and performance across Emirates NBD's portfolio. Within Emirates NBD AM, the RIC reviews ESG policies to consider their relevance, effectiveness and alignment with relevant standards and drive the company's future initiatives to adopt novel practices. To support reporting, The RIC produces all of Emirates NBD's AM's information for ESG disclosures at the group level and review and approve the annual PRI report .

The Emirates NBD AM team
Is comprised of portfolio managers and analysts who take ESG considerations into their investment analysis and decision-making and establish a dialogue with investee companies about ESG issues. The team is required to report on a regular basis to the Responsible Investment Committee.

The ESG Research Analyst
Is independent of the investment team and reports directly to the Responsible Investment Committee. The ESG Research Analyst supports Emirates NBD AM's sustainable investments and provides ESG research across asset classes, playing a critical part in the overall ESG integration across strategies. They support the portfolio managers and investment analysts and document and track engagement efforts. They also support ESG engagement reporting.

2.8 ESG Governance within our subsidiaries

Subsidiaries of the Group (DenizBank, Emirates NBD Global Services LLC, Emirates Islamic, Emirates NBD Capital PSC and Emirates NBD Capital KSA) each have their own in-house ESG teams or Single Points of Contact (SPOCs). The Group ESG team disseminates the Group-wide sustainability and climate strategies to these ESG teams and SPOCs.

These teams and SPOCs are responsible for overseeing the implementation of the group-wide ESG strategies within their respective subsidiaries, liaising with departments within to understand and manage sector and geography-specific sustainability and climate-related risks and opportunities.

They are also responsible for overseeing the collation and collection of ESG data across their respective subsidiaries to report data to the Group ESG team. Certain subsidiaries have developed standalone sustainability reports.

As an example:

DenizBank's Sustainability Organization structure consists of the BOD, Sustainability Committee, Sustainability Coordination Department, and Sustainability Working Group.

The Sustainability Committee is a senior management committee responsible for the implementation and development of the Sustainability Strategy defined in line with DenizBank's policies and procedures and for monitoring the sustainability performance.

The Sustainability Coordination Department works with an approach that aims to protect the interests of society and the Bank, considering environmental, social and governance dimensions.

Emirates Islamic ESG Strategy forms a part of and is led by the Group. The Group has a clear governance structure that ensures the alignment of our ESG strategy across all levels of organisation.

The governance approach ensures integrity, transparency, and accountability at every stage of our operations. It also ensures that ESG principles and practices are embedded into the culture, operations and activities of the Group, as well as all strategic decision making.

2.9 The ongoing transformation of our governance model

The Group's governance of sustainability and climate-related risks and opportunities is continually evolving. In 2024, The Group has refreshed the terms of reference for BNRESGC to expand the responsibilities related to sustainability. A Sustainable Finance Forum (SFF) was established in 2024 to ensure business development of our SF business across WB is in line with Group Product Governance Committee including proper governance of the labelling and recording of SF transactions and to align customer profiles and related transactions to Emirates NBD's ESRP to protect from non-financial risk concerns.

03
Strategy

Strategy

3.1 Overview

Sustainability is embedded in the Group's culture, operations and strategic planning. It informs strategic decision-making and drives long-term value creation for stakeholders.

The Group's sustainability strategy incorporates ESG priorities to support sustainable growth, manage risks and deliver measurable outcomes.

A core objective of the strategy is to provide responsible, inclusive and innovative financial services that contribute to sustainable economic growth. Emirates NBD focuses on enhancing customer experience, creating value and promoting financial inclusion, ensuring that all banking services are conducted responsibly and sustainably.

The strategy aligns with key global and national frameworks, including the UN Sustainable Development Goals (UN SDGs), UAE Vision 2030, the UAE Green Agenda 2030 and the United Nations Environment Programme's Dubai Declaration on Sustainable Finance

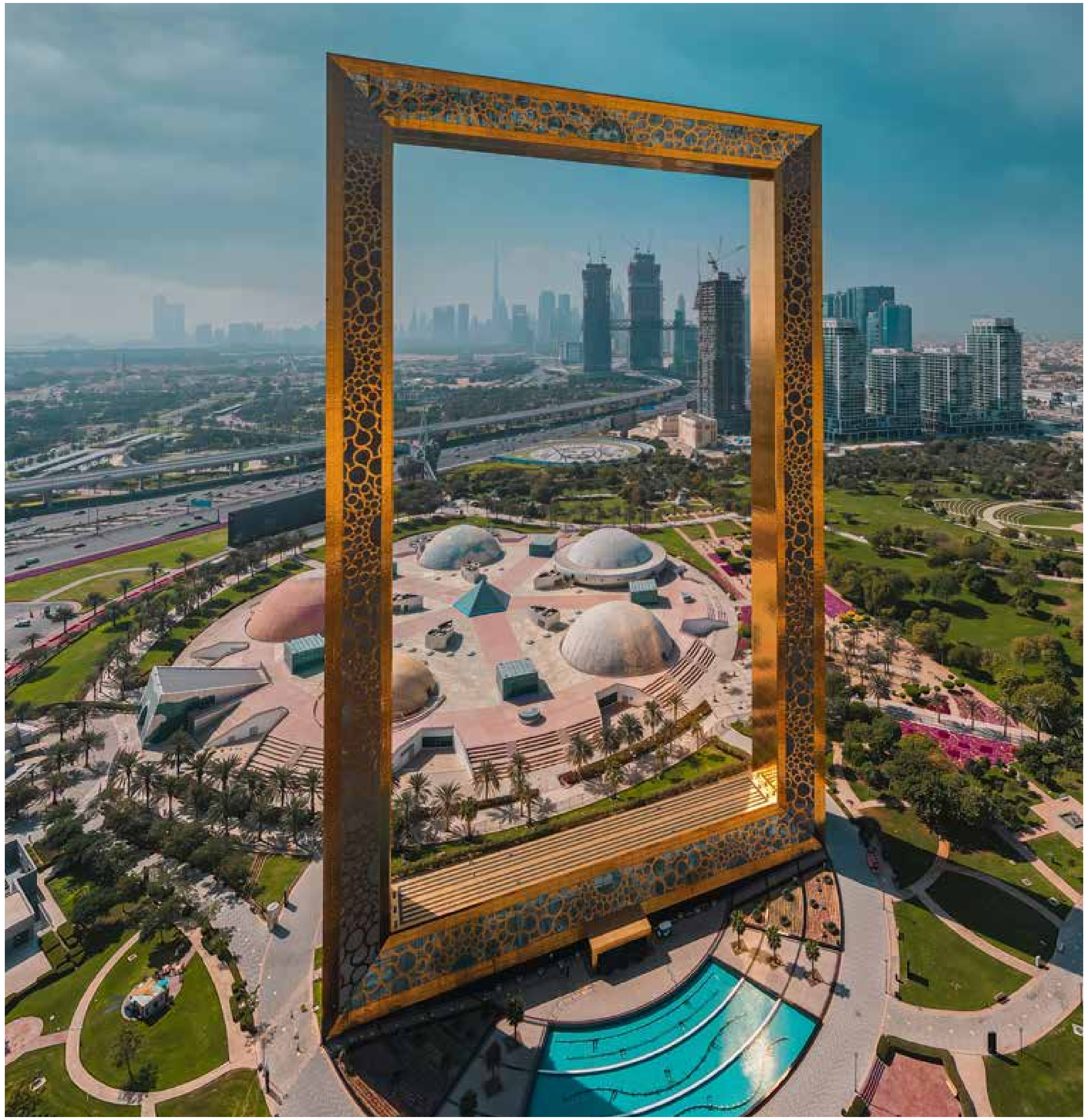
These alignments guide the Group's efforts in financing the transition to a low-carbon economy, achieving Net Zero by 2050, improving disclosures, leveraging technology for innovation, enhancing social impact and maintaining robust governance.

In 2024, Emirates NBD received recognition for its performance at the Euromoney Awards for Excellence, winning titles such as '**Middle East's Best Bank for SMEs**', '**UAE's Best Bank for SMEs**', '**Middle East's Best Bank for Wealth Management**', '**UAE's Best Bank for Corporates**' These awards reflect the Group's commitment to delivering high-quality services and integrating sustainability into its operations.

The Group conducts annual materiality assessments to engage with stakeholders and ensure its sustainability strategy addresses the most material topics.

These assessments inform the strategy's alignment with stakeholder priorities and guide its implementation.

1. Financing Transition – (Sustainable Finance)
2. Achieving Net Zero – (Climate related risks & opportunities)
3. Enhancing Disclosures – (Corporate Governance and Ethics)
4. Digitisation – (Data Privacy and Cyber Security)
5. Positive Social Impact – (Diversity and Inclusion)



The Group Sustainability Strategy and Focus themes

Financing Transition

- Achievement - USD2.250bn funds raised through the international capital markets in 2024
- Target - 30 billion Sustainable Finance provision by 2030
- Focus:
  - Alignment of SLLB to the ICMA Sustainability-Linked Loans Financing Bonds Guidelines
  - Alignment of our Sustainability Sukuk to the International Capital Market Association (ICMA), the Islamic Development Bank (IsDB) and London Stock Exchange Group (LSEG) Guidance on Green, Social and Sustainabiilty Sukuk

Achieving Net Zero

- Achievement - 1) 15% reduction in Scope 1 & 2 in 2024 compared to 2023 in UAE
- Target - Net Zero by 2050
- Focus:
  - Alignment to the Principles of Responsible Banking (PRB)
  - Alignment to the NDC commitments across our countries of operation

Enhancing Disclosures

- Achievement - 1)First TCFD report released in 2024 with assurance. 2) S&P ratings increased from 37 in 2023 to 54 in 2024.
- Target - 1) Release the Group's first IFRS S1 and S2 report
- 2) Release the Group's first TNFD (Task force for nature-related financial disclosures) report
- Focus:
  - Alignment with leading global ESG reporting standards including GRI and SASB

Digital Transformation

- Achievement- Implementation of Microsoft Sustainability Manager (MSM) for emissions tracking
- Target - Reporting Automation
- Focus:
  - Emirates NBD plans to deploy a state-of-the-art conversational chat capblity across business and support functions, including ESG

Positive Social Impact

- Achievement 18% of women in leadership roles in 2024.
- Target - 25% women in leadership roles by 2027
- Focus:
  - Emirates NBD has signed the UAE Gender Balance Pledge. As a pledge member, Emirates NBD actively collaborates with the UAE Gender Balance Council (GBC) to align with the UAE's vision of achieving all 17 UN SDGs

1. Financing Transition

Emirates NBD remains committed to advancing sustainable finance by raising capital to support initiatives that contribute to a low-carbon and inclusive economy. A significant portion of funds raised in international capital markets is sustainability-linked, reflecting alignment with global standards, including the Paris Agreement and Nationally Determined Contributions (NDCs) of the countries in which the Group operates.

Proceeds from sustainable finance instruments are allocated to eligible projects identified within the Group's Sustainable Finance Framework. These include:

- Renewable energy
- Energy efficiency
- Clean transportation
- Sustainable water management
- Green buildings
- Social inclusion initiatives, such as access to essential services and affordable housing

The Group ensures transparency and accountability by publishing regular impact reports detailing fund allocation, project performance and measurable contributions to the UN SDGs. Sustainable finance remains a priority, as reflected in the 2024 materiality assessment, reaffirming its importance to stakeholders. Emirates NBD continues to mobilise capital to deliver measurable, sustainable outcomes.

2. Achieving Net Zero

In line with the UAE's Net Zero 2050 Strategy, Emirates NBD has committed to achieving net-zero emissions by 2050 for Scope 1 and 2 emissions. The Group reports GHG emissions annually in its ESG Report, published on the corporate website.

The Group's decarbonisation strategy addresses emissions from internal operations (Scope 1 and Scope 2) and financed activities (financed emissions). Short-term targets include a 5% annual reduction in Scope 1 and Scope 2 emissions until 2027, while mid-term targets aim for a 30% reduction by 2030. Key initiatives include the deployment of solar panels and investments in sustainable projects.

The Group evaluates climate-related risks and opportunities, recognising their material impact on net-zero efforts. Climate considerations remain among the top five material topics for 2024. To further embed ESG across operations, the Group will define sector-specific glide paths and emission reduction targets, with strategies scheduled for publication in 2025.

3. Enhancing Disclosures:

Emirates NBD is the first bank in the MENA region to receive the highest ESG ratings with a ranking of 5th amongst diversified banks by Sustainalytics, alongside the highest ratings from S&P in 2024. These ratings reflect the Group's consistent efforts to enhance transparency and disclosure standards.

In 2024, the Group published its first TCFD report, alongside its annual ESG Report. The Group's governance framework ensures effective oversight by the BOD and Senior Management, enabling prudent risk management while ensuring the ethical delivery of the Group's business strategy.

Strong governance drives accountability across the organisation, strengthening stakeholder relationships. Corporate governance and ethics remain priorities, as highlighted in the 2024 materiality assessment.

The Group aims to enhance its disclosures by releasing this IFRS S1 and S2 report followed by a Taskforce for Nature-related Financial Disclosures (TNFD) report in 2025.

4. Digital Transformation

Emirates NBD continues to integrate technology across its sustainability operations, aligning with its vision to lead innovation for customers, employees and communities. In 2023, the Group successfully implemented Microsoft Sustainability Manager (MSM) in collaboration with Microsoft, advancing digital transformation in sustainability reporting and operations.

Understanding the criticality of customer experience and streamlined business operations, Emirates NBD plans to deploy a state-of-the-art conversational chat capability, across all business and support functions including ESG. The Group plans to implement conversational chatbot effective 2025 for the annual ESG reports to support stakeholders.

In 2024, more than 8,500 stakeholders visited the sustainability page on the Emirates NBD corporate website, to understand the organisation's contributions to sustainability. The conversational chatbot will support to reduce time and effort spent by stakeholders in finding and comprehending the information and data related to our ESG performance and disclosures in the ESG reports that are lengthy in nature. This digital transformation will enable the bank to deliver personalized experiences, improve operational efficiency, and foster innovation throughout the organisation.

5. Positive Social Impact

Emirates NBD is committed to ensuring its financial products, services and operations are accessible to all consumers, including vulnerable and underserved groups, in alignment with international standards. All product features, risks, terms and conditions are designed to be appropriate and comprehensible.

In 2024, the Group launched a financial inclusion website, offering tools and resources to enhance financial well-being. Other initiatives include:

- Anti-fraud awareness events to enhance customer knowledge
- Financial literacy workshops for more than 200 women, promoting financial inclusion and empowerment

The Group's #TogetherLimitless programme reflects its commitment to the UN SDGs and supports diversity, equity and inclusion. Emirates NBD has pledged to achieve 25% representation of women in senior leadership roles by 2027, advancing inclusive leadership and equitable opportunities.

3.2 Sustainability risks & opportunities across the value chain

The Group-wide sustainability strategy is integrated across our value chain. Sustainability and ESG considerations underpin the Group's approach to raising capital, managing internal operations and engaging with customers and the public. Across all facets of business and operations, the Group seeks to mitigate associated risks while delivering measurable outcomes that create positive impact for customers, suppliers and employees.

Our conceptual model of our business value chain is depicted below. This model provides the base framework for undertaking ESG risks and opportunity analysis.

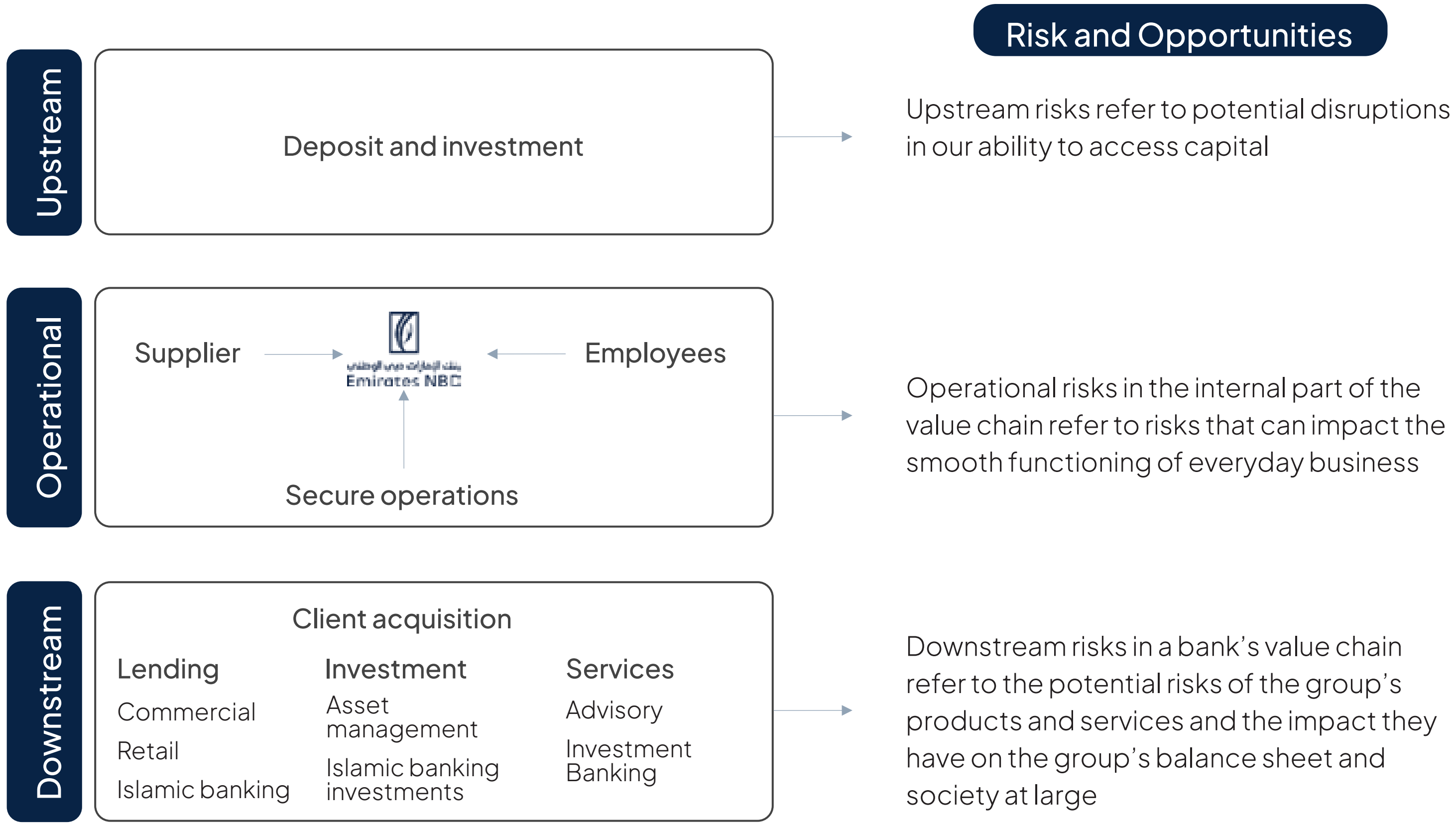


Figure 3: Risks and opportunities across Emirates NBD Group's value chain

- Upstream activities refer to the Emirates NBD Group's engagements with investors and other stakeholders to raise capital. There is a relatively low concentration of sustainability related risks upstream in the Group's value chain, particularly with the policies and best practices followed, with increasing opportunities.
- Internal operations encompass the activities and processes that enable the Group to deliver products and services to clients. This central segment of the value chain involves key stakeholders, including employees, suppliers and service providers. The risks and opportunities in this area are diverse and nuanced, requiring adaptive strategies to ensure effective management.
- Downstream activities represent the mobilisation of capital into the economy. This is the most critical part of the Group's value chain, with the highest concentration of sustainability-related risks arising as capital is deployed and market engagement increases. At the same time, downstream activities present the most significant opportunities. As the economies and markets in which the Group operates transition towards sustainability, Emirates NBD is uniquely positioned to finance and support this transformation.

Time horizons considered for ESG risk and opportunity analysis

Society faces increasingly interconnected and complex sustainability challenges, necessitating a proactive role from the Banking and Financial Services sector in managing risk. Failure to address these challenges could undermine societal stability, stakeholder trust and the reputation of the financial services industry.

Sustainability risks and opportunities, akin to other global risks, are inherently interdependent and often exhibit emerging characteristics. These risks are typically long-term in nature, act as drivers for other risks and are difficult to quantify due to the uncertainty surrounding their future development. While some sustainability-related risks have short-term implications, the majority follow medium- to long-term gestation cycles.

In recognition of these dynamics, a long-term perspective is applied in the assessment of sustainability-related risks and opportunities. This perspective aligns with the Group's corporate and strategic planning horizons, ensuring that sustainability considerations are integrated into strategic decision-making and prioritisation. This approach supports Emirates NBD in navigating the evolving sustainability landscape and driving long-term value creation.

The time horizons are as follows:

- Short-Term (Up to 2030):
  Focused on immediate sustainability actions and the integration of ESG criteria into our near-term operations and decision-making processes.
- Medium-Term (2030 to 2040):
  Dedicated to deepening our sustainable finance initiatives, with an emphasis on transformative projects that will shape our progress in the next decade.
- Long-Term (2040 to 2050):
  Focused on immediate sustainability actions and the integration of ESG criteria into our near-term operations and decision-making processes.

Emirates NBD has undertaken an analysis of the key sustainability and climate-related risks and opportunities across our value chains that align with our 5 most material themes.

1. Sustainable Finance

Impact Materiality

Positive Impacts	Actual or Potential	Negative Impacts	Actual or Potential
Enhanced Environmental Protection: Financing projects that reduce carbon emissions and promote renewable energy can significantly contribute to improved environmental outcomes and sustainability	Actual	Greenwashing Risks: Potential misrepresentation of financial products as sustainability without substantial backing can lead to reputational damage and loss of trust amongst stakeholders	Potential
Social Development: Investments in affordable housing, healthcare and education initiatives bolster community well-being and social equity, whilst avoiding investments in areas with a negative social impact works to strengthen societal relationships.	Actual	Market Exclusion: Certain sectors may face reduced funding due to stringent ESG criteria, potentially impacting economic diversity and economic stability	Potential
Economic Resilience: Supporting businesses that adopt sustainable practices, leading to continued economic growth and innovation	Potential	Market Risk and Volatility: Misaligned sustainability practices may cause market fluctuation and hinder investor confidence, affecting economic health	Potential

Financial Materiality

Risks	Timeframe	Opportunities	Timeframe
Regulatory Compliance Costs: Adapting to evolving ESG regulations and meeting comprehensive reporting standards may lead to increased operational expenses and require resource allocation	Short to Medium Term	Access to New Markets: Financing sustainable projects opens pathways to participate in emerging green sectors, fostering growth and diversifying revenue streams	Medium to Long Term
Reputational Damage: Associations with projects or entities that fail to meet ESG expectations can result in a loss of credibility and stakeholder trust, affecting long-term brand value	Short to Long Term	Investor Attraction: Growing demand for ESG-compliant investments can lead to increased capital inflows as investors prioritise sustainable and responsible financial practices	Short to Long Term

2. Data Privacy and Cyber Security

Impact Materiality

Positive Impacts	Actual or Potential	Negative Impacts	Actual or Potential
Enhanced Customer Trust: Implementing robust data privacy measures strengthens customer confidence and loyalty	Actual	Data Breaches & Financial Loss: Potential unauthorised access to sensitive customer data could result in significant harm to customers and the business, as well as financial loss, legal fees and compensation claims. Furthermore, this can also result in reputational damage.	Potential
Regulatory Compliance: Adhering to global and local data protection laws and regulations helps to ensure legal compliance, minimising risk of penalties and enhancing corporate credibility	Actual	Customer Resistance to Enhanced Security Measures: Where security portfolios are perceived as compliance or time consuming, this can lead to frustration and a decline in user satisfaction	Potential
Increased Digital Skills, Knowledge and Opportunities for Employees: This increase in skills and knowledge works to boost productivity and adaptability	Actual	Access Barriers to Users with Less Digital Skills: Enhanced digital systems may pose challenges for users who have limited digital proficiency, potential impact accessibility for certain groups	Potential
Increased Operational Resilience and Advanced Cybersecurity Measures: Boosting Emirates NBD's cybersecurity detection and responsibility abilities ensures data protection and fortifies IT infrastructure, enhances resilience and works to ensure business continuity	Potential		

Financial Materiality

Risks	Timeframe	Opportunities	Timeframe
Cybersecurity Threats: The increasing sophistication of cyber-attacks presents continuous risk to data security, financial stability and business operations. This can lead to financial loss, service interruptions and customer dissatisfaction	Short to Long Term	Enhanced Market Competitiveness: Robust data privacy and cyber security frameworks set the organisation apart as a trusted financial institution, attracting clients and partners who value security	Medium to Long Term
Regulatory Penalties: Non-compliance with data privacy regulations can result in significant fines and legal repercussions, impacting financial performance and strategic initiatives	Short to Medium Term	Technological Leadership: Investing in state-of-the-art cybersecurity technology and advanced data privacy measures can position the organisation as an industry leader, fostering partnerships and innovation	Medium to Long Term
Operational Disruption: Cyber incidents can disrupt critical business operations, leading to productivity loss and increased recovery costs. The inability to promptly respond to breaches can exacerbate these impacts	Short Term	Improved Customer Engagement: Demonstrating a commitment to data privacy and cybersecurity enhances customer trust, leading to greater customer retention, loyalty and engagement	Short to Long Term

3. Corporate Governance and Ethics

Impact Materiality

Positive Impacts	Actual or Potential	Negative Impacts	Actual or Potential
Strengthened Stakeholder Confidence: Robust corporate governance frameworks promote trust among stakeholders, reinforcing the Group's reputation and reliability	Actual	Reputation Risk: Ethical missteps or lapses in governance may lead to significant damage to the Group's public image and stakeholder trust	Potential
Positive Economic Contribution: Ensuring access to quality, transparency financial services contribute to economic resilience and supports sustainable development	Actual	Internal Culture Risks: Failure to maintain a strong corporate culture aligned with ethical practices could lead to reduced moral, increased turnover and compromised business integrity	Potential
Regulatory Alignment: Adherence to governance principles ensures compliance with financial and ethical standards, minimising exposure to regulatory challenges	Actual	Operational Inefficiencies: Ethical failures can result in misalignment and increased scrutiny from regulators, disrupting business operations	Potential
Enhanced Strategic Sustainability: Upholding ethical practices aligns business objectives with long-term societal expectations and promotes a culture of integrity	Actual	Financial Penalties: Non-compliance with governance mandates or ethical breaches can incur monetary fines and impact financial standing	Potential

Financial Materiality

Risks	Timeframe	Opportunities	Timeframe
Regulatory Penalties and Legal Actions: Weak governance structures or unethical business practices can result increased regulatory actions, financial penalties and potential legal challenges	Medium Term	Investor Appeal and Reputation Building: A strong reputation for ethical business practices enhances investor confidence and attracts responsible investment	Short Term
Reputational Damage: Failure to comply with ethical standards can lead to significant reputational risks, affecting trust among clients, investors and other stakeholders	Short to Long Term	Competitive Edge: Effective governance sets the Group apart from peers, positioning it as a leader in responsible financial management	Medium to Long Term
Loss of Competitiveness: Governance failures and poor services or product design can lead to a decline in market competitiveness, affecting revenue and shareholder confidence	Medium Term	Commitment to Human Rights and Ethics: Promoting awareness of human rights and ethics within the Group can create a safer, more attractive workplace, contributing to overall employee satisfaction and retention	Short to Medium Term

4. Climate Related Risks and Opportunities

Impact Materiality

Positive Impacts	Actual or Potential	Negative Impacts	Actual or Potential
Enhanced Stakeholder Trust: Proactive climate strategies and sustainable practices bolster the Group's reputation, improving relationships with clients, investors and regulators	Actual	Exclusion of High-Risk Clients: Clients exposed to significant climate and environmental risks may face exclusion, potentially resulting in economic loss	Actual
Increased Awareness and Commitment: The increase in awareness promotes collaboration on climate and environmental issues across sectors, fostering shared responsibility	Actual	Operational and Business Distributions: Climate change-induced events such as floods, extreme heatwaves and other natural disasters can disrupt operations, supply chains and client activities	Actual
Regulatory Preparedness: Early adaption to climate related regulations ensures compliance and reduces the potential regulatory risks, positioning the Group for future sustainability requirements	Actual	Transition Risks: The shift to a low-carbon economy can result in increased operational costs and significant investment needs to adapt business models	Potential
Market Differentiation and Customer Engagement: Offering tailored green finance products enhances competitiveness, attracting clients who prioritise environmental impact and sustainability	Potential		

Financial Materiality

Risks	Timeframe	Opportunities	Timeframe
Regulatory Compliance Costs: The evolving landscape of climate-related regulations may lead to higher costs associated with compliance and enhanced reporting requirements	Short to Medium Term	Integration of Environmental Criteria into Risk Assessment and Management: Embedding environmental criteria into risk assessment financial strategies can reduce credit and financial risks by ensuring sustainability is integrated into current procedures	Short Term
Credit Risk Increase: Clients in carbon-intensive sectors may face financial challenges as regulations and market preferences shift, impacting their creditworthiness and leading to potential defaults. Conversely, clients in renewable energy sectors may also face declining creditworthiness due to industry dynamics, including oversupply.	Medium to Long Term	Green Financing Growth: Selectively expand the Group's portfolio of green bonds and sustainable financial products can attract new clients and drive revenue growth	Short to Long Term
Asset Devaluation: Investments and assets tied to high-carbon industries may lose value as the market shifts towards more sustainable, low carbon activities.	Medium Term	Innovative Product Development: Developing new financial products centred around renewable energy and sustainability offers potential for market differentiation and revenue expansion	Medium to Long Term
Reputational Risk: Perceived inconsistencies in climate-related communications or actions could lead to accusations of greenwashing, affecting Emirates NBD's reputation	Short Term	Operational Efficiency and Cost Saving: Implementing energy efficiency measures and sustainable operations reduces costs over time and minims the environmental footprint supporting Emirates NBD's ESG goals.	Short to Medium Term

5. Diversity and Inclusion

Impact Materiality

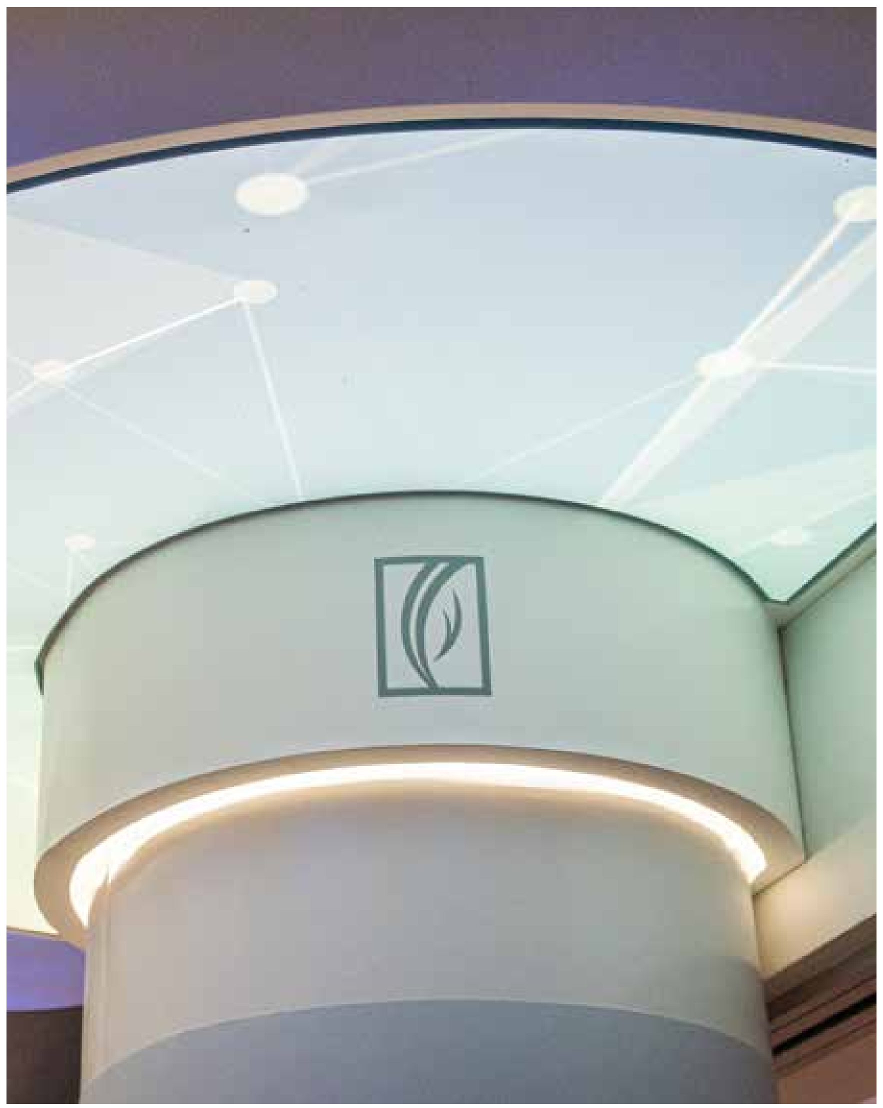
Positive Impacts	Actual or Potential	Negative Impacts	Actual or Potential
Improved Workplace Culture: A diverse and inclusive work environment fosters innovation, collaboration and employee satisfaction	Actual	Resistance to Change: Integrating diversity and inclusion initiatives may face challenges due to existing workplace biases or resistance to new policies	Potential
Enhanced Talent Acquisition and Retention: Promoting an inclusive culture attracts top talent from diverse backgrounds, enhancing Emirates NBD's competitiveness in the job market	Actual	Inequality Perception: Failure to implement effective diversity strategies can lead to perceived inequality and potential employee dissatisfaction	Potential
Stronger Community Engagement: Engagement in diversity programmes strengthens ties with the community and enhances the Group's social impact	Actual	Reputational Risks: Inadequate diversity measures or failure to meet diversity expectations can damage the Group's reputation among stakeholders in the public	Potential
Commitment to Employee Health and Work-Life Balance: Prioritising well-being can increase productivity and motivation, leading to higher overall performance and job fulfilment	Actual		

Financial Materiality

Risks	Timeframe	Opportunities	Timeframe
Regulatory and Compliance Risks: Failure to comply with diversity and inclusion laws or standards may result in legal actions, fines, or penalties	Short to Medium Term	Increased Productivity and Innovation: Diverse teams contribute to varied perspective that can drive creativity, leading to more innovative solutions and business growth	Medium to Long Term
Talent Management Costs: Implementing new diversity and inclusion programmes may incur initial costs, including raining and policy development	Short Term	Market Appeal and Customer Reach: A diverse workplace enables the Group to better understand and serve a wide range of customers, improving market reach and customer relationships	Medium to Long Term
Employee Turnover: Lack of diversity and an inclusive environment can lead to high employee turnover, which impacts operational stability and increased recruitment costs	Short to Medium Term	Stronger Employer Brand: A commitment to diversity and inclusion positions the Group as an employer of choice, attracting high-calibre talent and enhancing recruitment efforts	Short to Long Term

3.3 Strategic management of sustainability related risks & opportunities across our value chain

This section outlines the analysis of sustainability-related risks and opportunities across the value chain, with a focus on their potential impact on access to finance and the cost of capital over the short, medium and long term. This assessment is informed by the three key enterprise risks and opportunities identified, as detailed in section 1.8.



1. Assessment and Management of Upstream Risk & Opportunities

Upstream risks refer to potential disruptions in the ability to access capital. Emirates NBD Group employs robust strategies to diversify access to capital, complemented by internal processes that foster investor confidence and ensure continued access to finance.

1. A comprehensive assessment of regulatory compliance processes is conducted
2. Strict adherence to business ethics and corporate governance standards is maintained
3. A clear ESG roadmap is established, with targets set and performance communicated periodically

These mechanisms help mitigate emerging corporate governance risks that could undermine stakeholder trust, minimising vulnerabilities in the upstream segment of the value chain. By embedding these principles, Emirates NBD continues to build trust and credibility with upstream stakeholders.

Furthermore, the diversification strategy for capital raising presents unique opportunities. Engaging with Development Finance Institutions (DFIs) and impact investment funds allows Emirates NBD to leverage its sustainability performance, broadening access to capital while fostering the development of high-impact, sustainable portfolios.

Emirates NBD utilises a variety of financial instruments to raise capital. In 2023, Emirates NBD raised USD 750 million through the issuance of a green bond, marking the largest issuance by a regional bank. Additionally, DenizBank, a subsidiary of Emirates NBD in Türkiye, has raised over over USD 3.8 billion from Multilateral Development Banks (MDBs) and DFIs since 2007. These funds have been sourced through bilateral loans, syndicated loan facilities and trade facilities, among other mechanisms.

The over USD 3.8 billion raised by DenizBank has been directed towards financing green and social projects, including renewable energy and energy efficiency, SMEs in underdeveloped regions, micro-farmers, women entrepreneurs and disaster relief initiatives. In managing the proceeds from these capital raises, including sustainable finance instruments, Emirates NBD adopts a portfolio approach, ensuring that net proceeds align with eligible loans or financing portfolios within 24 months of each issuance. This strategy ensures financial decisions remain in line with the original goals of the fund raise, while also addressing the long-term needs of society, considering both immediate and future impacts.

Assessment and Management of Risks & Opportunities in Internal Operations:

Sustainability related operational risk can significantly impact Emirates NBD's ability to function effectively. The approach towards managing these risks involves following:

Managing Employee Engagement

At Emirates NBD Group, nurturing the aspirations, needs, and concerns of employees is a top priority. With over 26,000 employees worldwide, the Group is dedicated to creating an inclusive workplace that emphasises employee development, well-being, fairness, and equal opportunity. By fostering a supportive and positive work environment, the Group aims to enhance productivity, reduce attrition, and promote long-term workforce development.

To support this, a number of activities such as below were conducted throughout 2024:

Annual Employee Survey: In 2024, a comprehensive survey covering job satisfaction, motivation, wellness, and safety reached all employees, resulting in a 77% engagement score.

Employee Engagement: Regular initiatives are undertaken to align organisational objectives with employee aspirations and to celebrate collective achievements.

Talent Development: The Group focuses on attracting and nurturing talent at all organisational levels, ensuring employees feel valued and supported.

Learning & Development: Continuous learning through tailored training programs, leadership development workshops and upskilling opportunities are provided to all employees to encourage them to hone their skills for current and future opportunities.

Benefit Offering: A family friendly and highly competitive benefit package ensures balance in the employees' professional and personal well-being.

Diversity Commitment: Women make up 40% of the workforce, reflecting the Group's dedication to maintaining diversity and inclusivity. Efforts to ensure diversity include the following:

- Benchmarks and targets: Ambitious targets for female representation in leadership roles are established, in line with the UAE's vision.
- Regular internal pay monitoring: Regular assessments are conducted to ensure compensation strategies are fair and equitable.
- Transparency in reporting: Gender pay and diversity data are monitored and discussed internally, providing a clear overview of progress towards set goals.
- Diversity and inclusion sessions: Various programmes aimed at eliminating unconscious bias and promoting a culture of meritocracy are offered to all employees.

Through concerted efforts and the numerous initiatives launched throughout 2024, the Group aims to foster a sense of unity among employees across diverse geographies.

- An annual employee survey is conducted, reaching every member of the organisation. This comprehensive survey explores various aspects of the employee experience, including job satisfaction, purpose, motivation, engagement, happiness, stress levels and wellness and safety. The overall employee engagement score in 2024 stood at 77%, with an employee turnover rate of 10% (as at 30 September 2024).
- The Group is committed to ensuring diversity, maintaining the share of women in the total workforce at 40%. Efforts to address potential gender-related gaps include:
  - Regular internal pay monitoring: Ongoing assessments are conducted to ensure compensation strategies are fair and equitable.
  - Transparent reporting: Gender pay and diversity data are monitored and discussed internally, providing a clear overview of progress towards set goals and ambitions.
  - Benchmarks and targets: Ambitious targets for female representation in leadership roles are established, in line with the UAE's vision.
  - Diversity and inclusion training: Mandatory annual training programmes are offered to all employees on the Code of Conduct, diversity topics and internal policies, aimed at eliminating unconscious bias and promoting a culture of meritocracy.

Figure 4: Key pillars of employee engagement and workforce development

More details on employee development and management programmes are presented in the annual Group 2024 ESG report

2024 ESG Momentum Report

Corporate Governance and Ethics

Robust corporate governance is fundamental to the Group's capacity to manage a range of sustainability and climate-related risks and opportunities. The governance structure has been designed to ensure the application of the appropriate level of accountability and expertise at each stage of the decision-making process, both within and outside sustainability considerations.

The oversight and approval mechanisms that guide each decision help maintain strong financial performance, uphold the Group's reputation and preserve the confidence of stakeholders, including customers, partners and regulators.

The Group's governance practices have also facilitated the avoidance of operational inefficiencies by providing a clear framework for scrutiny and approvals across departments, ensuring that decisions are made in a timely, accurate and ethical manner.

The Group's approach to ethics is embedded within various policies and procedures that guide decision-making throughout the corporate governance framework.

These include a code of conduct that outlines measures for addressing and mitigating corruption and bribery, conflicts of interest, anti-trust practices, money laundering and a whistleblower programme. These practices foster a culture of transparency and ethical conduct, while minimising the risks of financial penalties.

Managing the risks associated with our growing digital footprint, data handling, security and privacy:

Data security and privacy is a major consideration for all operations in the Emirates NBD Group. Inadequate risk management framework and failure to comply with regulatory requirements can lead to destabilisation of operations, loss of customer trust, legal and regulatory challenges, leading to significant financial losses and reputational damage.

There is a comprehensive strategy to mitigate data security and privacy risks at the Group including:

- The alignment of Information Security and Cybersecurity strategies with the National Institute of Standards and Technology Cybersecurity Framework and the Information Security Forum's Standard of Good Practice for Information Security.
- Compliance with evolving global security and data privacy regulations, including the ISO 27001 standards.
- Internal and independent audits
- Regular employee training as well as customer education on cyber-security threats.

Assessing and Managing Downstream Risk & Opportunities

The mobilisation of capital in the economy through its products and services is the core business of a bank. The Group recognises that the most significant sustainability-related risks and opportunities are inherently linked to its core business activities.

Our products and services across all key business activities are all aligned with our overarching sustainability strategy to have a positive impact on the markets and economies in which Emirates NBD operates and on society at large.

Exploring downstream opportunities through Sustainable Finance

Financial markets and the real economy are greatly influenced by financial institutions, which provide essential financing for various activities. By integrating sustainability into their funding strategies, these institutions can play a role in advancing sustainable development. This creates an opportunity for lending banks to leverage their influence to engage borrowers in discussions about their sustainability performance.

Emirates NBD is at the forefront of promoting sustainable finance and environmental best practices in the countries in which it operates through several key contributions. Additionally, the Group is a core member of the working group led by the International Capital Market Association, the Islamic Development Bank and the London Stock Exchange Group to develop the Guidelines for Green, Social & Sustainability Sukuk. These initiatives facilitate funding for projects with positive environmental and social impacts, underscoring Emirates NBD's commitment to sustainable development and responsible investment practices.

The Group recognises sustainable finance as a critical consideration for both external stakeholders and internal operations. This factor is evaluated on an annual and quarterly basis through an analysis of the total funds allocated to sustainable projects and the percentage of sustainable finance within the overall financing portfolio. Impact valuation exercises incorporate a range of sustainable finance products, including green loans and bonds, sustainability-linked loans and bonds and social bonds.

Leveraging Sustainable Finance opportunities through dedicated framework at Group level

To capitalise on opportunities arising from the transition to sustainability while effectively managing associated lending risks, Emirates NBD established a Sustainable Finance Framework in 2023. This framework aligns with the Group's broader strategy for addressing sustainability-related risks and opportunities and directs the allocation of capital to projects that promote environmental sustainability and social well-being. The Sustainable Finance framework adheres to internationally recognised guidelines, including the International Capital Market Association (ICMA) Green Bond Principles (GBP) and the Loan Market Association (LMA) Social Loan Principles (SLP), ensuring credibility and alignment with global best practices.

The Group has also published the inaugural Sustainable Finance Framework for DenizBank, supported by a Second Party Opinion from Institutional Shareholder Services ESG (ISS ESG). This framework facilitates the issuance of green and sustainable debt instruments across key areas, including food security and sustainable food systems.

On 11 October 2023, Emirates NBD successfully issued its inaugural USD 750 million green bond, with a fixed rate and maturity date of 11 October 2028.

By leveraging the Sustainable Finance Framework, Emirates NBD seeks to drive investments that deliver environmental and social benefits, aligning with the United Nations Sustainable Development Goals (SDGs) and the UAE Vision 2030. Through this strategic approach, the Group aims to deliver long-term value to stakeholders while contributing to a resilient and inclusive economy.

Introducing the world's first Sustainability Linked Loan Financing Framework

Emirates NBD Group has successfully issued the world's first Sustainability-Linked Loan Financing Bond Framework fully aligned with the recommendations outlined in the Sustainability-Linked Loans Financing Bond Guidelines ("SLLBG") released in 2024 and led by ICMA and LMA.

Funds generated through this framework are specifically designated for Sustainability-Linked Loans (SLLs), following market standards on a best-effort basis. Issuing debt instruments that demonstrate the issuer's commitment to SLLs may attract financial institutions focused on promoting sustainable finance and supporting companies with ambitious goals. Presenting a portfolio of selected SLLs to public investors through bond issuance could also strengthen SLL structures over time. The growth of the SLL financing bond market is expected to reflect broader trends in the SLL market.

Under the SLL Financing Bond Framework, Emirates NBD or its subsidiaries can issue SLL funding instruments, including bonds and Shari'ah-compliant options. The net proceeds from Emirates NBD SLLs will not be used for projects related to fossil fuels, nuclear energy, weapons, mining, gambling, tobacco, or livestock. Additionally, existing or new financing clients must demonstrate eligibility according to our Environmental and Social Risk Framework to qualify for funding. SLL funding will comply with the CBUAE's regulations and adhere to relevant national and international environmental and social standards, ensuring that any proceeds can cover potential losses on the issuer's balance sheet, regardless of sustainability labelling.

Loans in the pool must meet the following criteria:

- They must align with the LMA Sustainability-Linked Loan Principles relevant to the year the facility is signed.
- They should contribute to combating climate change, such as by reducing greenhouse gas emissions or energy consumption, or support secondary objectives like enhancing diversity and inclusion, such as increasing the per centage of women in senior management.
- They must have KPIs and Sustainability Performance Targets (SPTs) deemed "material" and "ambitious" by an external reviewer.

Eligible SLLs might have more than one set of KPIs and SPTs, but the selection criteria remain focused on the KPIs specifically associated with at least one of the impact objectives listed below:

- Climate change mitigation impact objective
- Diversity and inclusion impact objective

The cross-functional Sustainable Finance Forum is responsible for managing risks associated with climate and sustainability-related greenwashing, defined as the misrepresentation of climate or social commitments by customers. This oversight specifically applies to transactions reviewed at the SFF level. The SFF evaluates the asset pool to determine the eligibility of SLLs. External assessments are conducted by ISS-Corporate, the same third-party assurance provider engaged for the SLL Financing Bond Framework.

The Group remains committed to publishing annual reports detailing the performance of underlying borrowers and the aggregate KPIs. All SLL funding assets will have a minimum maturity of one year, irrespective of financing type, and will be recorded in the SLL funding register, which is reviewed on a quarterly basis to reflect repayments and new draws, in alignment with the framework's guidelines.

Overview of our growing Opportunity space through the Sustainable Finance Product Suite:

The Group is progressively advancing its integration of sustainability opportunities across all service lines and products. This includes dedicated and thematic sustainable financing as well as enhancing general-purpose financing with underlying clean, green and social development objectives.

In alignment with this ambition, the Group has developed a comprehensive sustainable finance product suite, currently at various stages of implementation:

On- Balance Sheet Financing

S. No.	Product category	Description
1.	Sustainable Supply Chain Finance	Offering favourable financial terms to suppliers meeting specific sustainability standards
2	Green Loans	Finance or re-finance, in whole or in part, new and/or existing eligible green project.
3	Other Green Qualified Lending	Lending for which the use of proceeds meets the criteria for eligible projects of the LMA's Green Loan Principles (GLPs)
4	Sustainability Linked Lending/facilitation	Loans or contingent liabilities aligned with the LMA's Sustainability Linked Loan Principles
5	Social Loans	Loans aligned to the LMA's SLPs
6	Other Social Qualified Lending	Lending for which the use of proceeds meets the criteria for eligible project of the LMA's SLPs
7	Green / Social Deposits	Customer deposits where the funds are allocated to finance eligible lending activities aligned to the LMA's GLPs or SLPs and Emirates NBD's Sustainable Finance Framework
8	Green, Social and Sustainability Bonds/Sukuks	Bond/Sukuk issuances for which use of proceeds finance eligible projects under ICMA's GBPs and Social Bond Principles (SBPs) or the Climate Bonds Initiative.
9	Sustainability Linked Bonds / Sukuks	Bonds/Sukuks aligned with ICMA's Sustainability Linked Bond Principles where characteristics vary based on ESG performance targets relevant to the industry

Off – Balance Sheet Financing

S. No.	Product category	Description
1.	Finance Advisory	Advising on the types of loans, export credit agency or corporate financing available, and compliance for project eligibility against LMA and ICMA sustainable finance criteria
2	Sustainable Trade Instruments	Contingent liability credit including guarantees, standby letters of credit and documentary credit for projects aligned LMA's GLPs and SLPs and the UN SDGs
3	Green Trade Finance	Lending facilities aligned with the LMA's GLPs for financing green trade, including trade loans, receivables finance and import/export finance
4	Green Company (also referred to as 'Pure Play Green Company')	Financing options for entities deriving 90+% of revenue from eligible Emirates NBD's "Green Activity Criteria" and demonstrating environmental benefits, including loans, mortgages, trades or supply chain instruments

Emirates NBD AM's Responsible Investing Strategy

Emirates NBD AM integrates ESG considerations into its investment approach, recognising the role of sustainability in enhancing long-term value creation. While maintaining a primary focus on delivering strong financial returns, the approach remains aligned with Shari'ah principles and international best practices.

The Group's ESG and responsible investment strategy is guided by the UN Principles for Responsible Investment and institutionalised through its Responsible Investment (RI) policy, which applies to active investments, passive investments and externally managed assets, covering 50% to 60% of each category. The policy is structured around three core pillars:

- Commitment to active ownership through engagement with partner companies on ESG issues.
- Commitment to exclusion based on the nature of companies' activities.
- Commitment to integration of ESG factors into investment decisions or selection of best-in-class companies based on ESG performance.

The policy outlines sector-specific guidelines, ESG integration factors and approaches for outcome identification and measurement. It applies to all active discretionary funds and mandates, while for non-discretionary mandates, the Group seeks to progressively educate the investor base to achieve improved ESG outcomes.

Emirates NBD AM further recognises that responsible investing extends beyond financial decisions. Active engagement with investee companies is a key component, aimed at encouraging sustainable business practices to drive better long-term financial outcomes. This engagement includes formal meetings, informal discussions, voting, and, when necessary, divestment. All strategies are carefully evaluated to ensure alignment with the Group's responsible investment values.

Investment Banking Sustainable Finance Products

Emirates NBD Capital demonstrates a strong commitment to sustainable finance through its comprehensive suite of products, including Green, Social, Sustainability and Sustainability-Linked Bonds/Sukuks, as well as short-term Debit Capital Markets, instruments which provide flexible and immediate financing solutions, catering to the liquidity needs of sustainable projects and operations.

As a key bookrunner, within Equity Capital Markets, where Emirates NBD Capital's expertise in equity offerings further supports the growth of responsible and sustainable enterprises. Collectively, these efforts highlight the firm's strategic facilitation role in mobilising capital for projects and companies that contribute to sustainable development goals, complemented by its direct financing of projects through innovative and impactful lending products, as listed below:

Syndicated Loans

offered by Emirates NBD Capital represent a collaborative financing approach where multiple lenders come together to provide substantial capital to borrowers. This product allows for the diversification of risk among the participating financial institutions, with each lender's contribution being reflected as a loan asset on their respective balance sheets. This classification underlines the commitment of Emirates NBD Capital to facilitate significant financing opportunities while promoting shared responsibility in sustainable finance.

Emirates NBD Capital's Finance Advisory services

services are essential for structuring and arranging funding solutions for clients. When acting as a financial advisor, the firm's contribution is quantified by the apportioned value of the funding amount at the time of execution, with the reported value reflecting an equitable division among all advising parties. This approach to reporting underscores Emirates NBD Capital's transparent and collaborative strategy in financial facilitation, ensuring that clients receive expert guidance and tailored advisory services to secure the necessary capital for client ventures.

Loans & Syndications	Debt Capital Markets	Equity Capital Markets & Corporate Finance
Structuring of green/social/sustainability loans including creation of frameworks and advising on use of proceeds	Structuring of green/ social/ sustainability bonds and Sukuk including creation of frameworks and advising on use of proceeds	ESG Rating Advisory
Structuring of sustainability – linked loans including negotiation and KPIs and SPTs	Structuring of sustainability – linked bonds and Sukuk including KPIs and SPTs	Transition/change Management Advisory
Transition Finance Advisory and Structuring	Transition Finance Advisory and Structuring	General ESG Advisory
ESG Rating Advisory	ESG Rating Advisory	Committed to support clients reduce carbon footprint and contribute to the regional goal of achieving net zero emission by 2050
General ESG Advisory	General ESG Advisory	

Sustainability Initiatives in Retail Banking

At Emirates NBD, our sustainability strategy extends to our retail banking segment, where The Group has introduced new sustainable offerings and continue to build on existing products:

Bio Cards

Emirates NBD launched the UAE's first eco-friendly payment card, made from recycled plastic. The bio card supports Smart Touch and Face ID innovations, enabling secure banking transactions without the need to enter usernames and passwords every time

Green auto loans

Emirates NBD offers a range of green auto loans designed to support the purchase of environmentally friendly vehicles, such as electric and hybrid cars.

Sanad

The Sanad Card is a special card issued by the Community Development Authority (CDA) of Dubai for individuals with disabilities. Emirates NBD offers several exclusive benefits and services to Sanad cardholders, designed to enhance their banking experience and meet their specific needs.

Sustainability initiatives across our operations:

Emirates NBD is a recognised regional leader in developing sustainable and energy-efficient retail bank branches. Emirates NBD is the first bank in the MENAT region to have a bank branch certified to LEED Platinum level by the US Green Building Council and its LEED programme, the world's most widely used green building rating system.

Emirates NBD's Global Markets and Treasury Carbon Credits Trading Desk

Emirates NBD's Global Markets and Treasury department operates a carbon credit desk, created to trade voluntary carbon credits and Renewable Energy Certificates to clients seeking to offset carbon emissions. The service is offered to enable local and regional companies operating in the aviation and heavy industry sectors in Europe to offset their current and future carbon footprints, as required by European regulations pertaining to these sectors.

The creation of the desk reflects the Group's awareness of sustainability-related opportunities in the region arising from global changes in regulation and demonstrates our intentions to ensure that regional entities are empowered to operate sustainably in accordance with both local and global regulations and ambitions.

The Group's cohesive and diverse strategy ensures that, as it pivots towards integrating sustainability and ESG considerations across its value chain, it is strategically poised to capture emerging opportunities.

3.4 Sustainability linked strategic decision-making

Emirates NBD has integrating environmental and social considerations into its strategic decision-making processes within the organisational structure (Refer to the governance section for more information about how the Group manages sustainability throughout the Group).

Managing Trade-Offs during Strategic Decision Making

The trade-offs between sustainability-related risks and opportunities are carefully considered by the various decisioning bodies across the Group relying on the policies and frameworks applicable to their specific line of business. Lending decisions are guided by the Sustainable Finance Framework, while the Asset Management business drawn on the RI Policy. The relevant decisioning bodies weigh the social and/or environmental benefits against the returns they generate. The potential negative impacts of the financing decisions are also taken into account to ensure that Emirates NBD does not contribute to significant environmental and social degradation.

Overall, Emirates NBD's strategy reflects a comprehensive understanding of the importance of sustainability in risk management and decision-making. The Group's policies, systems and controls, along with its Operational Risk framework and governance structure ensure that sustainability is embedded in its corporate DNA, creating a culture of responsible banking that that prioritises long-term environmental and social considerations alongside financial performance.

3.5 Current and future anticipated impact on financial performance

Environmental, Social, and Governance (ESG) Risk

The rapidly changing global landscape, characterised by challenges like climate change and evolving stakeholder expectations, necessitates a proactive approach to ESG. The Group is continually refining its ESG strategy in line with both regional and global standards and is enhancing the impact of various ESG related material risks that potentially have an impact on the Group's cash flows, access to finance or cost of capital over the short, medium or long term. Emirates NBD Group is committed to providing stakeholders with a comprehensive understanding of the financial impacts of sustainability-related risks and opportunities. For the current reporting period, Emirates NBD is focusing on qualitative disclosures and stand-alone number that offer valuable insights into these impacts. This decision reflects our prudent approach to ensure the information shared is both meaningful and reliable.

Current and anticipated impact associated with Sustainable Finance activities

Emirates NBD has made significant strides in embedding sustainability into its lending strategy, as evidenced by the establishment of the Sustainable Finance Framework. This framework is designed to guide the allocation of proceeds from Sustainable Finance instruments towards projects that support the transition to a low-carbon economy and provide positive societal impacts. Embedding sustainability into the core business activity of lending has a direct positive impact on the Group's financial performance.

For the reporting period, Sustainable Finance instruments have had a tangible impact on Emirates NBD's financial position, performance and cash flows. The allocation of net proceeds towards Eligible Green and Social Assets has led to investments in projects that not only align with the UN SDGs but also contribute to the Group's profitability, improved cashflow and risk mitigation. These investments have resulted in enhanced energy efficiency, renewable energy generation and support for essential services, which have immediate financial benefits in terms of cost savings and revenue generation.

The Group's total issuances for 2024 amount to USD 2.38 billion, of which USD 1.13 billion is conventional financing, and USD 1.25 billion is sustainable financing. Of the sustainable finance issuances, USD 750 million are attributed to sustainable Sukuks, while USD 500 million is attributed to Sustainability Linked Loan Financing Bonds.

The effects of sustainability and climate-related risks and opportunities relating to the Group's material topics are reflected in in the FY 2024 financial statements. For further information, refer to the following areas and notes within our FY 2024 financial statement.

Material Topic	Area	Item	Sub Items	References
Financing Transition	Sustainable Finance Balances	Assets	• Loans and receivables • Investment Securities	• Note 12 • Note 11
		Liabilities	• Debts Issued and other borrowed funds • Sukuk payable	• Note 18 • Note 19
		Income Statement	• Interest and similar Income • Interest and similar expense	• Note 24
		Sukuk	• Income from Islamic financing and investment products	• Note 25 • Note 26
Achieving Net Zero	Purchases of Renewable Energy Certificates	General and Administrative Expenses	• Marketing-related expenses	• Note 30
Digital Transformation	Generative AI and MSM implementation	General and Administrative Expenses	• Information Technology cost	• Note 30
Positive Social Impact	Talent Acquisition	General and Administrative Expenses	• Staff Costs	• Note 30

Looking ahead, Emirates NBD expects sustainability-related risks and opportunities to increasingly influence its financial planning and outcomes across the short, medium and long term. The Group remains committed to aligning the allocation of funds for its Eligible Loans/Financing Portfolio with the net proceeds from its Sustainable Finance Instruments within 24 months of issuance, reinforcing financial resilience and delivering value to stakeholders.

Strategic investments in sectors such as renewable energy, green buildings and clean transportation are expected to generate financial returns while addressing environmental risks. Additionally, support for social initiatives, including affordable housing and healthcare development, aims to promote inclusive growth and enhance community well-being, fostering broader economic stability.

Emirates NBD integrates the costs and benefits of managing environmental and social risks into its financial planning, embedding sustainability as a core component of its growth strategy. By aligning with global sustainability standards, the Group positions itself to capitalise on opportunities arising from the transition to a sustainable economy while mitigating associated challenges.

This proactive approach supports portfolio diversification, enables access to emerging sectors and strengthens the Group's balance sheet. Through sustainable investments and practices, Emirates NBD enhances financial stability and ensures long-term, resilient growth.

3.6 Resilience

Emirates NBD recognises that its commitment to sustainability offers far-reaching benefits for both the communities and economies in which it operates and the organisation itself. The Group's sustainability strategy aligns with its core values, driving commercial opportunities and positively contributing to the balance sheet, while enhancing resilience.

The Group's governance framework promotes diversity, ethical business conduct and skills development, laying the foundation for strong growth.

Internal policies that embed inclusivity and diversity foster adaptability and broaden perspectives, ensuring effective change management. The code of conduct upholds integrity and professionalism within the organisation, while supplier engagement policies ensure alignment with these values. These measures safeguard the Group's reputation and long-term stakeholder interests.

The Sustainable Finance Framework, Environmental and Social Risk Policy Framework, Climate Risk Policy and Group Credit Policy play vital roles in identifying, assessing and mitigating environmental and social impacts. By scrutinising financing to high ESG risk sectors such as palm oil and coal, the Group gradually transitions its portfolio to align with sustainability goals and anticipates market shifts.

The Group's sustainability strategy remains central to its operations, enabling continued support for the UAE economy, the MENAT region and society, establishing Emirates NBD as a financial institution integral to the economic and social fabric for years to come.

The Group aims to quantitatively report on the financial impact of climate-related risks and opportunities in these areas starting in 2025. Subsequently the resilience of our business strategy considering the climate-related risks and opportunities shall also be presented.

3.7 Our approach towards climate change

Climate-induced changes that are pervasive in nature are expected to aggravate financial impacts.

Transmission Channel of Climate Risks

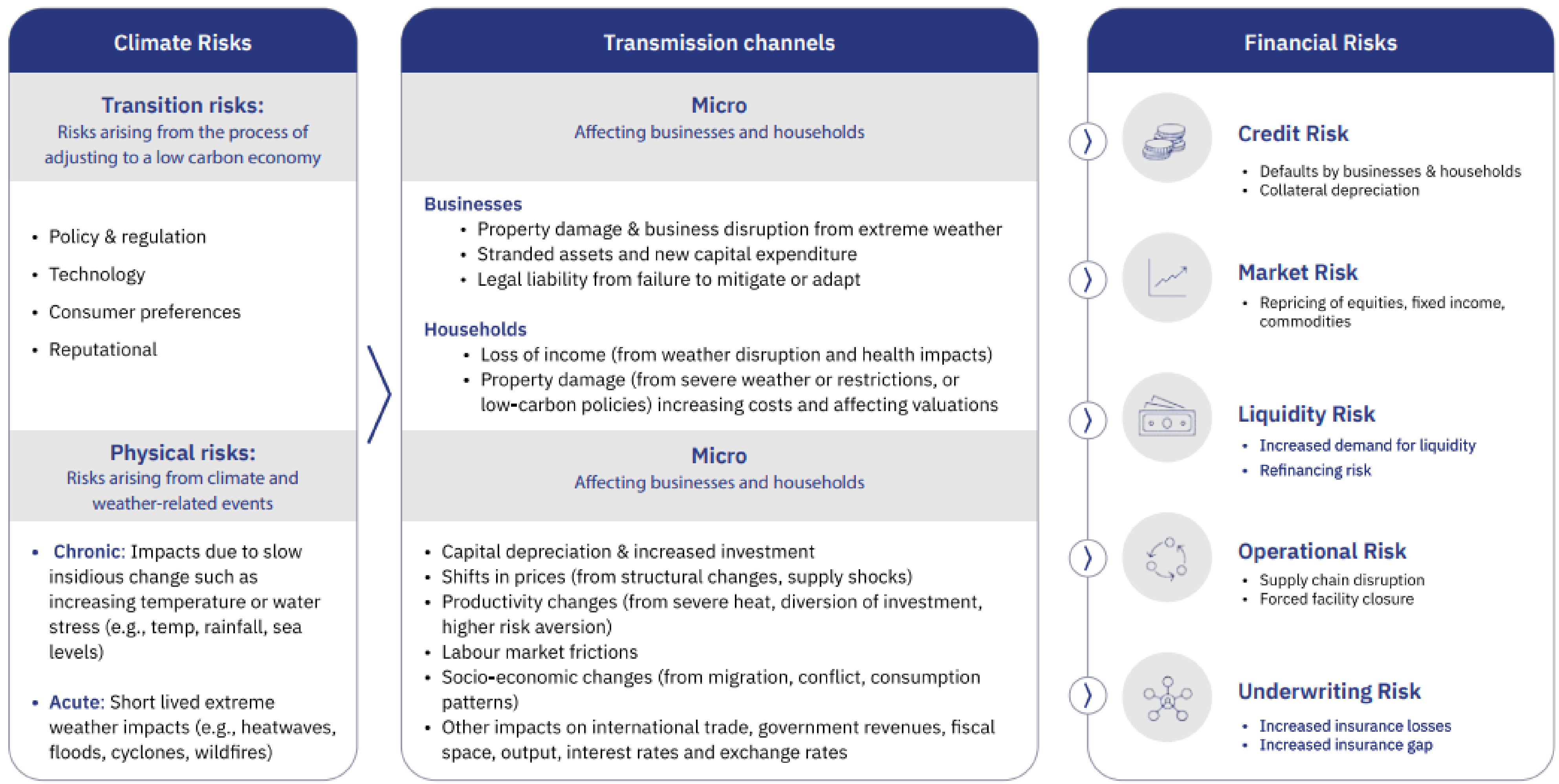


Figure 7:https://www.ngfs.net/ngfs-scenarios-portal/explore/

The Group recognises climate-related financial risks as a potential threat to its business and the stability of the overall financial system. The Group defines climate risks as:

Physical Risks

These result from climate change and environmental factors that are event driven (acute) or longer-term shifts (chronic) and may increase further due to the trajectory of the current policies. For example: stranded assets, decreased valuations, lack of insurance coverage and damage to production facilities and supply chain disruptions.

The MENAT region is especially susceptible to the physical risks of climate change, and its effects have already impacted the Group's operations in the region. The major hazards to which our GCC assets are exposed are:

- **Rising temperatures and humidity** in the Middle East are leading to more frequent and intense heatwaves and exacerbating heat stress, posing health risks for outdoor workers and vulnerable members of the population. The extreme heat also increases energy demand for cooling, straining power grids and leading to further increased greenhouse gas emissions.
- **Rises in sea level** threaten coastal cities and infrastructure in the GCC, leading to increased flooding, coastal erosion and salinisation of freshwater resources. This phenomenon is particularly concerning for low-lying areas in the Middle East, where valuable real estate and critical infrastructure are at risk.
- **Severe rainfall and changing weather patterns** are leading to more intense and unpredictable flooding events, causing significant damage to homes, infrastructure and agricultural lands. These floods also disrupt daily life, displace communities and pose serious public health risks due to waterborne diseases.
- **Prolonged droughts** are becoming more common in the Middle East, severely impacting water availability for drinking, agriculture and industry. Drought conditions are leading to reduced crop yields, increased food prices and heightened competition for scarce water resources, which can exacerbate social and political tensions.

The interaction between hazard, vulnerability and exposure produces the overall effect of physical climate risk and the Group has planned implementation of physical risk measurement across the following phases:

- **Phase 1** – An assessment of climate data projections will be performed consistent with current and future data for different time horizons.
- **Phase 2** – Operational site impacts will be performed to assess physical risks from climate change to physical assets.
- **Phase 3** - Safety, cost and productivity impacts will be performed across the Group to ensure physical climate change factors are added to business resilience planning.
- **Phase 4** – Financial impacts modelling incorporating assessment results will feed into internal planning models to understand physical asset value at risk and potential value at risk. These will then be incorporated into business planning and investment decisions.

Transition Risks

Climate Transition Risk refers to the financial and operational risks that arise as economies shift from fossil fuel-based systems to low-carbon and sustainable practices. This transition can be driven by regulatory changes, technological advancements, market shifts and changing consumer preferences aimed at mitigating climate change. Specifically in the MENA region, climate induced transition risk could involve:

- **Regulatory changes such as introduction of Carbon Pricing:** Nations within the GCC are considering the adoption of carbon pricing strategies to encourage the reduction of emissions. For example, the introduction of a carbon tax on certain industries could lead to higher operational costs for businesses heavily dependent on fossil fuels, affecting their profit margins and market position.
- **Diversification efforts in energy sector and investment in Renewable Energy:** Authorities in the MENA region is focusing on broadening their economic base beyond petroleum. Companies that fail to align with this transition risk losing their competitive edge. Traditional energy firms, for instance, might experience a drop in income if they do not embrace renewable energy technologies, as the demand for cleaner energy solutions increases.
- **Changing consumer preferences and growing demand for sustainable products:** The growing consciousness about environmental issues is leading consumers to prefer eco-friendly products and services. Should a significant portion of the MENA population start favouring electric vehicles over conventional gasoline-powered cars, manufacturers who do not adapt their offerings accordingly could witness a decline in sales.
- **Stranded assets and fossil fuel investments:** In the MENA region, substantial investments in fossil fuel reserves might become obsolete if the global energy demand pivots to renewable sources. The potential devaluation of these assets, triggered by market shifts or new regulatory measures, could result in significant economic losses.

Strategy

In 2024, Emirates NBD implemented its Climate Risk Policy (CRP) across the Group to address material climate risks and potential impacts from credit facility counterparties and vendors. The CRP applies to all Group entities, including the Head Office, domestic and international branches and subsidiaries, across all countries of operation. The policy covers the following business segments:

1. Corporate & Institutional Banking Clients
2. Retail Banking and Wealth Management – Business Banking

As part of the CRP's requirements, a materiality assessment of climate risks has been established to evaluate the exposure and severity of transition risks. The assessment ensures proactive monitoring and management of these identified risks within the Group. Key components of the materiality assessment include:

1. Leveraging updated and relevant climate risk assessment scenarios
2. Expanding the scope of portfolio coverage, analysing the distribution and concentration of climate risks within the in-scope portfolio
3. Estimating financed emissions and transition pathways for counterparties

The adoption of scenario analyses provides a flexible framework for forward-looking climate risk assessment, allowing structured assumptions about different potential futures. Emirates NBD has implemented the climate scenarios prescribed by NGFS and the CBUAE, which help assess the impact of various climate actions on the Group's portfolio. These time horizons will be integrated into the Group's capital allocation plans and core business strategy.

3.8 Impact across business and value chain

1. Transition Risks Stress Testing

Emirates NBD has assessed its credit exposures for the top 50 customers in sensitive sectors that could be heavily impacted by climate actions. This assessment aimed to understand the Group's exposure to transition risks. The analysis covered short, medium and long-term time horizons (current impact, 2030, 2040 and 2050) and utilised projected macroeconomic and microeconomic growth inputs under various scenarios provided by the CBUAE.

The analysis focused on the top 50 clients in sectors most vulnerable to transition risks, with significant exposure in "hard-to-abate" sectors which are elaborated in section 4.5.1.

Following this analysis, Emirates NBD updated its Risk Appetite Statement to reflect a revised approach to transition risks, including the cessation of future financing for thermal coal. The results from stress testing were also considered when making financing decisions, particularly in relation to a client in the transportation sector working to electrify its fleet, ensuring that the company could maintain cash flow under climate-related regulations.

Currently, the results of this analysis inform risk considerations across the Group's lending activities. In the future, these findings will be incorporated into quantitative risk models and formal decision-making processes.

2. Emissions Tracking

The Group has advanced its GHG emissions tracking efforts. This has led to more accurate and comprehensive emissions data collection. The Group also continued financed emissions tracking, providing an estimate of the absolute emissions associated with investments in select sectors

Based on the above learnings and interim outcomes, the Group has identified the potential impacts of the transitional climate risks on our business model.

Material Topic	Area	Item	Sub Items
Policy & Regulation	• Carbon taxes • Transition mandates	All departments	Medium term
Technology	• Replacement of outdated and inefficient servers and equipment	All departments	Short term
Consumer Preferences	• Customers preferring carbon-neutral institutions	Retail Banking, Commercial banking	Short and medium term
Reputational	• Perception of being unfriendly to the environment • Lagging behind competitors	All departments	Short and medium term
Credit	• Defaults by businesses and householders • Collateral Depreciation	Retail banking, Commercial banking	Short term
Market	• Repricing of equities, fixed income, commodities	Investment Banking	Short term
Liquidity	• Increased demand for liquidity • Refinancing risk	Retail banking, Commercial banking, Investment Banking	Short and medium term
Operational	• Supply chain disruption • Forced facility closure	All departments	Medium term
Underwriting	• Increased insurance losses • Increased insurance gap	Commercial Banking	Medium and long term

Figure 8: Potential impacts of transitional climate risks on our business model

3. Physical Risks

The Group recognises that assessing the exposure of financial systems to physical risk requires detailed information on the geo-spatial characteristics of financial institutions' exposures, alongside data on physical risk drivers. In many cases, location information for counterparties is available only at an aggregated level, lacking precise details on the specific address of a counterparty's operations.

Beyond the granularity of counterparty location, physical risk analysis depends on both the spatial detail of physical risk drivers and the temporal perspective. Physical risk indicators based on historical data may fail to fully capture risks that are rapidly evolving from a future viewpoint.

Given the above challenges associated with the physical risk assessments, Emirates NBD has embarked on collecting granular data for the counterparties mainly in lending portfolio. The Group aims to undertake gradual yet firm steps to fully establish and physical risk assessment programme and realise its outputs to identify the complete set of risks arising from climate change.

4. Opportunities

While understanding the nature, drivers and impact of climate change-induced risks on financial statements remains an evolving process, the Group is confident that climate-related opportunities will outweigh the decrease in business resulting from climate mitigation efforts.

The Group's commitment to sustainability is further demonstrated by its participation as one of the seventh cohort of 15 signatories in the UAE, pledging to carbon emission reduction goals and sustainable operations management in alignment with the UAE's national path to climate neutrality by 2050.

The Group has committed to USD 30 billion of sustainable finance provision by 2030 illustrating the scale of ambition in this area.

As Emirates NBD progresses in its path to sustainability, the Group has established a Sustainable Finance Framework (the "Framework") to issue Sustainable Finance Instruments that finance and refinance projects enabling the transition to a low-carbon and climate-resilient economy, and/or provide positive societal impact and mitigate social challenges.

The successful launch of Emirates NBD's Sustainable Finance Framework in 2023 marked a significant milestone, with the raising of USD 750 million through the largest green bond ever issued by a bank in the MENA region. The Framework, supported by a Second Party Opinion from Institutional Shareholder Services ESG, facilitates the issuance of green and sustainable debt instruments to finance projects that contribute to a low-carbon and climate-resilient economy. The opportunity landscape emerging through sustainable finance is outlined in detail in the previous section.

3.9 Impact of climate risks on strategy and decision-making

Emirates NBD recognises that the global effects of climate change are undeniable. As historic emissions will cause the majority of climate change for the next few decades, the resulting transition risks will have a more direct and immediate financial impact.

The UAE has understood the need to transition, and the UAE's 2020 updated Nationally Determined Contributions (NDCs) set the pace for Emirates NBD to mitigate GHG emissions as it contributes to the energy transition. The NDCs target a 40% reduction in GHG emissions for the year 2030 relative to the Business-As-Usual (BAU) scenario, paving the way for the UAE's 2050 Net Zero ambition – a target with which Emirates NBD is aligned.

Clear and consistent climate actions are an imperative for the banking sector to develop and frame their response to climate change, as well as demonstrating to stakeholders and the broader economy that they fully understand and are taking account of climate change in business decisions.

The Group's current climate change strategy focuses on:

- Effectively managing climate related risks and opportunities
- Developing a culture of climate awareness and response
- Reducing operational GHG emissions
- Implementing a Financed Emissions reduction strategy to contribute to UAE's National Vision of Net Zero by 2050
- Supporting emissions reduction in our value chains
- Supporting key ecosystem partners with resources to jointly combat critical threats and maximise opportunities.

Through this strategic planning we seek to:

- Establish a programme to conduct climate sector analysis to identify, measure and quantify material climate risk exposure in the portfolio
- Identify key climate risk drivers for the Group and across different time horizons and the rationale underpinning the selection of these
- Define detailed plans on mitigation and establish key targets and interim milestones for risk management and portfolio decarbonisation efforts
- Establish Portfolio alignment activity required to achieve the Group's Net Zero 2050 ambitions and external commitments, with a clear strategy to support the transition to a low carbon economy
- Enhance the Group's governance structure and approach to Net Zero activities.

The Group has embarked on a strategic approach to embed climate risks within its core strategy and decision-making processes. Further updates on progress will be shared in subsequent disclosures. As the climate-related disclosure landscape continues to evolve, it is recognised that standard-setters have made significant efforts to achieve alignment. However, it is anticipated that the landscape will continue to consolidate and become more specific. The Group continues to monitor developments in this space and uses these as signals to further enhance its strategy.

At this stage, there are no specific trade-offs to report regarding the identification and management of climate risks.

3.10 Financial effects of climate-related risks and opportunities

Given the early nature of the Group's programmes around climate risk assessment and decision making, there are no implications in the current reporting period towards financial impacts that are due for reporting.

The interplay of climate risk drivers and existing financial vulnerabilities is unevenly spread across geographies, sectors and firms across the Group's business portfolio, which requires a strategic approach to identify these risks and plan for mitigation. Effectively managing these risks is vital for sustainable growth and the transition to a low-carbon economy, impacting households, businesses and the broader economy. The Group integrates climate risk into its broader environmental and social risk strategy, which is embedded in the Group Risk Management Framework and follows a three-lines of defence approach (details provided in the Risk Management Section of this report).

The BOD holds ultimate responsibility for climate-related risks, shaping the ESG strategy and receiving regular updates from the Executive Committee on its progress.

Impact of Climate Risk on Accounting Judgments and Estimates

The Group is assessing the financial impacts of climate-related credit risk. Ongoing analyses will help identify risks and opportunities that affect financial position, performance, planning and cash flows, along with actions taken to manage these.

As at 31 December 2024, the Group raised USD 4.60 billion in debts and sukuk through sustainable and green financing in the debt capital markets.

04
Risk management

Risk management

4.1 Sustainability-related risk management overview

As a financial institution, Emirates NBD is susceptible to a broad range of financial and non-financial risks across its value chain, with ESG and climate-related risks being an important subset. These risks vary in concentrations, degrees and intensities, and can have differentiated impacts on Emirates NBD's business and operations. Details of the Group's overall approach to risk management can be found in the Group Risk Management Framework, Group Risk Appetite Statements and other detailed policies and frameworks.

At Emirates NBD, ESG and climate risks are integrated into the existing risk processes across the Group. This section of the report focuses on this specific subset of ESG and sustainability-related risks, along with the policies and procedures that form the basis of the sustainability risk management approach.

Further, within this subset of sustainability risks, the Group has specifically detailed its approach to climate-related risks. Climate-related risks are pervasive across every aspect of the value chain and can have a direct effect on multiple portfolios and business activities of the Group. Given the specific interest in disclosures surrounding climate risk management for users of general-purpose financial statements, including investors, lenders and other creditors, a dedicated section on climate-related risk management has been developed, in line with the requirements of the IFRS S2 standards.

4.2 Upstream sustainability risks

The Group Compliance team is responsible for assisting the Group's Senior Management in designing, implementing, delivering and supporting a framework to ensure appropriate measures to mitigate all compliance risks, including upstream risks.

The Group has a strong anti-money laundering policy that is continually updated based on regulations and market dynamics. Additionally continued improvements were made to the Group's mandatory AML and Sanctions Compliance training programmes with updated content in line with new regulatory requirements and tailored to better support the Group's main businesses, considering staff in customer-facing/non-customer facing roles

4.3 Risks management across internal operations

There are several types of sustainability related risks concentrated within our internal operations that could have a potential impact on a Group's balance sheet.

The identification and mitigation of these risks are a cornerstone of our sustainability strategy.

1. Managing risks associated with employee satisfaction, workplace wellbeing and lowering of attrition:

Employee welfare, including fair labour practices and a safe working environment, is strongly prioritised to mitigate these risks. A comprehensive risk mitigation strategy is employed to ensure a supportive and safe work environment, with extensive health and wellness programmes, such as mental health resources, regular health screenings and robust insurance coverage

The Group enforces strict health and safety protocols through annual trainings, and wellness initiatives.

The Group also supports a healthy work-life balance for employees with flexible work arrangements and career comeback programs.

To address workplace conduct, Emirates NBD maintains a zero-tolerance policy towards discrimination and harassment, backed by mandatory training and accessible reporting channels.

Additionally, the Group invests in professional development through partnerships with educational institutions and specialized leadership programs. Our Disability-Friendly Branches project and assistive technologies further enhance inclusivity.

These measures collectively foster a resilient, inclusive, and engaging work environment, reflecting Emirates NBD's commitment to employee well-being and development.

2. Managing risks associated with Data Security & Privacy

To mitigate data security and privacy risks, the Group prioritises the security of stakeholder data by aligning its Information Security and Cybersecurity strategies with the National Institute of Standards and Technology Cybersecurity Framework and the International Security Forum (ISF) Standard of Good Practice for Information Security. This ensures compliance with evolving global security and data privacy regulations.

The Group's comprehensive security measures feature regular internal and independent audits, a multi-layered security approach managed by specialised units and a vigilant 24/7 monitoring team, The Group Information Security and Data Privacy Office diligently oversees the implementation of strict data protection policies. The Group Information Security Committee (Group ISC) leads our information security initiatives and holds critical responsibility of setting, approving, and directing our information security policies and strategy. Our commitment to protection of customer information is embedded in our Security Culture through comprehensive employee awareness and trainings, including mandatory annual privacy training for all colleagues, with additional tailored sessions as needed. Initiatives such as the "Cybersecurity Awareness Month", actively engage employees in reinforcing a strong privacy and security culture.

The Emirates NBD Group's strategy to manage data security throughout its value chain also includes advanced security, privacy and data protection controls, operational resilience, thorough third-party and vendor assessments, strict adherence to regulatory compliance and a proportionate data retention policy. Moreover, the Group's commitment to data protection is further emphasised through regular employee training and customer education on evolving risks and threats.

3. Risk management in supplier acquisition

The Group recognises that its suppliers play a crucial role in its success and reputation. Emirates NBD effectively manages supplier risk exposure by adhering to the principles of the CIPS Advanced Procurement Certificate in Ethical Procurement and Supply, awarded to the Group in 2020. By ensuring transparency, compliance with regulations and fair competition in vendor selection, the Group prevents bias and corruption.

Social responsibility is a key consideration, with an understanding of the impact procurement decisions have on communities, promoting responsible business practices. Any potential conflicts of interest are handled with care to maintain objectivity and fairness, while strong, trust-based relationships with suppliers are fostered. Procurement risks are continuously assessed and managed

This commitment to ethical practices and continuous improvement minimizes our exposure to reputational risks and upholds the integrity of the Group's operations.

4.4 Downstream sustainability risks

Downstream risks represent the most significant category of risk across our value chain with the potential to directly impact our balance sheet. Downstream risks accumulate when deploying capital into the market, either due to engagement with customers that are considered high on ESG risk parameters or due to investments into high ESG risk industrial sectors

The downstream risk management strategies operate distinctively across key business verticals namely:

- Corporate and Institutional Banking (C&IB)
- Retail Banking and Wealth Management (RBWM)
- Global Markets & Treasury (GM&T)
- Islamic banking

1. Corporate and Institutional Banking

The Group's C&IB practice is governed by the ESRP which aims to deliver responsible financial services. The Framework's stipulations are currently applicable across the Group to C&IB and Business Banking segments.

The ERM function is responsible for formulating the ESRP framework as well as any related standards. ERM develops and implements methodologies and tools to allow for implementation of the framework while ensuring that the framework remains contemporary and aligned to the ever evolving local and global practices and regulations. They support the first line of defence in understanding and assessing climate risks in the form of updates to regulations, internal policies, market developments and global practices.

The Business is tasked with ensuring adherence to the necessary approvals, analysis, documentation and processes for transactions and clients covered by the Framework. In implementing the framework, the Business works closely with the ERM function.

Group Credit scrutinises and reviews transactions in line with the Climate Risk Policy and ESRP framework, assessing them from a credit perspective to ensure they comply with the Group's credit policy and necessary standards. During the credit review process, the relevant credit underwriter independently confirms if the required ES Risk assessment (including reputational considerations etc.) has been completed in line with the framework, seeking consultation from the Business and the ERM function as needed. Credit underwriters will ensure that approvals of any exceptions to the sectoral ESR guidelines have been obtained from the relevant committees.

The Group deploys a scoring model to assess the ES risk profile of its clients.

The projects that are categorised in the green loan category are further scrutinised by the Chief Sustainability Officer.

Process in action

The ES risk scoring uses a composite methodology which considers, inter alia, factors such as greenhouse gas emissions, demonstrable commitment to GHG reduction, labour and working conditions, resource efficiency and pollution prevention, biodiversity conservation and sustainable management of living natural resources, community health and safety, land acquisition and involuntary resettlement. The Monitoring of Climate and ES Risks are performed through quarterly risk reports, with reporting on metrics defined in the Risk Appetite Statements as well as Stress Testing and Financed Emissions outputs.

2. Emirates NBD Asset Management

Emirates NBD AM aspires to maximise investment returns for clients as well as deliver lasting benefits to society. The Group's ESG risk analysis mechanism relies on analysing the respective company's disclosures such as their roadshow presentations, ESG/Sustainability Reports, Sustainable Finance Frameworks (if any) as well as any ESG rating reports provided by third-party rating agencies such as Moody's, Bloomberg, S&P Global and Sustainalytics.

By ensuring the implementation of adequate checks and balances, The Group is able to effectively manage risks, build on the ESG offerings and consistently deliver value. In 2023, Emirates NBD AM continued to enhance research and investment processes for major asset classes to factor ESG considerations at all levels, including portfolio management and internal investment committees. The Group expects to continue evaluating ESG considerations as a standard part of the investment process, starting at the preliminary stages of an investment opportunity. By sharing expertise across our portfolio, the Group can support investments and extend impact.

3. Emirates NBD Capital

Emirates NBD Captial recognises that in the absence of processes to identify and mitigate sustainability risks, businesses are susceptible to building up a concentration of these unidentified risks across various business verticals. To ensure the management of risks in investment banking vertical, the Group implements strong due-diligence processes. This includes compliance checks and credit rating scrutiny, among other mechanisms. Some of the processes are performed jointly with the C&IB business vertical at the Group level especially for syndicated loans benefitting from the Group's balance sheet.

4. Emirates NBD Retail Banking

To mitigate any potential risks across retail operations, the Group has policies and processes that are customised to individual retail banking products. Given the extensive range of retail banking services, multiple teams within Emirates NBD play a role in managing risk. For retail liabilities, the Group implements stringent Know Your Customer (KYC) processes that comply with regulatory requirements. When it comes to retail assets, the Group conducts thorough credit checks that are developed and overseen by the GRC, tailored to various client-specific factors. For example, different credit assessment criteria are applied to salaried individuals compared to self-employed clients. Additionally, the retail portfolio is assessed for operational risks through a process that monitors residual risks from an operational perspective. Collectively, these policies and processes contribute to a robust risk mitigation across our retail portfolio.

5. Emirates NBD Islamic banking

Emirates NBD Group offers a comprehensive range of Shari'ah compliant products and services across the spectrum of personal, business and corporate banking. As an Islamic bank which operates in compliance with Shari'ah principles. It strives to contribute to society by promoting equitable creation of wealth and a prosperous economy. Shari'ah principles by their very nature are closely aligned with ESG principles, which mitigates sustainability related risk. Listed below are Shari'ah-aligned principles and exclusions that Emirates NBD adheres to:

- Paying or charging interest: Prohibition on all forms of interest (riba), which is considered unfair and exploitative.
- Investing in forbidden businesses: Prohibition on investing in businesses that involve activities considered not permissible and harmful towards the society in general, such as the production or sale of alcohol and pork.
- Charging extra for late payment: Charging extra for late payment is not permissible and generally limited and is used only to ensure financial discipline from customers and such proceeds are directed towards charity.
- Speculation and uncertainty: Contracts involving speculation or uncertainty (gharar) including conventional derivatives, options and futures, are restricted, as they are considered to involve excessive risk and foster ambiguity.
- Transactions lacking material finality: All transactions are directly linked to a real underlying economic transaction.
- Risk sharing: There is an emphasis on risk sharing, where the risks and returns are shared among participants, ensuring no disproportionate benefits from the transaction.

4.5 Climate Risk Management

The integration of climate-change related risks into Emirates NBD Group's existing risk management frameworks reflect a structured approach to addressing both transition and physical risks, which are evolving in nature.

These risks are managed and incorporated in our existing risk frameworks in following manner:

- Climate Risk Policy (CRP): Emirates NBD has introduced a CRP aimed at incorporating climate risks into its Group Risk Management framework. This policy establishes guidelines to improve resilience and manage climate risks through effective risk management practices.
  It primarily focuses on significant climate risks and their potential impacts arising from the Group's credit facilities to counterparties and engagements with its vendors. The CRP applies to all Group entities, including the Head Office, domestic and international branches and subsidiaries, across all operational countries
- Governance and processes: At the highest level, relevant Board Committees receive regular updates on climate risk management and associated activities. These updates support informed decision-making and strategic adjustments, ensuring that climate risk management practices stay effective and adaptable to evolving conditions.
  Regulatory and Supervisory Trends: The approach to integrating climate risks considers current and forthcoming regulatory requirements and supervisory expectations. This ensures that the risk management practices align with evolving standards and regulations concerning climate risk, across the key jurisdictions where Emirates NBD Group has a growing presence.
  By incorporating climate-related risks into its risk management framework, Emirates NBD Group aims to effectively manage and mitigate the potential impacts of climate change on its operations and financial stability.

1. Identification of climate risk across Group's operations

In the past year, the climate analysis activities were concentrated solely on Credit Risk related to lending activities, recognising it as a crucial area where traditional financial risk intersects with climate change effects. The Group performed a transition risk scenario analysis on its top 50 credit exposures within high-emission sectors. This analysis evaluated the potential impacts of transition-related climate risks of counterparties from these sectors and assessed how these risks could affect the Group's performance.

- Utilities comprising of power generation, district cooling, renewables and integrated players
- Transportation covering airlines, aircraft leasing, port operators, taxi companies, toll operators and logistics
- Manufacturing covering fertilizer, copper, aluminium, soda ash and steel
- Oil & gas
- Telecommunication
- Construction

2. Use of scenario analysis and data sources for reference

Emirates NBD has incorporated the scenarios prescribed by NGFS, which are in line with the suggested exploratory climate risk scenarios for 2030 and 2040 time horizons as per the CBUAE guidance. Furthermore, they are a common feature across European Central Bank's recommended practices.

The below scenarios have been selected for ongoing assessment:

Current Policies (CP, +3.0°C): Baseline scenario, with no or little change of current policies to combat climate change, causing high physical risks but minimal transition risk with global temperature increases by more than three degrees;

Delayed Transition (DT, +2.0°C): Delayed policy implementation creates a "Minsky Moment" with high transition and to some extent high physical risk;

Net Zero 2050 (NZ, +1.5 °C): Coordinated global policy implementation (Paris Agreement) to combat climate change and limit the global temperature increase to 1.5 degrees, implying high transition risks but low physical risks.

3. Data Sources

Emirates NBD included the following inputs to augment the NGFS scenarios:

CBUAE variables: The CBUAE variables (where appropriate for the credit exposure being assessed) relating to Oil Prices faced by the consumer and Producer (converted into Oil Index), Real price of Carbon, Real GDP growth rates and Transportation sectoral data provided under various scenarios.

Company financials and characteristics: Company-level financial and industry data (e.g., mine-level costs data, power plant-level capacities and costs, airline fleet data) required to perform bottom-up analysis were sourced from a leading climate risk market intelligence's proprietary datasets used for analysis.

Additional industry-specific data: Industry-specific information sourced from a leading climate risk tool (price, volume, unit cost, capital expenditure, asset value).

Greenhouse gas emissions data: Company-level Scope 1, 2 and 3 emissions data sourced from a leading climate risk tool.

The Stress Testing Modelling approach detailed below helps identify climate-related risks and opportunities:

Incorporation of company financials: The model incorporates company-level financials and characteristics to project scenario-adjusted financial statements, including Income Statements, Cash Flow Statements and Balance Sheets.

Application of NGFS climate scenarios: Climate scenario variables from the NGFS, combined with existing company financial data, are used to determine key drivers such as volume, unit cost, price, capital expenditure and asset value, for each company.

Integration and projection: These key drivers are integrated with the projected financial statements to estimate the company's climate-conditioned future financial performance. The projections are then used to assess credit risk using Credit Analytics models.

Credit ratings: The primary outputs from the model are credit ratings derived from Credit Analytics models, reflecting the impact of climate scenarios on creditworthiness.

Risk assessment: The impacts on credit ratings and the key drivers within each climate scenario are analysed to evaluate risk.

Stress testing: Risks and opportunities identified through scenario analysis are further evaluated to ensure a thorough assessment.

4. Risk prioritisation and periodic monitoring

The Risk Appetite Statement was enhanced to include environmental and social risk including climate risk as well as provided a detailed qualitative disclosure in the 2024 ICAAP report. Since climate risk analysis is an evolving space, the Group plans to evaluate appropriate prioritisation methodologies as an outcome of stress testing activities and subsequent assessment of related capital charges.

The Group currently assesses risk materiality through the following mechanisms:

- Environmental and social risk scorecard
- Assessment of results of climate risk stress testing
- Estimation of financed emissions and reduction pathways
- Risk appetite thresholds

To ensure a continuous and effective climate risk management approach, the Group incorporates climate risk considerations into its core decision-making bodies. The primary monitoring mechanism is essentially our Group Risk Management framework, which has now been integrated with climate risk aspects.

Going forward, Emirates NBD will enhance existing data infrastructure in phases to achieve the following objectives:

- **Data collection and aggregation:** Gather and consolidate climate-related risk data from portfolios across the entire Group.
- **Reporting capabilities:** implement ability to develop reports that monitor significant climate-related financial risks and provide timely information to support effective decision-making by the board and senior management.

The focus of these shall be to enhance and efficiently facilitate:

- Quarterly Risk Reporting – (reporting climate related metrics as defined in the Risk Appetite Statement)
- Periodic stress testing outputs
- Financed Emissions estimations exercise outputs on a periodic basis

Although physical risk management was not addressed in this reporting period, the Group acknowledges its significance. Given the Group's significant exposure to the real estate sector and the CBUAE's strong emphasis on evaluating this sector for physical climate risk, these assessments will be particularly critical.

As a result, the Group plans to acquire a physical risk assessment tool to analyse risks related to specific hazards, such as temperature rise, humidity rise, sea level rise, rainfall/floods, storms/cyclones and drought within its portfolio over the short, medium and long terms. These physical risk assessments are scheduled to be implemented during the 2025 Financial Year.

Proactive measures underscore Emirates NBD's commitment to managing climate-related risks effectively and boosting financial resilience. The Group is assured that these efforts will safeguard stakeholder interests and advance broader sustainability objectives.

05 Metrics and targets

Metrics and targets

5.1 Overview

Under the IFRS S1 Standard, the Group is required to disclose a range of sustainability-related metrics that offer insights into its governance structures, risk management processes and strategic alignment with sustainability goals. These disclosures enable stakeholders to assess the Group's resilience and adaptability in addressing sustainability-related challenges. The IFRS S2 Standard further builds on this requirement by mandating disclosures specific to climate-related risks and opportunities, with a focus on providing clarity regarding climate-related metrics and targets.

The Group's approach is to ensure clear, comprehensive and standard-compliant disclosures that address stakeholder expectations for transparency and accountability. Metrics are systematically identified based on their relevance to the Group's operations and their impact on the environment and society. Aligned with these metrics, the Group sets ambitious yet achievable targets, reflecting its commitment to driving measurable progress and delivering positive outcomes.

5.2 Sustainability-related metrics and targets

Current reporting in alignment with reference to GRI and SASB

The Group reports on a suite of sustainability metrics that reflect its most significant impacts. Clear and measurable targets have been set to address key sustainability challenges and opportunities. Disclosures include current performance against targets, along with strategies and actions aimed at driving continuous improvement. To ensure transparency and reliability, the Group provides details on data collection methodologies and any changes to reporting standards or metrics.

The Group is in the process of collecting data relating to the effects of sustainability and climate-related risks and opportunities on business decisions and outcomes across the range of its businesses and intends to enhance quantitative information about these factors in future editions of IFRS S1 and S2 – aligned reports.

The data presented in the following tables is current as of September 30th 2024. This will be updated in Q1 2025 as part of the ESG data pack on the corporate website.

Metric	Metric Definition	2024 Value	Source	Source Emirates NBD	Mapping to Report Section
Per centage of local suppliers	Per centage of local supplier engaged in procurement process	75.40%	GRI	ESG Data Package	Risk
Per centage of spending on local suppliers	Per centage of spending on local suppliers	87.80%	GRI	ESG Data Package	Risk
Board Independence	As per law, at least one-third of the Directors shall be assessed to be independent	44% (four of our nine Directors on the Board are assessed to be independent at Emirates NBD)	Regulation/ GRI	Corporate Governance Report	Governance
Board Meeting Attendance	Participation of members of board in meeting	99%	Internal	Corporate Governance Report	Governance
Gender Diversity at Board Level	As per regulation, The Board shall have at least one female Director (Emirates NBD has one female Director)	Males: 89% (8), Females: 11% (1)	Regulation/ GRI	Corporate Governance Report	Governance
Number of Board and Committee Meetings	Number of Board and Committee Meetings	75	Internal	Corporate Governance Report	Governance
Board Nationality	As per law, The Chairman of the Board and a majority of the Directors shall be UAE Nationals	All of our Board of Directors are UAE Nationals	Regulation	Corporate Governance Report	Governance
Gender Diversity at leadership roles	Bank is committed to UAE Gender Balance Pledge to achieve 25% representation of women in leadership roles by 2027	18%	Internal Metric	ESG report	Risk
Share of women in total workforce a % of total workforce	The per-centage of female employees in relation to the total number of employees in the organisation	40%	GRI	ESG Data Package	Risk
Total training hours delivered	The cumulative number of hours of training provided to all employees within the organisation over a specific period	500,881	GRI	ESG Data Package	Risk
Employee turnover rate	The employee turnover rate measures the rate at which employees leave a company within a certain period of time.	10%	GRI	ESG report	Risk
Number of Nationalities within the company (ethnic diversity) - Only for women	This metric counts the number of different nationalities represented by the female employees within a company, indicating the level of ethnic diversity.	94	Internal Metric	ESG report	Risk
People of Determination hired (number of total employees)	This metric measures the number of employees with disabilities within the total workforce.	56	GRI	ESG report	Risk

Metric	Metric Definition	2024 Value	Source	Source Emirates NBD	Mapping to Report Section
(1) Number of data breaches, (2) percentage involving personally, identifiable information ("PII"), (3) number of account holders affected	This metric measure number of data breaches in Emirates NBD and any impact on customers	0	SASB	ESG report	Risk
Sustainable Finance Targets	Sustainable financing including transition financing	USD 30 billion by 2030	GRI	ESG Momentum Report	Strategy
Mandatory ESG trainings	Training required for all employees	Mandatory ESG training to all employees	GRI	ESG report	Governance
Whistleblower policy	Description of whistleblower policies and procedures	Emirates NBD has implemented a Whistleblower Policy to allow our stakeholders to report any suspected misconduct or breaches of our ethical commitments in good faith. All Emirates NBD employees undergo annual training and sign off the Whistleblower Policies and Code of Ethics. The following channels are available for reporting suspicious behaviour: • A 24/7 fraud hotline or voicemail facility at 800 FRAUD (37283), • An email address whistleblower@emiratesnbd.com. • A telephone line direct to the Head of Fraud Prevention and Investigation	Internal	Corporate Governance Report	Governance
Monetary losses	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti- competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	0	SASB	ESG report	Risk
Diversity and Inclusion	Per centage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals and (d) all other employees	Total Workforce: Women: 40% Men: 60% Top Management: Women 18% Men 82%, Junior Management: Women 35% Men 65%, All management: Women 32% Men 68%	SASB	ESG report	Governance
Amount of assets under management, by asset class	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing and (3) screening	The Group does not engage in sustainability themed investing nor do we do screening See the next cell for a breakdown of the approach.	SASB	SASB	Strategy

Metric	Metric Definition	2024 Value	Source	Source Emirates NBD	Mapping to Report Section
Incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	When making investment decisions, ESG factors are analysed and interpreted by considering the impact of the company's actions and policies on the environment, society, as well as corporate governance. Emirates NBD AM evaluates the company's performance through areas such as carbon emissions, waste management, employee relations, board diversity in addition to executive compensation. Emirates NBD AM gathers ESG data and analysis from multiple third-party sources such as Sustainalytics, Bloomberg, corporate disclosures, rating agencies as well as any sell-side publications. Emirates NBD AM then establish a "starting point" using evolving frameworks for sovereigns and non-sovereigns as well as top three engagement objectives across Environmental, Social, and Governance pillars. Through those pillars, Emirates NBD AM understand how ESG factors could potentially affect a company's long-term financial performance, reputation, as well as its overall sustainability. These factors in turn are beneficial to provide insight into the company's ability to manage risks and its creation of long-term value for its shareholders.	SASB	SASB	Strategy
Proxy Voting	Description of proxy voting and investee engagement policies and procedures	As of 2024, the Group has drafted a Proxy Voting policy, the act of proxy voting itself however is a work in progress. The Group is currently engaging with a proxy voting service provider and is aiming to implement proxy voting by early 2025.	SASB	SASB	Governance
Data security risks	Description of approach to identifying and addressing data security risks	Emirates NBD Group follows a structured risk management process that includes regular assessments, classification of data based on sensitivity, and implementation of robust security controls such as encryption, access management, and monitoring. We ensure compliance with regulatory requirements across jurisdictions and conduct periodic audits to validate our controls. Additionally, we foster a strong security culture through awareness programs and targeted training to minimize human-related risks. This comprehensive approach helps us proactively identify, mitigate, and manage data security risks	SASB	ESG report	Risk
Financial literacy	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	73 Financial Literacy blue collar attendees	SASB	ESG Data Package	Strategy

Metric	Metric Definition	2024 Value	Source	Source Emirates NBD	Mapping to Report Section
Credit analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Group Credit has initiated a process to ensure that ESR scorecard questionnaires are submitted along with Credit proposals by Bu. High risk sectors are avoided or commented on in executive summaries submitted to credit committees and further refinement of this process is planned for 2025.	SASB	SASB	Strategy
Stress tests	Description of approach to integrate results of mandatory and voluntary stress tests long-term into capital adequacy planning, corporate strategy and other business activities	The Group has annual exercises in terms of voluntary (ICAAP) and regulatory (CBUAE Stress Test) stress test. For December 2023, the Group has completed the ICAAP and CBUAE Stress Test for the period of three years forecast horizon under Baseline and Stress scenario. For ICAAP, the Group use Moody's Analytics sourced scenarios and for CBUAE Stress Test, the Group uses the CBUAE provided Base and Stress Scenario. As part of this exercise, the Group prepare results from Capital Adequacy perspective and performs liquidity stress. Group risk shares the quarterly high level ICAAP capital ratio with Finance and in the budget presentation to the Board, this result was added in Capital projection slides.	SASB	SASB	Strategy/ Risk
ESG in Investment Banking	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	0	SASB	SASB	Governance
ESG in Investment Banking	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	0	SASB	SASB	Governance
ESG in Investment Banking	Description of approach to ensuring professional integrity, including duty of care	1. Monthly meetings/visit to the law firms. 2. Ensuring that the appointed law firm has no conflict of interest with the defendant. 3. Monitoring the performance of the law firm through the court's site.	SASB	SASB	Governance
ESG in Investment Banking	Per centage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	On the malus/clawback point, the Group's policy provides all variable remuneration may be subject to malus / clawback, although there have been no instances where the group has had to operate malus/clawback in practice.	SASB	SASB	Governance

<table>
<tr><th>Metric</th><th>Metric Definition</th><th>2024 Value</th><th>Source</th><th>Source Emirates NBD</th><th>Mapping to Report Section</th></tr>
<tr><td>ESG in Commercial Banking</td><td>Transition Risk
(1) Gross exposure to carbon-related industries, by industry,
(2) total gross exposure to all industries, and
(3) per centage of total gross exposure for each carbon-related industry</td><td>(1) and (3) Industry Exposure (AED million) and coverage
Telecommunication : 19,272 (4.33%)
Transportation : 17,270 (3.88%)
Utilities: 13,747 (3.09%)
Construction: 8,987 (2.02%)
Oil and Gas: 5,209 (1.17%)
Manufacturing: 4,209 (0.95%)
Mining and Quarrying: 1,631 (0.37%)
Total: 70,325 (15.80%)Δ
(2) Loan and Debt exposure (excluding DenizBank): AED 445,101 million</td><td>SASB</td><td>SASB</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Commercial Banking</td><td>Transition Risk
Per centage of gross exposure included in the financed emissions calculation</td><td>15.80 %Δ</td><td>SASB</td><td>TCFD</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Commercial Banking</td><td>Transition Risk
For each industry by asset class:
(1) absolute gross (a) Scope 1 emissions,
(b) Scope 2 emissions, c) Scope 3 emissions and (2) gross exposure (i.e., financed emissions)</td><td><table>
<tr><th>Industry</th><th>Exposure (AED mn)</th><th>Total Emissions (tCO2e)</th><th>Financed Emissions (tCO2e)</th></tr>
<tr><td>Telecommunication</td><td>19,272</td><td>4,935,051</td><td>167,930</td></tr>
<tr><td>Transportation</td><td>17,270</td><td>70,742,213</td><td>2,848,112</td></tr>
<tr><td>Utilities</td><td>13,747</td><td>408,922,361</td><td>2,005,571</td></tr>
<tr><td>Construction</td><td>8,987</td><td>21,059,835</td><td>380,468</td></tr>
<tr><td>Oil and Gas</td><td>5,209</td><td>369,810,841</td><td>2,307,907</td></tr>
<tr><td>Manufacturing</td><td>4,209</td><td>83,948,847</td><td>3,088,750</td></tr>
<tr><td>Mining and Quarrying</td><td>1,631</td><td>365,214,284</td><td>617,123</td></tr>
<tr><td>Total</td><td>70,325</td><td>1,324,633,432</td><td>11,415,861Δ</td></tr>
</table></td><td>SASB</td><td>TCFD</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Commercial Banking</td><td>Transition Risk Description of the methodology used to calculate financed emissions</td><td>The Financed Emissions Methodology is available on the Emirates NBD's corporate website</td><td>SASB</td><td>TCFD</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Asset Management and Custody Activities</td><td>Absolute gross financed emissions, disaggregated by Scope 1, Scope 2 and Scope 3 GHG emissions.</td><td>Not Included for 2024</td><td>SASB</td><td>SASB</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Asset Management and Custody Activities</td><td>the total amount of assets under management (AUM) included in the entity's financed emissions disclosures</td><td>Not Included for 2024</td><td>SASB</td><td>SASB</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Asset Management and Custody Activities</td><td>The per centage of the entity's total AUM included in the financed emissions calculation.</td><td>Not Included for 2024</td><td>SASB</td><td>SASB</td><td>Climate-related Metrics</td></tr>
<tr><td>ESG in Asset Management and Custody Activities</td><td>Description of Methodology used to calculate financed Emissions</td><td>The Financed Emissions Methodology is available on the Emirates NBD's corporate website</td><td>SASB</td><td>SASB</td><td>Climate-related Metrics</td></tr>
</table>

Δ Emirates NBD appointed KPMG Lower Gulf to perform limited independent assurance over selected ESG content, marked with the symbol Δ.
The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements 3410 "Assurance of Greenhouse Gas Statements". A limited assurance opinion was issued and is available at our website. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this 2024 ISSB Report has been subject to this external limited assurance.

5.3 Managing our exposure towards financed emissions

Emirates NBD Group is measuring the carbon footprint of its customers and financial assets as part of its accounting practices. To achieve this, the Group is implementing the Partnership for Carbon Accounting Financials (PCAF) framework. The goal of this programme is to measure financed emissions across the Group's portfolio (excl. DenizBank) allowing Emirates NBD to baseline financed emissions for on-going monitoring. This will help in defining targeted mitigation plans and assessing the quality of the available data for these calculations.

Emirates NBD's financed emissions measurement focuses on Scope 3 Category 15 emissions, as outlined by PCAF, covering asset classes such as listed equity, corporate bonds, business loans, unlisted equity, and project finance. To identify the sectors included in this analysis, the Group has followed the following criteria for inclusion of sectors for baselining financed emissions:

- Hard to abate sectors or sectors which are emissions intensive
- Sectors considered material by the Group with focus on customer exposures greater than AED 10 million (The total portfolio value with exposure less than AED 10 million amounts to 0.57% of the portfolio)
- Sectors where appropriate and relevant data and methodology is available to baseline financed emissions.

The focus of this analysis is to ensure sectors that have a high impact on the climate system and greatest potential to effect change are covered.

The organisational boundary is determined by the financial control approach for the measurement and reporting of financed emissions in accordance with the GHG protocol. Under this approach, the Group and its subsidiaries, excluding DenizBank) would include emissions from entities where it can directly influence financial and operational policies and has the potential to benefit economically from companies' activities. The assurance provider is providing the assurance services for Emirates NBD, including branches and subsidiaries as specified in their assurance report.

The scope of our assessment encompasses the following dimensions:

- Asset class coverage (listed equity and corporate bonds, business loans and unlisted equity and project finance)
- Organisational boundaries
- Emissions coverage

To compute enterprise value, the Group has followed the PCAF guidelines, which involves summing the market capitalisation of ordinary and preferred shares, the book values of debt, and minority interests. The share price used for market cap calculations is based on the end-of-period price relevant to the financial reporting period. Where a listed company has illiquid instruments affecting price discovery, we use book values to calculate enterprise value, ensuring that market illiquidity does not distort the attribution factor and the resulting financed emissions.

The formulas used to calculate the emissions have been included in at the end of this section under "**Calculation Approach**".

For unlisted companies, total equity is determined by summing share capital and reserves. If accumulated losses render share capital negative, total equity is set to zero.

For the computation of financed emissions, exposures as at 31 December 2023 have been considered.

In the absence of regulations requiring emissions disclosure, the calculation of financed emissions is performed on a best-effort basis. These computed and reported emissions may be influenced by evolving regulations, changes in data quality, or updates in calculation methodologies. Since Emirates NBD relies on enterprise value for these calculations, significant variations in reported financed emissions can occur due to fluctuations in market prices, making year-on-year comparisons challenging. As a result, internal calculations may need to be revised in light of new methodologies, regulations, improved data quality, or other factors affecting the alignment scoring.

By acknowledging and proactively addressing these challenges, the Group aims to improve the accuracy, reliability, and transparency of its greenhouse gas emissions reporting, reinforcing its commitment to sustainability and climate action. Financed Emissions calculations are performed by the Enterprise Risk Management team and are approved and monitored by the Group Head of Enterprise and Regulatory Risk. The data and analytics capabilities are enhanced to ensure processes, systems, controls, and governance are in place. Additionally, the Group is working on automating processes, particularly focusing on measuring climate transition risk.

The Group has applied the following exclusions to identify the right population for calculation and reporting of the FE Emissions:

- Defaulted Accounts as at 31 December 2023
- Accounts with no exposures
- Companies operating across multiple sectors and holding companies due to lack of disclosures at a sector or company level
- Companies which have been funded but are not yet operational

Based on the above criteria, the Group has a total portfolio of AED 70.33 billion which have been scoped for the computation of financed emissions as at 31 December 2023 which stands at 11,415,861 (tCO_2e) Δ. The total portfolio (including the portfolios removed as part of the scoping exercise) amount to AED 483.56 billion .

The Group has adopted a principle-based approach to the disclosure of financed emissions. At this stage, the Group has chosen to report financed emissions as an absolute number rather than disaggregating emissions across "Scope 1+ Scope 2", and Scope 3 categories. This approach reflects current data quality and availability limitations. As the Group continues to enhance data collection processes and improve data quality, more granular disclosures, i.e. a breakdown of financed emissions by scope may be disclosed in the future. The detailed methodology is available on our corporate website on the document, 'Emirates NBD Financed Emissions Basis of Reporting 2024'.

Δ Emirates NBD appointed KPMG Lower Gulf to perform limited independent assurance over selected ESG content, marked with the symbol Δ.
The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements 3410 "Assurance of Greenhouse Gas Statements". A limited assurance opinion was issued and is available at our website. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this 2024 ISSB Report has been subject to this external limited assurance.

The per centage composition of this total exposure across key sectors is depicted below:

Sector (Nace classification)	Total exposure (AED in Mn's)	Total emissions (tCO2e)	Financed emissions (tCO2e)	Weighted data quality score
Construction	8,987	**21,059,835**	380,468	4.01
Manufacturing	4,209	**83,948,847**	3,088,750	2.68
Mining and Quarrying	1,631	**365,214,284**	617,123	1.61
Oil and Gas	5,209	**369,810,841**	2,307,907	2.53
Telecommunication	19,272	**4,935,051**	167,930	2.05
Transportation	17,270	**70,742,213**	2,848,112	3.11
Utilities	13,747	**408,922,361**	2,005,571	2.52
TOTAL	**70,325**	**1,324,633,432**	**11,415,861** Δ	**2.71**

Figure 10: Financed Emissions by Sector

The exclusion summary is presented below:

Exclusion Summary	Outstanding Balance
Total Exposure of the Corporate Book[1]	**483.56 Bn**
(-) Non-Performing Exposures	38.40 Bn
(-) Portfolios removed as part of the scoping exercise[2]	374.83 Bn
Total Exposure for Financed Emissions Reporting	**70.33 Bn**[3]
Sector 1: Construction	8.99 Bn
Sector 2: Manufacturing	4.21 Bn
Sector 3: Mining and Quarrying	1.63 Bn
Sector 4: Oil and Gas	5.21 Bn
Sector 5: Telecommunication	19.27 Bn
Sector 6: Transportation	17.27 Bn
Sector 7: Utility	13.75 Bn

Figure 11: Financed Emissions Exclusion Summary

Δ Emirates NBD appointed KPMG Lower Gulf to perform limited independent assurance over selected ESG content, marked with the symbol Δ. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements 3410 "Assurance of Greenhouse Gas Statements". A limited assurance opinion was issued and is available at our website. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this 2024 ISSB Report has been subject to this external limited assurance.

[1] All negative balances have been floored to 0 in calculation of Total Exposure
[2] This also includes counterparties that are Holding Companies, conglomerates, or companies that have been funded but are not operational yet.
[3] The total coverage of the portfolio is 15.80 %Δ which is calculated as total exposure of FE reported divided by the Total exposure net of non-performing exposures.

Calculation approach

Calculation Approach for Listed Equity and Corporate Bonds

- Determine the proportion of the financial institution's investment in the company relative to the company's EVIC.
- Multiply this proportion by the company's total emissions to calculate the financed emissions.

For listed companies:

Financed Emissions=(Investment Amount/(Enterprise Value Including Cash))×Company Emissions

For bonds to private companies:

Financed Emissions=(Investment Amount/(Total Equity+Debt))×Company Emissions

Calculation Approach for Business Loans and Unlisted Equity

- Determine the proportion of the loan amount relative to the company's EVIC.
- Multiply this proportion by the company's total emissions to calculate the financed emissions.

For Business loans to listed companies

Financed Emissions=(Loan Amount/(Enterprise Value Including Cash))×Company Emissions

For business loans and equity investment in unlisted companies

Financed Emissions=((Loan Amount)/(Total Equity+Debt))×Company Emissions

Calculation Approach for Project Finance

Determine the proportion of the financial institution's investment in the total project equity and debt.

Multiply this proportion by the project's total emissions to calculate the financed emissions.

Financed Emissions=(Outstanding Amount/(Total Project Equity+Debt))×Project Emissions

06 Appendix: ISSB disclosures for S1 and S2

Appendix: ISSB disclosures for S1 and S2

IFRS S1 Disclosures

Topic	IFRS Index	Location in Report
	IFRS S1.54	Section 1: General Requirements
	IFRS S1.55	1.2–1.9
	IFRS S1.56	1.7
	IFRS S1.57	1.7
	IFRS S1.58	1.7
	IFRS S1.59	1.7
	IFRS S1.60	1.5
	IFRS S1.61	1.5
	IFRS S1.62	1.5
	IFRS S1.63	Additional guidance - no disclosure requirement
	IFRS S1.64	1.5
	IFRS S1.65	Additional guidance - no disclosure requirement
	IFRS S1.66	Additional guidance - no disclosure requirement
	IFRS S1.67	Additional guidance - no disclosure requirement
	IFRS S1.68	Additional guidance - no disclosure requirement
	IFRS S1.69	Additional guidance - no disclosure requirement
	IFRS S1.70	1.4
	IFRS S1.71	1.4
	IFRS S1.72	1.9
General Requirements	IFRS S1.73	Additional guidance - no disclosure requirement
	IFRS S1.26	Section 2: Governance
Governance	IFRS S1.27	2.1 - 2.9

Topic	IFRS Index	Location in Report
	IFRS S1.28	Section 3: Strategy
	IFRS S1.29	3.1 - 3.6
	IFRS S1.30	3.2
	IFRS S1.31	3.2
	IFRS S1.32	3.2 - 3.3
	IFRS S1.33	3.4
	IFRS S1.34	3.3 - 3.4
	IFRS S1.35	3.4
	IFRS S1.36	Additional guidance - no disclosure requirement
	IFRS S1.37	Additional guidance - no disclosure requirement
	IFRS S1.38	Additional guidance - no disclosure requirement
	IFRS S1.39	Additional guidance - no disclosure requirement
	IFRS S1.40	3.4
	IFRS S1.41	3.6
Strategy	IFRS S1.42	Additional guidance - no disclosure requirement
	IFRS S1.43	Section 4: Risk management
Risk management	IFRS S1.44	4.1 - 4.4
	IFRS S1.45	Section 5: Metrics and Targets
	IFRS S1.46	5.2
	IFRS S1.47	Additional guidance - no disclosure requirement
	IFRS S1.48	5.2
	IFRS S1.49	5.2
	IFRS S1.50	5.2
	IFRS S1.51	5.2
	IFRS S1.52	5.2
Metrics and targets	IFRS S1.53	5.2

IFRS S2 Disclosures

Topic	IFRS Index	Location in Report
	IFRS S2.5	Section 2: Governance
	IFRS S2.6	2.1 - 2.9
Governance	IFRS S2.7	Additional guidance - no disclosure requirement
	IFRS S2.8	3.7 - 3.10
	IFRS S2.9	3.7 - 3.10
	IFRS S2.10	3.7 - 3.10
	IFRS S2.11	Additional guidance - no disclosure requirement
	IFRS S2.12	Additional guidance - no disclosure requirement
	IFRS S2.13	3.8
	IFRS S2.14	3.9
	IFRS S2.15	3.10
	IFRS S2.16	3.10
	IFRS S2.17	Additional guidance - no disclosure requirement
	IFRS S2.18	Additional guidance - no disclosure requirement
	IFRS S2.19	Additional guidance - no disclosure requirement
	IFRS S2.20	Additional guidance - no disclosure requirement
	IFRS S2.21	3.10
	IFRS S2.22	3.7
Strategy	IFRS S2.23	Additional guidance - no disclosure requirement

Topic	IFRS Index	Location in Report
	IFRS S2.24	4.5
Risk management	IFRS S2.25	4.5
	IFRS S2.26	5.3
	IFRS S2.27	Additional guidance - no disclosure requirement
	IFRS S2.28	5.3
	IFRS S2.29	5.3
	IFRS S2.30	Additional guidance - no disclosure requirement
Metrics and targets	IFRS S2.31	Additional guidance - no disclosure requirement
	IFRS S2.32	5.3
	IFRS S2.33	3.1, 5.3
	IFRS S2.34	5.3
	IFRS S2.35	Additional guidance - no disclosure requirement
	IFRS S2.36	5.3
	IFRS S2.37	5.3

07 Appendix 2: Additional information

Appendix 2: Additional information

Abbreviations

Abbreviations	Full Form
AED	Dirham Currency
AM	Asset Management
AML	Anti Money Laundering
BCIC	Board Credit and Investment Committee
BNRESGC	Board Nomination, Remuneration and Environmental Social Governance Committee
BOD	Board of Directors
BRC	Board Risk Committee
CBUAE	Central Bank of the United Arab Emirates
CDA	Community Development Authority
CSO	Chief Sustainability Officer
EmCap	Emirates NBD Capital
Emirates NBD, Emirates NBD Group, the Group	Emirates NBD Bank P.J.S.C. and all its subsidiaries including international offices
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESRP	Environmental and Social Risk Policy
EXCO	Executive Committee
FY 2024	Financial Year for January 2024 - December 2024
GCRO	Group Chief Risk Officer
GHG	Green House Gas
GRC	Group Risk Committee
GRI	Global Reporting Initiative
Group MOC	Group Model Oversight Committee
ICAAP	Internal Capital Adequacy Assessment Process

Abbreviations	Full Form
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standards
ISF	Information Security Forum
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
KPIs	Key Performance Indicators
KYC	Know Your Customer
LEED	Leadership in Energy and Environmental Design
LMA	Loan Markets Association
MCC	Management Credit Committee
MENAT	Middle East, North Africa and Türkiye
NDC	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
NZ	Net Zero 2050
PCAF	Partnership for Carbon Accounting Financials
RI	Responsible Investment
SASB	Sustainability Accounting Standards Board
SF	Sustainable Finance
SFF	Sustainable Finance Forum
SLL	Sustainability-Linked Loan
SPOCs	Single Point of Contact
SPTs	Sustainability Performance Targets
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Task Force on Nature-related Financial Disclosures

7.1 Reports referenced for this document – Emirates NBD (2024)

Responsible Investment Policy
Annual Report
Corporate Governance Report
Climate Risk Policy
Climate Risk Management Process
ESG Momentum Report (July 2024)
Environment and Social Risk Framework
ESG Report
ESG Scorecard Documentation
Strategic Report and ESG Summary
Sustainable Finance Framework
Task Force on Climate-Related Financial Disclosures Report
Assurance Report
GHG Reporting Methodology
ESG Data Pack

7.2 Emirates NBD'S subsidiaries as of 31 December 2024

Location	Entities
Dubai	Emirates NBD Bank PJSC (Consolidated inc. Branches and Representative Offices)
	Buzz Contact Centre Solutions LLC
	Emirates Funds LLC
	Emirates Islamic Bank P.J.S.C
	Emirates Money Consumer Finance LLC
	Emirates NBD Asset Management Limited
	Emirates NBD Capital PSC
	Emirates NBD Properties LLC
	Emirates NBD Securities LLC
	Emirates NBD Global Services LLC
UK	Emirates Funds Managers (Jersey) Limited
	Emirates NBD Trust Company (Jersey) Limited
	Emirates NBD London Branch Nominee Company
KSA	Emirates NBD Capital (KSA) LLC
India	Emirates NBD Capital India Private Limited
Egypt	Emirates NBD Egypt S.A.E
Cayman Islands	Emirates NBD Global Funding Limited
Türkiye	DenizBank Anonim Sirketi