

# ESG Momentum Report 2023-2024



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## ESG at Emirates NBD Group

The start of 2024 for Emirates NBD Group (Group) has been a promising one as we continue to embed sustainability in our strategy and operations. The journey of sustainability in the Group is a commitment to environmental sustainability as a corporate responsibility which is evident in our actions and efforts that we have taken ahead in our Environmental, Social and Governance (ESG) journey. Our commitment is not only dedicated to our corporate responsibility, but it is a commitment to secure sustainability and build a sustainable future to our stakeholders and the communities we serve.

We continue to take our ESG Momentum Report as an annual representation of our transparency and sustainability efforts. This report covers our consolidated ESG activities as of June 2023 to June 2024, aiming to provide a comprehensive view of our 2023-2024 ESG performance, accomplishments, and ambitions for the road ahead and our means to achieve them.



At the Group, we strive to lead by example and this momentum report serves as a transparent guide and update that captures our achievements and progress. This report will take you through our journey of environmental efforts such as our continuous efforts in promoting green financing, to our commitment to society through our social initiatives and give an insight into our Governance for ESG. This reaffirms our alignment with the UAE's Net Zero 2050 strategy through our continuous efforts and actions in tracking our Green House Gas (GHG) emissions.

The Group takes forward-looking actions to anticipate the strategic and financial impact of emissions reporting obligations. In 2024, we successfully published our first Taskforce on Climate-Related Financial Disclosures (TCFD) Report, defining our approach to climate-related risks and opportunities, covering Scope 1, Scope 2 and Scope 3 emissions. Aligning with the TCFD recommendations is crucial as it sets the journey to managing our environmental impact.

As we progress, we see the second half of 2024 as a crucial period for us as we are in the process of establishing our approach to Physical Climate Risk to integrate into the Group's risk management and in addition to this overarching goal, we are also in the process of becoming signatories to the Principles for Responsible Banking (PRB).

## Materiality Analysis

The Group performs an annual materiality analysis exercise by involving internal and external stakeholders, to identify and prioritise the most significant material topics which can impact our performance, stakeholders and where the Group can have the biggest impacts on society.

The results of our materiality exercise were disclosed in the 2023 ESG Report published at the beginning of 2024 and publicly available on our website, prioritising each of the material issues identified in a materiality matrix, hence, highlighting sustainable finance, climate related risks and opportunities and diversity and inclusion as the top material topics for the Group.

The assessment of material issues was conducted based on the principle of double materiality and considers both internal and external impacts of our top material issues identified on our own operations and the external environment and society. Although we did not seek external assurance for our materiality assessment process and results, internal endorsement of the process end result is being done at the highest level of responsibility, the senior management level.

## Material Issues for Enterprise Value Creation

Our materiality assessment process allows us to assess ESG-related issues in the context of our business and value chain, explore issues that matter to internal and external stakeholders, and identify, assess, and manage risk and opportunities for the business. It is conducted based on the principle of double materiality. Considering both the internal impact as well as the external societal and environmental impact of each area identified.

Every year, the results of the materiality assessment are signed off by our Board of Directors as part of the 2023 Annual Integrated Report approval.

There were three material topics identified for enterprise value creation from sustainability.

1. Sustainable Finance
2. Climate Related Risks and Opportunities
3. Diversity and Inclusion

We have expanded on each of these topics below.

## 1. Sustainable Finance:

As a leading banking group in the MENAT region, Emirates NBD is dedicated to playing a central role in the region's sustainability journey. Sustainable finance initiatives are a priority of the Group as we believe that financial institutions are at the centre of a sustainable and low-carbon economy, supporting and at the same time mitigating any ESG-related risks and opportunities. Additionally, by securing sustainable finance, we ensure the satisfaction of our clients by offering sustainable and innovative financing solutions to foster sustainable investments and guarantee that the financial system facilitates the transition to a sustainable economy, but also ensure that our own operations are resilient and revenue generating.

Our Sustainable Finance Framework was set in 2023, while in 2024 we have further extended our efforts in enhancing both our product offering but also to enhance knowledge across the Group. We are embracing sustainable finance in our Group's performance by allowing customers to have the best experience through superior banking solutions. The launch of our Sustainable Finance Framework facilitated the debut issuance of a USD 750 million Green Bond—the largest ever by a bank in the MENAT region. This issuance earned multiple awards, including the 'Financial Institution Deal of the Year' award by Bonds, Loans & Sukuk Middle East 2024. Additionally, Emirates Islamic, part of the Group, has pioneered in the Sustainability Sukuk market, marking the 1st such issuance from the UAE after the release of ICMA-labeled Sukuk Guidance, guidance to which our bank significantly contributed as part of the global working group. On the same line, the Group has led by example in promoting sustainable practices across its operations and communities, as exemplified in its role as Principal Banking Partner for COP28. The Group also introduced carbon trading this year, making it the 1st UAE bank to empower customers in offsetting carbon emissions, in alignment with the UAE's Net Zero 2050 action plan.

## 2. Climate-related Risks and Opportunities:

The Group remains acutely aware of emerging financial and non-financial risks that arise due to climate change. However, there is also a significant economic opportunity as the world transitions to a green economy. The Group is working to manage these risks, whilst also aiming to seize these climate related opportunities.

The Board of Emirates NBD (hereinafter referred to as the "Board") bears the final responsibility for all aspects concerning climate change risk. As part of the yearly strategic and financial planning, the Board assesses our ESG strategy, encompassing climate-related risks and opportunities, to ensure that our approach to ESG matters remains aligned with emerging trends and approved strategies.



Our strategy on climate risk has been incorporated into the Group Risk Management Framework and is managed across several initiatives including climate related policies, the Environmental and Social Risk Policy Framework “ESRPF” and climate related stress testing.

The Group has a board-approved Climate Risk policy in place that integrates the climate risk into the Group Risk Management framework. The purpose of the policy is to enhance the resilience to and management of climate risks for the Group, providing assurance to shareholders, investors, regulators, and other stakeholders that climate risks threatening the organisation’s financial performance and robustness are identified, measured, mitigated, monitored, and reported, and that the Group appropriately adapts to changing regulatory demands. Relevant risks and opportunities are incorporated into the Group’s centralised enterprise risk management programme.

Furthermore, the Group considers climate risk as part of broader environmental and social risks. The Group has defined and released its detailed Environmental and Social Risk Policy Framework which works to outline how the Group is considering environmental and social concerns at an industry, client and transactional level. This framework also helps to foster decision-making that aligns with the Group’s commitment to delivering responsible financial services.

The economy is experiencing the impacts of climate change, which is evidenced by extreme weather events such as the floods in early 2024. These events are expected to increase in frequency and severity over time. It is important to understand the potential climate risks, both from a transition and physical perspective which may impact the Group. As such, the Group incorporates climate-related scenario analysis and stress testing to help inform its strategy, risk appetite and risk management. Climate Stress Testing was performed in 2023 line with Network for Greening the Financial System (NGFS) and aims to identify vulnerabilities, best practices and challenges the bank may face when managing climate-related risks. Climate risk-related stress testing is required to understand the sectorial decarbonisation pathways required to transition to Net Zero by 2050 in alignment with our targets and to establish sector transition pathways to achieve that goal.

Climate Risk can be further segregated into physical risks, transition risks and liabilities risks. We have currently prioritised the analysis of transition risk in the utilities, metals and mining, transportation and storage, and oil and gas sectors, for which we recently concluded a transition risk stress testing exercise. The Group intends to initiate an assessment of physical risks across the real estate and agricultural sectors in 2024.

In addition to our proactive approach to managing and monitoring our climate related risk and opportunities, the Group also takes forward-looking actions to anticipate the strategic and financial impact of evolving emissions-reporting obligations. The Group aims to provide clear

insights into both the risks and opportunities arising from climate-related factors through our disclosures.

The Environmental and Social Risk Scorecard has been developed to assess and manage environmental and social risks for a counterparty. The scorecard aims to appropriately mitigate the environmental and social impacts by identifying them and guiding the Group in responding accurately.

### **3. Diversity and Inclusion:**

Ensuring diversity and equal opportunities is a matter of principle for the Group. Discrimination based on nationality, ethnic origin, gender, religion, fundamental beliefs, disability, or age amongst others is prohibited. At the Group, we recognise and value diversity in the workplace, given its role in promoting tolerance, open-mindedness, and the acceptance of different opinions. Diversity, equality, and inclusion (“DEI”) is key in creating high-performing teams and driving our organisation to succeed, both now and in the future. In 2022, and in celebration of International Women’s Day, we made a commitment to a 25% female leadership target by 2027, making us the first UAE bank to commit to such a gender target. In 2024, we are paving the road to enabling women by nurturing a culture where our women have a voice and a seat at the table and an opportunity to grow and move forward, Emirates NBD’s primary focus is achieving our long-term goal for female leadership.

### **Material Issues for External Stakeholders**

The annual materiality assessment performed works to identify key areas of positive and negative impact on external stakeholders associated with the Group’s business operations, products, and services and/or the supply chain including UAE regulators, the UAE Banks Federation (UBF) Committee for Sustainable Finance, as well as Emirates NBD investors. During the 2023 Materiality Assessment, the following two issues are the most significant social or environmental impact on our external stakeholder groups:

#### **1. Sustainable Finance:**

Sustainable Finance growth was as the most impactful area for the Group by external stakeholders. This was further extrapolated to ensure the Group is supporting the expansion of sustainable finance and transition finance. This was identified as a priority to support the UAE’s Net Zero commitments and Nationally Determined Contributions. In addition, as the growth of sustainability linked loans and bonds increases, investors have a strong interest to ensure the Group continues to align to this growing financing market. This is identified as an environmental and social issue for external stakeholders

to ensure the Group is aligned to supporting clients in genuine sustainable finance linked to the appropriate environmental and social UN Sustainable Development Goals.

## 2. Climate related risks and opportunities:

Climate related risks and opportunities was identified as the second most impactful area for the Group by external stakeholders. This was identified as meaning to identify the critical climate risks and opportunities and understanding issues that are most material or relevant to external stakeholders. This was further expanded by external stakeholder to include the Group's plan to mitigate physical risk and transition risk for the Group risk, and understand, mitigate and plan for changes in risk factors affected the Group financing position as well as the countries of operation.

The Group has evaluated the positive and negative impacts on external stakeholders using a quantitative framework. The impacts have been identified by using questionnaires as well as interviews with external stakeholders. There were four key impacts identified by stakeholders, these include:

1. Impact 1 – Ensure 100% alignment to the principles of the United Nations Global Compact, as expressed in Annual ESG Report. The UNGC principles have been identified as:
  - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
  - Principle 2: Make sure businesses are not complicit in human rights abuses.
  - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
  - Principle 4: Elimination of all forms of forced and compulsory labour.
  - Principle 5: Effective abolition of child labour.
  - Principle 6: Elimination of discrimination in respect of employment and occupation.
  - Principle 7: Businesses should support a precautionary approach to environmental challenges.
  - Principle 8: Undertake initiatives to promote greater environmental responsibility.
  - Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
  - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. This has been managed by the implementation of a comprehensive Anti-Bribery and Corruption policy, as well as Anti Bribery training.
2. Impact 2 – Ensure an annual 5% reduction in Scope 1 & 2 emissions in year-on-year reported emissions. These are detailed for Emirates NBD UAE operations. This ensures Emirates NBD reflects the reduction in emissions as detailed by the UAE Net Zero plan.



3. Impact 3 – Ensure financed emissions are measured for the Group utilising the PCAF methodology and financed emissions cover all financed operations. In addition, utilisation of GHG Accounting Protocol for measurement of Scope 1, 2, 3 emissions.
4. Impact 4 – Ensure an increase in the ESG rating of Emirates NBD as reflected on leading rating agencies such as Sustainalytics, S & P Global, MSCI and CDP.

## Material Impacts on External Stakeholders

The Group recognises the impact generated on our external stakeholders throughout our Group's business operations. By conducting our annual materiality analysis exercise, we define our strategy towards our external stakeholders and set the orientation towards sustainable management tools to tackle the external impact. Throughout the analysis exercise, we identified sustainable finance and climate related risks and opportunities as the two material topics that marks an impact on external stakeholders.

### 1. Sustainable Finance:

At the Group, we have identified sustainable finance as being a material issue for our external stakeholders as well as for our own operations, and this factor is assessed and quantified on an annual and quarterly basis by looking at the total amount of funds allocated to sustainable projects as well as the to the percentage of total sustainable finance over the bank's overall financing portfolio. When assessing our output and also during the impact valuation exercise, we take into consideration various types of sustainable finance products, including green loans and bonds, sustainability linked loans and bonds and social bonds.

We annually publish an impact report and a sustainable finance report where we convert the numerical output metrics into impact metrics to measure the societal and environmental external impact. As such in our reporting we include measurements of the total metric tons of CO<sub>2</sub> emissions avoided or reduced due to financing projects, total energy savings achieved through financed projects, and if the use of proceeds are directed towards social issues, then we include details on the community development impacts, for example adorable housing, healthcare, education.

External impact on our stakeholders from the environmental and social perspective is quantified by looking at the percentage of CO<sub>2</sub> emissions reduced or avoided, energy savings, as well as accessibility for affordable housing, that is no. of low-income individuals benefitting, accessibility to healthcare facilities, development of infrastructure and percentage of community benefitting.

### 2. Climate related risks and opportunities:

Materiality assessment of climate related risks and opportunities is done through the following:

- i. Assessment of distribution of climate risk rating for the portfolio in scope
- ii. ESR Scorecard
- iii. Results of climate risk stress testing
- iv. Estimation of financed emissions and reduction pathways

The Group scoring model will assess the ESR (environment and social risk) profile of its clients. The ESR scorecard uses a composite methodology which considers, inter alia, factors such as Scope 1 and Scope 2 greenhouse gas emissions, transition and physical risks, demonstrable commitment to GHG reduction, labour and working conditions, resource efficiency and pollution prevention. The methodology is broadly aligned to the environmental and social assessment approach followed by the World Bank and the International Finance Corporation. Our Environmental and Social Risk Policy Framework highlights our social and environmental commitment and acknowledgements as a prominent financial institution. The ESR scorecard is designed to assess in responding appropriately to the environmental and social risks for a counterparty. The scorecard will be used by the Group in Corporate and Institutional Banking and Business Banking segments for customers with exposures more than AED 50 million.

The Group actively monitors climate risk exposures and financed emissions at both customer and portfolio levels. At the customer level, the business units monitor on an ongoing basis for any adverse climate-related activity, or potential non-compliance with the Group's policies. At the portfolio level, the Group ERM (Enterprise Risk Management) team monitors climate risks.

### **Future Outlook**

We are in the progress of our 2024 Materiality Assessment as part of our annual reporting cycle and through this we have expanded our list of material topics and our description of each material issues based on feedback from stakeholders. Furthermore, we are incorporating nature-related topics including Biodiversity into this year's materiality assessment.

## Sustainable Finance

The Group sustainable finance strategy takes direction from the United Nations SDGs, the UAE's Vision 2030, and the United Nations Environmental Programme Dubai Declaration for Sustainable Finance. This reflects in the fact that the Group exposure to 'hard to abate' sectors' remains very minimal. To further progress commitment to sustainable financing, the Group launched the Sustainable Finance Framework in 2023 and Environment and Social Risk Policy Framework (ESRP) in 2024.

## Sustainable Investing Policy

The Sustainable Finance Framework and Responsible Investment Policy outlines the approach to sustainable investment and how the Group is integrating sustainability into the financial and investing activities. The framework alongside with our policy includes Environmental, Social and Governance elements into the investment process as well as their definitions and guidelines to offer a comprehensive approach to sustainable investing. For further information on our approach to sustainable investment activities refer to our Responsible Investment Policy and Environmental and Social Risk Policy Framework available on our corporate website.

Emirates NBD Asset Management (AM) investment philosophy is driven by returns, and we believe that considering environmental, social and governance factors in investment decisions, and in alignment with Shari'ah principles, will support in our mission to drive value for our clients. The integration of ESG can enhance returns and reduce risk through reduced operational cost and increased efficiency, strong regulatory compliance and reduced risk of fines, reduced externalities, and improved adaptability to sustainable megatrends. The responsible investment policy summarises our approach to ESG integration. We also acknowledge the importance of investor engagement and stewardship. The investment stewardship concept calls on investors to use all means at their disposal to create a long-term value for their clients. It is in the best interest of our clients that we monitor the companies in which we invest, that we vote on the stocks that we hold and that we engage with companies on ESG issues that have a material impact on investment risk or return potential.

In 2024, we continued to enhance our research and investment processes for major asset classes to factor ESG considerations at all levels, including research, portfolio management and internal investment committees. Our monitoring process relies on gathering ESG data as well as analysis from not only the company's Sustainability/ESG reports, but also multiple third-party sources such as

Sustainalytics, Bloomberg, Moody's, corporate disclosures, rating agencies in addition to sell-side publications. Once the data has been collected, we establish a starting point using our evolving framework in which we identify the top 3 engagement objectives across the Environmental, Social and Governance pillars.

Furthermore, through a proactive approach, our teams ensures that a proper prioritisation approach is implemented for engagement targets and engagement topics, creating the proper set-up for effective collaboration and stewardship. Through collaboration with the investee companies, we ensure the alignment on engagement goals and understanding the future path on those said goals. Our engagement with the investee companies takes place periodically in one-on-one basis and group forums to address information gaps and monitor real changes. This in turn ensures that we maximise the potential positive impact of our engagement efforts. Following our preliminary due diligence and engagement with issuers, our team of analysts closely reviews the issuer ESG information and disclosure and continues to monitor ESG risks post-investment.

Periods of controversy may provide meaningful opportunities where frequent engagement can bear direct results as investee companies are often more sensitive to feedback. In the event of a controversy surfacing, we ensure to address our concern with the respective company. Contingent on the nature and severity of the said concern, we can go forward through a remediation plan discussion and management of the controversy. The investee companies' awareness, policies and responses to these issues give us insight into the quality of the management. Although all our engagements are successful, our teams are prepared to deal with unsuccessful engagements by setting a well-defined and structured escalation strategy.

To ensure that ESG factors are considered, our guidelines include a mix of proprietary and third-party rating scoring systems, leading to integrating ESG risks and opportunities into the due diligence process and exclusionary approaches undertaken by the organisation. We accept our responsibility to engage constructively with investee companies to influence decisions on matters of ESG, which may take several forms such as active dialogue, client engagement on ESG issues, as well as engagement with stakeholders, active or proxy voting and divestment as a possible sanction.

## Sustainable Financing Policy

The sustainable finance policies aim is to encourage consumers to make financial decisions that align with environmental and social responsibility goals. Our sustainable finance policy is not just for institutional and corporate clients but also covers consumer finance activities. The Group is undertaking the following key initiatives for responsible retail financing.

- **Consumer Education and Awareness**

Financial literacy campaign – Educate consumers about sustainable finance options, environmental, social and governance factors, and benefits of sustainability choices.

Product labelling and sustainability disclosures – develop standardised labelling for sustainable products to avoid greenwashing and ensure consumers understand the environmental and social impacts.

- **Support Sustainable Choices**

Sustainable products – Create sustainable financing products to support client’s sustainability ambitions.

Green debt instrument – Support clients with the issuance of green bonds, amend debt instruments that prioritise the integration of ESG factors.

- **Risk Management and Transparency**

ESG Integration – Integrate ESG risk factors into decisions making and risk management for loans, as well as the issuance of sustainable products and conventional products where appropriate.

Reporting requirements – Mandate reporting to international standards as well ESG regulations in countries of operation.

Consumer protection – Ensure alignment to consumer protection regulations in countries of operation, to ensure consumers are protected from misleading information and unfair practices related to sustainable products.

## Sustainable Advisory Policy

The Group offers a comprehensive range of fixed income services aimed at achieving high income levels and strong capital growth. Our offerings include MENA bonds, emerging market corporate debt, global sukuk, and traditional money markets. These services are actively managed to maximise returns and minimise risks. Emirates NBD also provides securitisation services, which includes structuring and originating securitised products. These services involve pooling various types of debt, including mortgages, auto loans, and credit card debt, and selling



them as securities to investors. The bank's capabilities in this area helps clients manage their capital structure and funding needs effectively.

The Group has a policy that integrates ESG factors into its fixed income underwriting processes. This includes incorporating ESG criteria in Customer Due Diligence (CDD) and Know Your Customer (KYC) procedures to ensure comprehensive evaluation of environmental, social, and governance risks. Furthermore, engagement with clients on sustainability-linked risks and opportunities are actively planned in coordination with clients. This dialogue helps in promoting sustainable practices and aligning clients' strategies with long-term environmental and social goals.

Moreover, in line with our Environmental and Social Risk Policy Framework and Sharia'h law, we include specific exclusions in our advisory processes, to ensure that financing is not provided to activities that are detrimental to the environment or society. This approach aligns with international best practices and the Group's commitment to responsible lending.

In terms of securitisation, we have a clear process of defining and aligning on the requirements for determining green or sustainable collateral. This ensures that only assets meeting high environmental and/or social standards are included in securitisation pools.

The Group policy mandates that the use of proceeds from securitisation must be transparent and directed towards sustainable projects. This ensures that the funding is used to support environmentally and socially beneficial initiatives. Our Sustainable Finance Framework guides our approach in terms of Use of Proceeds, clearly aligning with national and international standards for all allocations under the framework.

### **Sustainable Financing Products & Services**

The Group offers sustainable financing products and/or services. The information regarding these products and services is available in our public reporting or corporate website and we report all numbers in AED - UAE Dirhams. As such, in 2023 we have issued a USD 750 million Green Bond—the largest ever by a bank in the MENAT region. This issuance earned multiple awards, including the 'Financial Institution Deal of the Year' award by Bonds, Loans & Sukuk Middle East 2024. Additionally, Emirates Islamic, part of our group, has pioneered in the Sustainability Sukuk market, marking the 1st such issuance from the UAE after the release of ICMA-labelled Sukuk Guidance, guidance to which our bank significantly contributed as part of the global working group. Adding on to these achievements, we have facilitated USD 20.4 billion in green, social and sustainability linked transactions, starting FY 2021. We offer the following sustainable financing products and/or services to our corporate clients.

### **Green Loans, Social Loans, Sustainable Loans**

These loans are specifically designed to fund projects that have positive environmental and social impacts. Green loans are used for projects such as renewable energy, energy efficiency, pollution prevention, and sustainable agriculture. Social loans are directed towards projects that aim to improve social outcomes, including affordable housing, education, and healthcare. Sustainable loans combine elements of both green and social loans to support projects that contribute to overall sustainability goals.

**Sustainability-linked loans:** These loans are tied to the borrower's performance on predefined sustainability targets, KPIs and STPs. Unlike green or social loans, the proceeds from sustainability-linked loans can be used for general corporate purposes, but the terms of the loan (such as interest rate) are linked to the borrower achieving specific sustainability objectives. These targets might include reducing carbon emissions, increasing renewable energy usage, or improving waste management practices. These figures reflect the Group's commitment to supporting sustainable development through our financing activities, ensuring that our lending practices align with broader environmental and social goals.

### **SME Lending**

We define SME loans, as loans which are aimed at SMEs financing for sustainable projects, including energy efficiency upgrades, sustainable supply chain management and waste reduction initiatives amongst others. These loans help SMEs integrate sustainability into their operations, contributing to the broader environmental goals. Consumer Finance:

The Group is focused on catering the needs of the retail clients in the market as well as corporates. As such, we offer a range of sustainable financing products and services to our customers. For example, we have entered the Green Loan space in 2017 with the launch of the Green Auto Loan product. Green Auto Loan product allows the retail client to acquire electric vehicles. During the year 2024, we have booked AED 58 million as at 31 May 2024. To accelerate the adoption of green products we have been organising customer events and customised campaigns.

### **Sustainable Advisory Products & Services**

Emirates NBD has made substantial strides in sustainable finance through its involvement in various fixed income underwriting activities, including green, social, and sustainable bonds. In FY 2023, the bank successfully issued a USD 750 million green bond, which stands as the largest ever issued by a regional bank.

This issuance is part of a broader effort that saw the total value of green and sustainability-linked bonds and Sukuk in the UAE reach approximately AED 15.45 billion.

The Group's dedication to transparency and accountability is evidenced by their public reporting and detailed descriptions available for these instruments. Additionally, the bank has engaged in underwriting sustainability-linked bonds and sustainable securitisation, ensuring all necessary public reporting and descriptions are accessible. The total monetary value of all fixed income underwritten, and securitisation issued by Emirates NBD underscores our commitment to integrating ESG factors into financial products, supporting the UAE's Vision 2030 and Net Zero.

## ESG Risk Management

The Group works continuously to enhance our robust risk management framework and as the group faces a broad range of financial and non-financial risks that has an impact on the business, we can identify long-term risks to stay ahead of the curve in our mitigation plans. These include reputation and regulation.

The global landscape for ESG **regulations** is rapidly evolving. Governments and regulatory bodies are increasingly introducing stringent ESG reporting requirements and sustainability standards. These regulations aim to ensure greater transparency and accountability in corporate activities, particularly concerning environmental impact, social responsibility, and governance practices. As a leading financial institution in the Middle East, Emirates NBD anticipates significant changes in compliance obligations, which may impact our operations and reporting practices.

The evolving landscape of ESG regulations keeps us committed to staying ahead of the curve of the evolving regulations to mitigate the emerging regulatory risks. The Board, together with the BNRESGC is updated monthly on the regulatory national and international scenes that an impact or even potential impacts on our local and international business through our branches and international subsidiaries.

The potential impact of emerging ESG regulations on our business could be substantial. Increased regulatory scrutiny and the need for compliance with new standards may lead to higher operational costs, particularly in areas such as data collection, reporting and sustainability initiatives. Non-compliance could result in financial penalties, legal challenges, and damage to our reputation. Furthermore, the need to continuously adapt to evolving regulations may divert resources from other strategic initiatives, impacting overall business performance and competitiveness.

To mitigate the risks associated with emerging ESG regulations, the Group is proactively enhancing its ESG compliance framework. We are investing in advanced data management

systems to streamline ESG reporting and ensure accuracy. Additionally, we are engaging with regulatory bodies and industry groups to stay informed about upcoming changes and actively participate in shaping the regulatory landscape. Regular training programs for employees on ESG compliance and sustainability practices are being conducted to foster a culture of accountability and transparency. These measures will help us stay ahead of regulatory requirements and minimise potential disruptions to our business.

Furthermore, we strongly consider **reputation** as being the cornerstone of successful business practices and we pay close attention to this matter.

Reputational risk arises from adverse perceptions held by stakeholders about the Group, which can stem from various sources including negative publicity, operational failures or perceived ethical lapses.

In today's digital age, information spreads rapidly, and a single incident can significantly damage our brand image and stakeholder trust. As we expand our operations and engage with diverse communities, managing reputational risk has become increasingly critical.

The potential impact of reputational risk on our business is profound. Negative publicity can lead to a loss of customer trust and loyalty, impacting sales and market share. It can also affect investor confidence, leading to a decline in stock prices and difficulties in raising capital. Additionally, reputational damage may hinder our ability to attract and retain top talent, as prospective employees seek to align with companies known for their integrity and ethical standards. Overall, a tarnished reputation can have long-lasting effects on our business sustainability and growth prospects.

To mitigate reputational risk, we are implementing a comprehensive reputation management strategy as well as policies and procedures. This includes robust crisis management protocols to respond swiftly and effectively to potential incidents. We are also enhancing our stakeholder engagement efforts, ensuring transparent and open communication with customers, investors, employees and the broader community.

Regular monitoring of media coverage and social media channels allows us to identify and address potential issues before they escalate. Furthermore, the Group are committed to upholding the highest ethical standards in all our operations, reinforcing our core values and principles across the organisation. By taking these proactive measures, we aim to protect and enhance our reputation in the eyes of our stakeholders.

## ESG Governance

The Group has aligned ESG within the Group's management strategies, based on which it is creating sustainable social value for the prosperity of customers, local communities, and future generations. The Group has established a systematic governance and is effectively responding to climate change issues. Our governance structure for climate change response is composed of the Board and the Group management.

The responsibilities and roles of the Board and management are clearly defined to ensure effective response to climate change. Each party within the governance structure engages in seamless communication to understand the impact of climate change-related risks and opportunities on our business model and reflect the impact in business strategies and financial planning.

The management of the Group is in charge of executing climate change response strategies. For actual implementation of climate change response strategies, the Group includes ESG metrics in KPIs for the executive management. By incorporating indicators related to the Group's climate change response strategies, such as reduction of carbon emissions and expansion of sustainable financial products, in KPIs, we are strengthening the management's responsibility.

In addition, climate change response strategies are comprehensively reflected in Group risk management for Group-level responses to climate change issues. The climate change governance model is clearly defined in the 2023 TCFD report.

In 2024, has established a Sustainable Finance Forum (SFF) to ensure business development of our sustainable finance (SF) business in line with Group Product Governance Committee including proper governance of the labelling and recording of SF transactions. The SFF will also align customer profiles and related transactions to Environmental & Social Risk Policy to protect the bank from non-financial risk concerns.

The SFF will ensure governance is in place to review approve and endorse the following:

- The categorisation and labelling of lending activity in accordance with the Group's consistent Sustainable Loan Taxonomy and the relevant Loan Market Associations principles such as LSTA/LMA Green Loan Principles ("GLPs"), Sustainability Linked Loan Principles ("SLLPS") and Social Loan Principles ("SLPs") – as well as, for facilitation, ICMA's Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG) and the Sustainability Linked Bond Principles (SLBP) - in order to effectively manage client/transaction level greenwashing risk.



- Clearance and progressing with transactions as well as on borrowing and non-borrowing customer's profiles with either potential ESG concerns or warranting deviations from ESR policy, that have been escalated by risk stewards or senior management.

In particular to promptly respond to internal and external environment changes that result from climate change and evolving ESG regulations, governance should carry out in-depth discussions and decision-making based on expertise and should be able to accurately understand how climate change risks and opportunities impact the company and reflect these factors in management activities in an integrated way.

## Environment Journey

The Group is on an environmental transition journey by reducing emissions from internal operations and increasing investment in green projects which would reflect through reduced financed emissions. The Group is committed to having a positive environmental impact and has taken up the outlined targets to meet the goal of Net Zero by 2050.

Operational Emissions Reduction:

Category	Target	Time Horizon
Emissions Reduction	5% reduction in Scope 1 & Scope 2 per year until 2027 against 2023 baseline	Short-term
	30% reduction in Scope 1 & Scope 2 by 2030 against 2023 baseline	Medium-term
	Net-zero by 2050	Long-term

The detailed methodology on operational emissions and respective figures are available on our annual ESG report and further details on all environmental factors are consolidated into ESG data pack which is available on our corporate website.

## Financed Emissions Reduction

In 2023, for the first time, the Group has expanded its emissions tracking to include financed emissions and published the detailed methodology and subsequent figures in the TCFD report which is available on our corporate website. The Group is in the process of conducting a detailed sectoral glide path to Net Zero including reduction targets which shall be published in 2025.

## Approach to Climate Change

Emirates NBD is amongst one of the few banks in the UAE to publish a detailed climate strategy through the TCFD report. The climate strategy of the Bank is aligned to the Group strategy.

Climate change can pose countless risks for financial institutions due to business relations with various clients. However, climate-related risks can provide new growth opportunities when strategic responses are taken towards the climate change. The Group thoroughly analyses and strategically responds to climate change-related risks and opportunities and strives to create new business opportunities. To this end, the Group first identified climate change risks and opportunities and categorised risks caused by climate change into transition risks and physical risks in accordance with the TCFD recommendations.

Transition risks are risks that arise from the shift towards a low-carbon economy such as policy and legal/technology/market/reputational risks. Physical risks refer to those caused by the physical impact of climate change and can be divided into acute and chronic risks depending on the duration in which a risk factor has an influence. The Group has identified the potential financial impacts of each risk as well as the risks' influence on the financial industry and established a climate change response system.

In addition, by analysing climate change scenarios, the Group has identified the impact of transition risks and physical risks which is published through the TCFD report. The Group conducted a climate risk stress test in 2023 using NGFS scenarios and assessed the impact on expected credit losses over the long term in line with the regulatory guidelines. In order to meet the evolving regulations and as part of commitment to climate change, the Group intends to undertake its first physical stress testing exercise in 2024-2025.

Based on this, the Group will establish and implement advanced strategies for climate change response, thereby developing new growth drivers and promoting sustainable growth.

## Financial Risks of Climate-Change

Transition Risks are those that effect clients who are transitioning to net zero, we have measured our financed emissions as well reviewed our hard to abate sectors as well as their transitions plans. We work actively with our clients on their transition strategies, we have found in this analysis our fossil fuel financing represents less than 1% of our book, and when measured using the PCAF methodology represents 2% of our financed emissions. We have a robust risks appetite for fossil fuel financing which has led to this number. An assessment of transition risks presented to the Central Bank of UAE reflected our efforts to mitigate climate risks.

For the Group, there can be an increased financial burden stemming from compliance with environmental regulations, increase in the necessity to develop green, social and sustainability-

linked products and services, build sustainable asset portfolio, increased costs from converting to eco-friendly practices like adoption of electric vehicles for own operations and alternative renewable energy. The Group may also face deterioration of reliability and profitability of supply chain and asset portfolio when corporate clients, loan borrowers, and investment companies avoid the adoption of green and low-carbon technologies, as cost of non-compliance might be quantified under the fines issued by non-complying with each jurisdiction's regulations.

Physical risks have been identified under our risk management framework and major physical risk factors have been assessed such as the increase in GHG emissions. This has been assessed using the NGFS methodology. In addition, the Group is assessing several additional physical risks factors including sea level rise, temperature increase, precipitation changes. These are measured for the UAE country of operation as this is where the Group has the bulk of its assets.

The Group may also face increased financial burden if a physical risk factor causes damage to the branches or if there is a need for early disposal of existing assets and devaluation of asset portfolios.

Regulatory changes can adjust the business models for corporations, this presents both an opportunity and risk. For example, the new Carbon Border Adjustment Mechanism has impacts on global supply chains for exports entering the European single market. In addition, new sustainability requirements mean that sustainability considerations are now considered a strategic opportunity as well as risk for many of our clients.

### **Financial Opportunities Arising from Climate Change**

In continuation to the risks related or arising from climate change, financial institutions such as ours, look also at the possible opportunities arising from climate change, both in terms of our own operating environment but also in exploring new markets or expanding our sustainable finance offering towards both retail and corporate clients.

To identify such opportunities, the Group has established a 'Sustainable Finance Forum' composed of executive members of our organisation, with the responsibility to ensure that the sustainable finance strategy adopted at a group level is translated through various mechanisms across the Group.

Therefore, delivering sustainable finance is the most significant way in which the Group can support global sustainable development goals as well as UAE's sustainability agenda. Moreover, it enables us to reduce ESG risk in our portfolio and maximise business opportunities emerging from the just transition to a greener, more inclusive economy. More information on the process of evaluation and selection of opportunities from sustainable financing are available in our Sustainable Finance Framework, which is available on our corporate website at [www.emiratesnbd.com](http://www.emiratesnbd.com).

Our materialised sustainable financing and facilitation opportunities are driven by our internal eagerness to contribute to a more sustainable world and power the transitions towards a low carbon economy, but also as a response to the changes in different standards and targets being set by the UAE Government.

In 2023, we have looked at all the opportunities arising from climate change, sustainable finance deals arising from financing and facilitation for a period of four years, with a value of AED 90 billion, covering lending, investing, and facilitating. In terms of lending and facilitating we are looking at wholesale and retail segments as well as at the different type of investments such as green, social, sustainability linked and transition finance. Under our investment opportunity arising from climate change, we note our Green Bond issuance of USD 750 million.

In December 2023, Emirates NBD set a target of USD 30 billion of sustainable financing including transition financing by 2030. Emirates NBD has a developed sustainable finance framework detailing the categories for sustainable finance as well as a detailed ESG risk management approach detailing the risk appetite for sustainability including green financing as well as conventional financing.

### The Group progressing with climate-related opportunities:

**Retail Banking** – The Group has been a leader in green car financing for many UAE customers. The Group has been a leader in many innovations in the EV financing market such as the bundling of EV financing with at home EV charging installation, as well as 0% financing for EV purchases at special promotions. The Group has also supported regional importers as well as UAE manufacturers to manufacture EVs within the UAE.

**Investment Banking** – The Group intends to lead in sustainable investment through green funds as well as green bonds and also offering blue bonds. The investment banking team has won several major awards for green financing in the UAE, ensuring clients tap into this growing market.

**Corporate Banking** – Emirates NBD offers green project finance and was the first UAE Bank to offer carbon futures trading launched in the lead up to COP28, in addition the Group offers a number of Green Loans for corporates as well as sustainability linked loans.

**Carbon Trading** – The Group aims to continue being at the forefront of the rapidly evolving carbon trading landscape in the region, providing clients with the flexibility to deal in carbon credits as they reach their sustainability goals. The Group has taken the lead in UAE in offering carbon future contracts trading, fulfilling growing demand from corporations to manage their carbon emissions offsetting and align with the UAE's Net Zero action plan.

## Physical Climate Risk Adaptation

In 2024, we aligned and became official signatories of the Principles for Responsible Banking (PRB). Aligning to a Net-Zero standard allows the continuous growth of the Group ESG agenda, aligning business strategy with the SDGs and integration of climate and transition risk into the Group risk strategy. The Groups shall align with the six principles of the PRB framework which are Strategy Alignment, Client & Customer, Governance & Culture, Impact & Target Setting, Stakeholders and Transparency and accountability.

The Group intends to initiate an assessment of physical risks in 2024. As such, we are in the process of establishing our approach to Physical Climate Risk and integrating this into the Group's risk management processes. We are assessing the key risks as defined from the Central Bank of the UAE 'CBUAE' guidelines with respect to Physical Risk, such as Sea Level Rise and Flood Risk, as well as Water Stress, Heat Stress, Extreme Precipitation, Wildfire, Drought, Landslides and Earthquakes, and evaluating their impact on the Group. This will form the basis for us to define a plan for the Group to adapt to identified Physical Climate Risks.

The Group has an established physical risk adaptation plan that is detailed as follows:

Phase 1 – An assessment of climate data projections is performed consistent with current and future data for different time horizons.

Phase 2 – Operational site impacts are performed to assess physical risks from climate change to physical assets.

Phase 3 - Safety, cost and productivity impacts are performed across the Group to ensure physical climate change factors are added to business resilience planning.

Phase 4 – Financial impacts including value at risk modelling occurs incorporating assessment results into internal planning models to understand physical asset value at risk and potential value at risk.

Phase 5 – Incorporation into business planning and investments embedding considerations of value at risk models into internal business planning processes and enhancement of resiliency.

## Climate-Related Incentives

The Group senior leadership team is committed to a 5% Scope 1 & Scope 2 emissions reduction as reflected in the Senior Leadership remuneration scorecard. This is identified for the UAE operations for the financial year 2024. The senior leadership are also committed in their score card by launching new sustainable finance products., as well as the Emirates NBD Sustainable Finance target which is USD 30 billion by 2030.

The Group embraces sustainability internally and externally through our continuous environmental initiatives that are not just dedicated to the communities we serve but to our



internal employees as well. In celebration of World Environment Day at Emirates NBD, the Bank hosted a day of celebration for our employees where we conducted engaging activities such as planting, quizzes and games dedicated to promoting sustainability and environmental awareness. For example, an environmental edition of spin the wheel was conducted to raise environmental awareness and was incentivised by prizes such as gift cards and other monetary and non-monetary awards.



Over the years, the Group has implemented numerous initiatives on our road to Net Zero. In 2024, the 'Eco-supporter' initiative was launched to provide our employees an opportunity to make a tangible impact on our environmental footprints across all offices and branches. Employees could share their innovative ideas and proposals on how we can further reduce our emissions across all locations and specifically related to electricity reduction, water conservation, paper usage reduction and plastic use reduction.

The objective of this initiative is to foster an inclusive ESG culture wherein the winning ideas shall be implemented while recognising employees for their impactful ideas.

In efforts to recognise impactful sustainability initiatives adopted by our staff in their personal lives, a Green Champion initiative was launched where we invited our employees who are championing the environmental cause behind the scenes to submit their stories. The sustainability initiatives were wide ranging from re-forestry projects, growing their own food, composting at home, reducing energy consumption, supporting sustainable products and businesses and many other eco-friendly practices that combats climate change.

In recognition of our employee's outstanding story, we featured our first Green Champion story on our public website, our distinguished employee adopted the Miyawaki method for forestation in her hometown. Miyawaki forests grow 10x faster, are 30x denser and contain 100x more biodiversity. The Employee's efforts in adopting this method have seen over 100 trees, consisting of fruit trees, shrubs, and natural pesticide plants. Further information on our Green Champion initiative can be found on our public website.

## **Decarbonisation Strategy**

The Group decarbonisation strategy is aligned to the UNSDGs (United Nations Sustainable Development Goals) with an intent to support UAE's national path to climate neutrality by 2050. The Group is committed to exploring and implementing strategies to decarbonise its operations and financing across Scope 1, Scope 2 and Scope 3 emission. To progress the Net Zero journey, Emirates NBD has become a signatory to Principles for Responsible Banking (PRB) and will be reporting as per PRB guidelines in the future annual ESG reports. Concurrently, internal engagement is initiated with key stakeholders to develop the transition plan towards achieving net zero, in alignment with the PRB framework, the UAE's Net Zero 2050 goals, and the UAE Nationally Determined Contributions (NDCs) of 2030. This transition plan will include setting specific net zero targets for financed emissions at a sectorial level, ensuring alignment with both international and national sustainability standards.

## **Scope 1 and Scope 2 Emissions**

For Scope 1 and 2 emissions, which relates to internal operations, the Group is implementing several internal initiatives aimed at supporting this reduction, with a preliminary goal of achieving a minimum reduction of 5% per year. The initiatives are available on the 2023 annual ESG report and few initiatives are included below:

- Switching to renewable energy sources - The Group has reported renewable energy consumption details and associated kWh consumption since implementation of solar panels effective 2022.
- Transitioning to hybrid vehicles and electric vehicles (EVs) – The Group intends to upgrade the owned vehicles fleet to electric/hybrid vehicles. This shall be implemented in a phase-wise manner to transition eventually to green energy for fuel consumption in transportation.
- Increasing the use of staff transport - Emirates NBD offers employees with an option to avail company transportation through a fleet of buses which offers ease of commute from nearby home location to offices within UAE. In 2024, route optimisation exercise was done to increase the usage of company transportation by including areas which were not covered in the previous operation. As a result, 640 employees chose to avail of company

provided transport services instead of using personal vehicles. In addition, the Group intends to transition to electric/hybrid vehicles for these services.

The Group is continually looking for new and additional methods to support our internal emissions reduction, including engaging with staff across the Group to collate any innovative ideas. These initiatives aim to not just eliminate emissions from internal operations but also support our employees in reducing their carbon footprints.

### **Scope 3 emissions**

The Group understands the critical role it can play to support in transition financing opportunities and decarbonisation strategies to achieve a low-carbon economy. In 2023, for the first time, Emirates NBD has expanded its emission tracking to include financed emissions along with emission intensities and disclosed it through the 2023 TCFD report. The data and the methodology used for estimating financed emissions are evolving with regulations and industry practices. The Group plans to update the approach and methodology in line with these and craft a futuristic transition plan to include specific net zero targets at a sectoral level. In particular the five largest emitting sectors will be analysed, which will serve as the baseline for establishing our net zero strategy.

This approach underscores the Group's commitment to integrating Environmental, Social and Governance (ESG) considerations into our business operations, aligning with both international and UAE-specific sustainability standards and goals.

The Group is investing in sustainable projects as part of its sustainable financing efforts. A few projects are highlighted below.

- Large concentrated solar park in UAE
- Financing of zero-emission vehicle taxi fleet in Dubai
- Large agricultural wastewater plant in Egypt
- Circular manufacturing unit which uses 100% wastepaper/cardboard as raw material to produce packaging cartons and related products
- Green commercial and residential real estate

### **Key Environment Initiatives:**

#### **Facility Management**

Our facility management is no stranger to our sustainability journey, in 2024, we successfully installed 336.6 kWp solar capacity and we have an estimated capacity of 1258 kWp ongoing solar panels installation by the end of 2024.

2024 Solar Panels (UAE)	
Total Solar Capacity (kWp)	1,624.6
Total Estimated annual generation (kWh)	2,703,289
Total UAE portfolio consumption 2023	63,001,239
% Green energy generation	4%

### Meydan Smart Building

Our iconic Meydan Parking Building is owned by the Group is a smart building equipped with state-of-the-art parking technologies and innovation such as Automatic Number Plate Recognition (ANPR), Autopay Stations, Parking Management System, Solar Technology, Parking Counter Display and EV Charging Stations amongst many others. In keeping up with our commitment to the environment, the building is powered 50% by efficient solar technology which makes it the first Emirates NBD building to generate ‘Green’ energy. The building has a spectacular night view with sky blue that calm the eyes and create a relaxing sensory visual. The floors are named after planets, as a tribute to the U.A.E.’s pathbreaking journey to Mars and was fully commissioned on 25 August 2022. The building is located at Emirates NBD Meydan Office, Nad Al Sheba 1 and spans an area of **352,338 Sq Ft**. It features **nine floors with a total of 887 parking slots** and the building will accommodate cars belonging to our staff and visitors. Emirates NBD has contributed to the green eco-system with installation of electric vehicle charging stations at select branch locations.

### Electronic Waste Management

In 2024, we have successfully completed the donation of IT Assets to ECYCLEX. Group IT donated IT equipment to support digital education for aspiring students in underprivileged areas. The donation was done through ECYCLEX to “The Digital School” the “Mohammed Bin Rashid Al Maktoum Global Initiatives” The assets included Laptops, Desktops, Printers, Scanners, Monitors and accessories. A total of 5,220 devices were donated that weighed 10,868 KG’s.

Asset Type	Device Count	~Total Weight (KGs)
Monitor	1358	4346
Desktop	1178	1531
IP Phone	384	576
Laptop	836	1003
Scanner	193	1930

<b>Printer</b>	97	970
<b>Docking Station</b>	70	70
<b>Telephone</b>	4	2
<b>Power Adapters</b>	1100	440
<b>Total</b>	<b>5,220</b>	<b>10,868</b>

## Social Impact

The Group acknowledges its significant impact on society. As one of the largest banks in the Middle East we have a vital role in driving social impact and change. Our commitment to social sustainability is continuously growing through our internal and external initiatives as we continue to strive to create a positive change on our employees and the communities we serve. The social impact section showcases our latest social achievements from Emirates NBD and reinforces our Group's value when it comes to serving our employees and communities. Emirates NBD's commitment to social impact is exemplified through our exchanger's volunteering programme. The exchanger's program is our award-winning volunteering programme that creates opportunities for employees, their family, and friends, as well as our business partners to volunteer for community service and make a difference. This initiative not only fosters a sense of purpose among our staff but also creates tangible benefits for the communities we serve. Volunteering opportunities consist of categories such as community development like Ramadan activities, migrant worker initiatives, school painting, and Eid shopping with children. Environmental activities such as ocean clean ups and mangrove tree planting. Assisting people with disabilities by a unity run, art session with student of disabilities and classroom assistance. In addition, to health and wellness volunteering activities. Overall, we have 780 active exchangers, 288,680 beneficiaries, 7,520 volunteering hours and 7,495 volunteer deployments.

## Labour practices

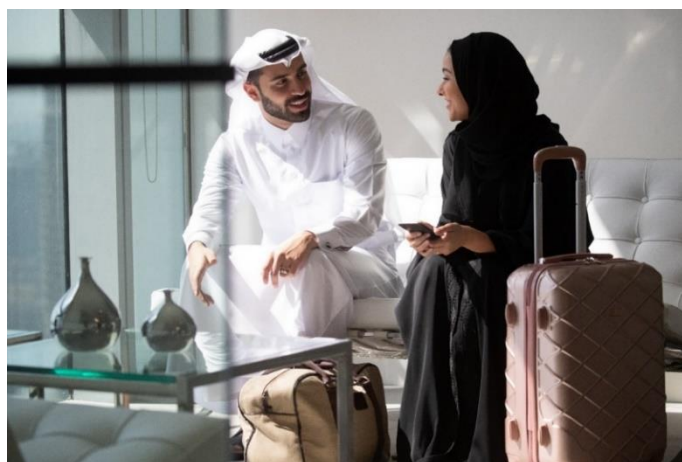
Collective bargaining and labour association is not permitted under the UAE law; nevertheless, we adhere to the relevant rules and regulations in every region we operate. Emirates NBD follows the UAE federal law's legal requirements concerning labour relations and the employment of minors. The same rule applies to our vendor and suppliers, in addition, none of Emirates NBD employees are covered or represented by collective bargaining agreements as per the relevant rules and regulations in the UAE.



## Human Capital Management

At the Group, we closely monitor our employee's wellbeing and engagement to foster a happy place to work in and ensure positive productivity. In order to commit to our values and serve our employees, we continuously encourage transparent and honest feedback from our employees. While giving full anonymity to the employee, we conduct an annual comprehensive survey called, Souwti, which means "My Voice" in Arabic, emphasising the importance of our employee's voices and opinions. The Souwti survey is conducted annually to target and measure the level of satisfaction among employees through several parameters such as flexibility, care and work-life balance, Job satisfaction, happiness, and general employee wellbeing.

In 2024, 86% of our employees responded to the survey to share their feedback in which we have received a result above the global benchmark, Our Souwti champions continue to be strong contact points and our voice in the business. Moreover, several employee engagement initiatives were conducted in 2024 such as strategic reviews and action planning workshops with each unit leadership team that deep dived into the results and gave them external as well as internal best practices and Coffee Chats continued with engagement experts to spread best practices and support. We are also working with Unit leaders on action planning this year to get a better focus on our engagement goals as well as conducting focus groups are conducted to increase engagement through awareness and action planning.



Emirates NBD celebrates mental health week annually and in 2023, we conducted a wellbeing fair with over 2000 employee participants across our different locations. The wellbeing fair also included 10-12 check-ups, distribution of flu shots and first-aid masterclass sessions.

In addition, several sessions on mental health were conducted based on feedback from our insurance and staff such as Brain Health and Mental Exercises, Nutrition and Mental Health and Handling Stress and Anxiety at Work and Staying Calm and Flexible in Stressful Situations.

## Speak Up

Speak Up provides employees a safe and confidential platform to report any unethical or unacceptable behaviours in the workplace. It is crucial to protect employees' rights and address their concerns fairly and objectively, which is why we have ensured that the Speak Up platform

has a clearly defined process. The process ensures that the investigation of the complaints is consistent and fair across the entire Group regardless of seniority, position, or contribution to the Bank.

The process begins with reporting where the employee uses one of our Speak Up Channels to report a grievance which is either through an email or a form. The revision and investigation process begins once the Employee Relations “ER Team” team receives the case. There is often a follow-up process conducted during the investigation to keep the employee informed of the progress. Finally, the ER Team responds to the employee confidentially and recommends corrective measures based on case outcome.

Our Grievance Policy has defined the key roles and responsibilities in the Group. For instance, Line Managers have a day-to-day responsibility for this procedure and employees should direct any queries to their line manager as a first point of escalation. Moreover, we ensure that Human Resources Business Partners oversee the implementation of the policy and support line managers in conflict resolution.

### **ESG Talks**

Emirates NBD is actively promoting awareness on ESG education through its innovative initiative, the monthly ESG Talks webcast, broadcasted live. So far, four insightful sessions have been conducted, each addressing crucial sustainability topics. The first session focused on food composting, highlighting its benefits and practical implementation. The second webcast delved into sustainable fashion, exploring eco-friendly practices in the fashion industry. The third session discussed transforming plastic waste into valuable resources, showcasing innovative recycling techniques. We also hosted a live session, in celebration of World Environment Day, that featured a panel discussion on mobilising climate finance, with distinguished speakers from Emirates Foundation and the Ministry of Economy, emphasising the critical role of finance in driving climate action. Through these diverse and engaging talks, Emirates NBD is fostering a deeper understanding and commitment to ESG principles among its audience.

### **Cyber Security**

Emirates NBD is proactively promoting cybersecurity awareness by hosting multiple online sessions. These sessions delve into the current cyber-threat landscape, enabling participants to identify and counter emerging threats effectively. By exploring strategic approaches to enhancing cyber defences, the bank ensures that its employees are well-equipped to tackle potential risks. Additionally, Emirates NBD offers comprehensive training courses on cybersecurity, providing in-depth knowledge and practical skills to bolster the organisation's overall security posture.

## Financial Inclusion: Products and Services

The Group conducts all banking services in a responsible and sustainable manner to generate positive impact on our customer base. Expanding our financial services is one of our commitments and that includes the inclusion of our identified underserved groups. By offering customised solutions that align with the identified customer base and the Group's strategy, we continuously engage with external and internal stakeholders on developing inclusive financial solutions.

To foster a sustainable economy, we strive to offer our younger audience access to financials through our Liv digital banking platform. Liv has more than half a million customer and is focused on fulfilling the unique financial needs of Generation Now, comprising Gen Y's and Gen Z's through innovative offerings and a superior digital experience. Our key products in the Liv application consists of multiple accounts that cater to different needs such as:

- Liv Money Ahead: a rewarding fixed deposit account providing upfront 4%, with a lock-in period of 120 days
  - Liv Young: enables parents and guardians to open a mobile-based account for their children and ward between the ages 8 and 17
  - Liv Bonus Multiplier Account: a gamified savings/current account providing up to 3% increment on salary for banking more with Liv
- Liv Goal Account: a savings account through which customer can set specific goals and set up rules to save for them in a targeted way

## Financial Inclusion at DenizBank

DenizBank has a clear and specific definition for the “underserved population groups” and offers a set of Sustainable Finance products targeting them. Referring to DenizBank's Sustainable Finance Framework where the Bank recognises Agri loans disbursed in the low-income areas, disaster relief lending and SME lending in the developing regions. For instance, DenizBank offers lending to youth SME's and Women SME's which is categorised as vehicles to tender financial inclusivity.

When it comes to Agri loans DenizBank offers Producer Cards and launched From Sea to Soil (Deniz'den Toprağa) Digital Application. Both agricultural products targets farmers and the agricultural sector. The products are specifically designed to relieve accessibility issues due to physical and financial reasons affecting the agricultural sector.

Producer Card is a product that aids micro-farmers without the means to receive financing through conventional collateral schemes and crop specific repayment plans and the amount of Producer Card owners among our agricultural clients is above 550,000. Additionally, From Sea

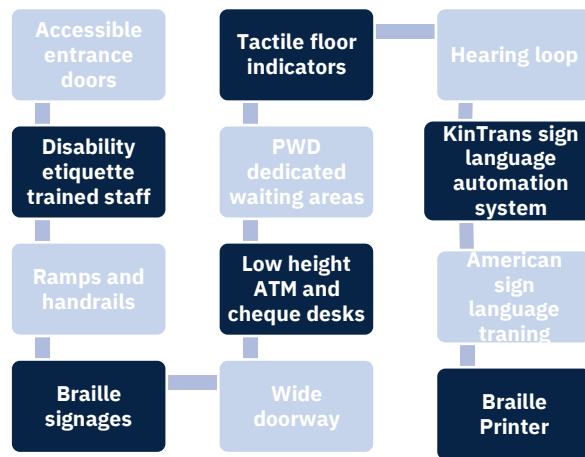
to Soil App is a digital solution that provides the customer with agricultural expertise and financial guide aiming to increase their harvest efficiency while easing their access to financing.

**Financial Inclusion: Non-Financial Support**

By committing to our goal of having accessible banking services, our services to underserved groups goes beyond the financial ones, as we always strive to maintain our inclusive momentum by catering different groups within our society.

It is important for us to fulfil the needs of underserved groups and ensure that our branches, services and products are tailored to their needs. As at June 2024, Emirates NBD has a total of 49 disability friendly branches. Our DFB ensure include disability friendly features which demonstrated in the below figure.

**Disability Friendly Branches Features:**



**Financial Wellness**

Financial education and empowering our employees and audience on how to manage money is one of our commitments that we maintain. In 2024 and in celebration of International Women’s Day, we conducted a financial literacy workshop with more than 200 female participants. In efforts to increase women’s financial inclusion, the workshop aimed to unlock women’s financial confidence through mastering money management and equipping them with the correct knowledge to help them think comprehensibly about their financial health. The session was designed for the everyday working woman whether they are a seasoned investors or just beginning their financial journey.



Emirates NBD has launched many public service campaigns on safe banking over a span of several years. In addition to our internal efforts in financial education, Emirates NBD organises ongoing initiatives to remind customers on safe banking practices in efforts to combat fraud.

To commemorate Labour Day, Emirates NBD organised an event for labourers at the Polaris Camp, Dubai Investment Park, supporting the community in combating fraud and increasing customer awareness on fraud prevention. The event featured videos on safe banking practices and a skit performance on fraud prevention and it was concluded with the distribution of gifts.

Emirates NBD takes leverage of the power of online platforms to promote financial literacy through content that demonstrates financial wellness topics through our social media content and websites to raise further awareness on financial literacy to the public. In 2024, we officially launched our Financial Wellbeing website that is designed to deliver an initiative to create impact towards the prosperity of the community by positively influencing behaviours towards finances.

The Financial Wellbeing with Emirates NBD website is a source of simple and engaging information to help improve the public's financial knowledge and learn about different behaviours and trends that covers topics like Spending, Investing, Borrowing and other Useful tools. Please visit our Financial Wellbeing website for further information [Financial Wellbeing with Emirates NBD](#).



التثقيف  
المالي  
مع بنك الإمارات دبي الوطني



Financial  
Wellbeing  
with Emirates NBD

The Group is committed to working towards expanding the range of financial and non-financial services to support the dimensions of inclusion through our products and services. Further information on customer inclusivity and our products and services can be found in our 2023 annual ESG report.

## Responsible and Ethical Business

The Group is committed to ethical business practices and is compliant with applicable Anti-Bribery and Corruption laws in all countries where the Group carries business. Our Anti-Bribery and Corruption Policy highlights our zero-tolerance approach towards Bribery and Corruption in any form or shape and including any form of charitable contributions and sponsorships intended for the misuse of funds towards corruption bidding as our policy details that no political contributions can be made on behalf of the Group, its subsidiaries, or its international offices to



candidates for public office, elected officials, political parties, or political action committees. In addition, the Group may receive requests from external parties, such as charities or voluntary organisations, for donations or sponsorships of publications or events and all such requests will undergo appropriate due diligence to ensure they align with the Group's social responsibility statement. When it comes to contributions and sponsorships, they must be made directly to the legitimate organisation associated with the relevant charitable cause, publication, or event, and not through intermediary parties. Moreover, all charitable donations and sponsorships made by the Group should be categorised under Gifts or Hospitality and must be recorded for transparency.

Our Group Policy Repository underlies our commitments to the regulatory requirements and includes further information on our Group Anti-Bribery and Anti-Corruption policy. More information is available at our corporate website.

### Customer Relations

Ensuring the satisfaction of our customers is central to the culture of Emirates NBD as we appreciate customer feedback and aim to enhance our services by actively by listening to them. The Group has a complete Voice of the Customer Program that measures key customer experience KPIs across three types of customer interactions as seen below:

- **Relationship Programme:** We measure monthly all Relationship KPIs such as NPS, CSAT, retention, RM evaluation and product satisfaction across PSB, PRB, RSME and BUB customers.
- **Transactional Programme:** We measure monthly the satisfaction of our customers with their recent transactions across all touchpoints such as Branches, ATMS, CDMS, online banking, ITM, RBS, IIS etc. across PSB, PRB, RSME and BUB customers.



### Lobbying and trade associations

Our policy influence is evident in our strong social contributions. Demonstrating our commitment to the wider community as we allocate substantial resources to charitable initiatives, supporting a range of causes from education to healthcare projects that aid those in need. We are consistent with our commitment to transparency and ethical practices, Emirates NBD has not contributed or made any expenditures to political campaigns or organisations, nor have we funded



organisations lobbying trade associations. We strictly prohibit any form of political involvement, including lobbying and political expenses.

## Disclaimer

These materials are not intended to provide any legal, tax, compliance, accounting or risk advice or any consulting, rating agency or environmental, social and governance and sustainability (“ESG”) rating agency advice, nor are any materials provided by us intended to identify, evaluate or advise you as to any potential legal, reputational or other risks. The information and any examples provided have not been evaluated or verified for effectiveness, quality, accuracy or risk and none of Emirates NBD or its affiliates is endorsing any particular approach to ESG, any particular ESG investment strategy or any particular ESG standards, ratings or metrics. It should be noted that no universally accepted framework (legal, regulatory, or otherwise) currently exists, nor is there a market consensus in terms of what constitutes a ‘sustainable’, ‘responsible’, ‘traditional’, or equivalent ‘ESG’ investment, product, or offering. ESG standards and regulatory requirements may vary significantly across different jurisdictions. Accordingly, no assurance can be given to investors that an investment, product, or offering will meet any or all investor expectations regarding their ‘green’, ‘ESG’, ‘sustainable’, ‘responsible’, or other equivalently labelled objectives or that no adverse environmental, social, and/or other impacts will occur. Depending on your country of residence or incorporation, there may be specific local requirements or standards that this document does not fully address. We encourage you to consider your local requirements and your own ESG criteria and objectives when selecting our products and services. These materials are subject to the recipient’s own review and assessment from a legal, tax, compliance, accounting policy, financial, strategic, ESG, and risk perspective, as appropriate, and the recipient should consult with its own legal, tax, compliance, accounting, financial, and ESG advisors prior to entering any transaction. This document is not intended to be legally binding or to give rise to any legal relationship between the recipient or any other person whatsoever and any person or entity within the Group. The information and opinions expressed herein are made in good faith and are based on sources believed to be reliable but no representation or warranty, express or implied, is made as to its accuracy, completeness or correctness. Neither Emirates NBD nor any of its directors or employees give any representation or warranty as to the reliability, accuracy or completeness of the information, nor do they accept any responsibility arising in any way (including by negligence) for errors in, or omissions from the information. All information and opinions contained in this document should not be regarded by the recipient as a substitute for the exercise of their own judgement. In the provision of this document to the recipient Emirates NBD is not acting in the capacity of a fiduciary or financial advisor. Neither Emirates NBD, nor any of its directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or part of this document

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## Definitions

- **Group:** Emirates NBD Bank P.J.S.C. and all its subsidiaries including international offices excluding DenizBank
- **Emirates NBD, Bank:** Emirates NBD Bank P.J.S.C. and all its subsidiaries, Liv
- **DenizBank:** DenizBank A.Ş.
- **BNRESGC:** Board Nomination, Remuneration and ESG Committee
- **Board:** Board of Directors
- **CBUAE:** Central Bank of the UAE
- **CDP:** Carbon Disclosure Project
- **COP28:** 28th Conference of the Parties
- **ESR:** Environmental and Social Risk
- **ESRPF:** Environmental and Social Risk Policy framework
- **KPIs:** Key Performance Indicators
- **MENAT:** Middle East and North Africa and Türkiye
- **PCAF:** Partnership for Carbon Accounting Financials
- **TCFD:** Task Force on Climate-Related Financial Disclosures
- **UNGC:** United Nations Global Compact
- **UNSDGs:** United Nations Sustainable Development Goals
- **GHG Emissions:** Green House Gas emissions.