

ABU DHABI COMMERCIAL BANK PJSC

# 2023 ADCB ESG REPORT

البنك التجاري  
أبوظبي

بنك أبوظبي التجاري

ADCB





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# About this report

## Purpose of this report

This Group ESG (Environmental, Social and Governance) Report complements our 2023 Annual Report and 2023 Corporate Governance Report, providing further information on our sustainability strategy, performance and progress over the year. It represents an additional channel in our communications with stakeholders, promoting transparency on how ADCB mitigates risks and harnesses opportunities.

## Scope of this report

The data and information in this report reflect activities undertaken during the 2023 fiscal year (1 January – 31 December 2023). The report includes information about the ESG performance of Abu Dhabi Commercial Bank PJSC, and all its subsidiaries, including branches within and outside of the UAE. For the full list of entities, please refer to 'Scope of reporting' in the ADCB ESG Key Performance Indicators (KPIs) section.

### Reach us

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## Reporting standards

This ESG Report has been prepared in accordance with international and national reporting standards and guidelines;

- Global Reporting Initiative (GRI) Standards
- The Sustainability Accounting Standards Board (SASB) 'Industry Standards'
- Taskforce on Climate-related Financial Disclosures (TCFD) recommendations
- Abu Dhabi Securities Exchange (ADX) ESG Disclosure Guidance for Listed Companies
- The UAE Securities and Commodities Authority (SCA) sustainability disclosure requirements

These frameworks are designed to provide investors with relevant non-financial information that enables them to make strategic decisions about material sustainability metrics that impact long-term value creation.

## Assurance

We have obtained independent limited assurance on the preparation of selected environmental and Human Resources (HR) metrics disclosed in accordance with the calculation methodologies detailed in this report. For further details please refer to [the independent limited assurance report](#). For the remaining metrics, we have adopted an internal review and approval process as part of our approach to ensure the quality and accuracy of reported data.

## 2023 ADCB reporting suite



2023 Annual Report



2023 Corporate Governance Report

## Other key ESG publications in 2023



2023 Green Bond Report



Sustainable Finance Framework



Environmental and Social Risk Management Policy



Other ESG-related policies and disclosures

# ADCB at a glance

## A leading UAE bank with a growing market share

ADCB is a major UAE financial institution, playing a central role in supporting the country's progressive agenda for sustainable economic growth. The Bank provides a diverse range of products and services to corporate and individual customers, delivering service excellence and a seamless digital experience.

### Diverse workforce with Emiratisation as a key strategic priority

2,096

Emiratis employed

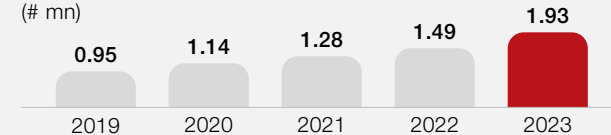
80+

Nationalities

### Service excellence driving customer growth

1.9 mn+

ADCB retail customers<sup>(1)</sup>  
(# mn)



73

Bankwide net promoter score<sup>(1)</sup>

89%

Customers registered on Internet & Mobile Banking<sup>(1)</sup>

(1) ADCB UAE only  
(2) Based on ADCB's year-end financials and data available from the UAE Central Bank as at 31 December 2023  
(3) Through its wholly owned subsidiary One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC

AED

567 bn

Third largest bank by total assets in the UAE

16.3%

Market share – loans<sup>(2)</sup>

14.4%

Market share – deposits<sup>(2)</sup>

96%

Operating income derived from the UAE

### Geographic footprint

48

ADCB branches in the UAE

8

Al Hilal branches in the UAE

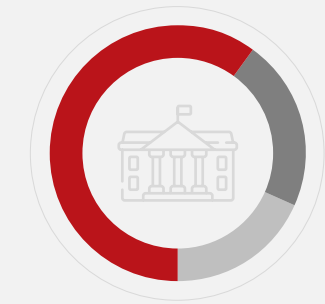
3

Al Hilal branches in Kazakhstan

50

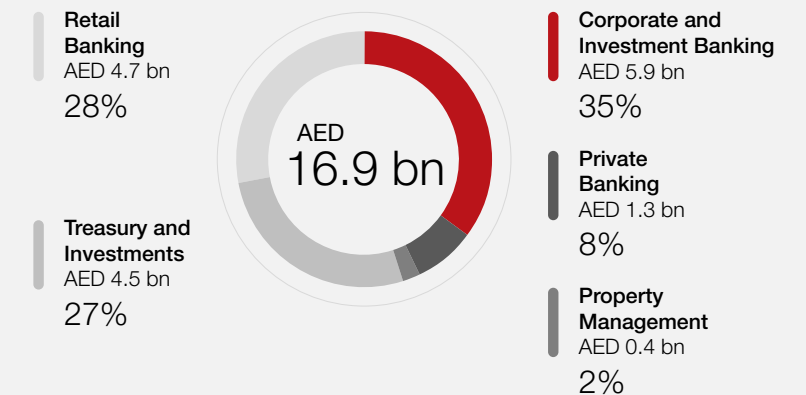
ADCB Egypt branches

### Ownership structure



Mubadala Investment Company<sup>(3)</sup>: 60.20%  
Free float domestic investors: 21.64%  
Free float foreign investors: 18.16%

### Contribution to operating income by business segments

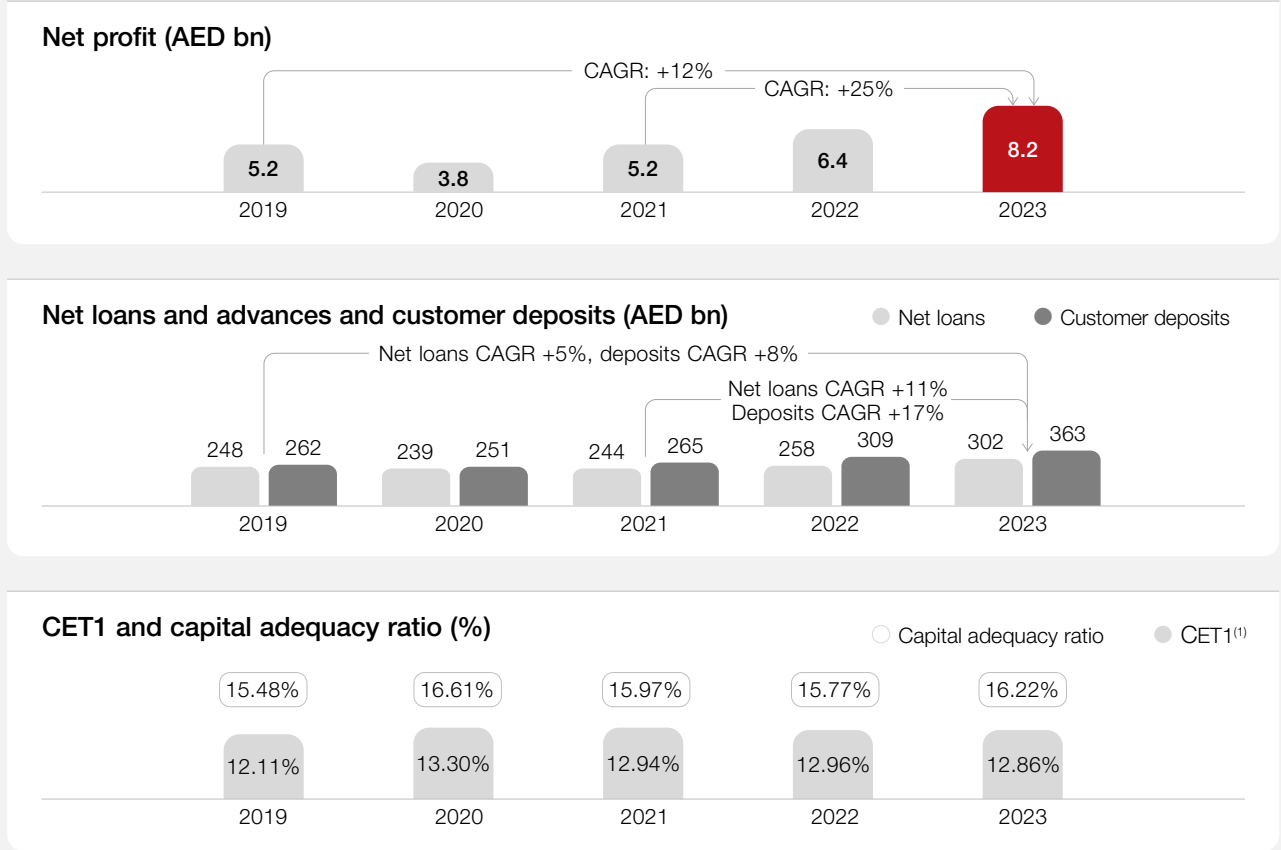




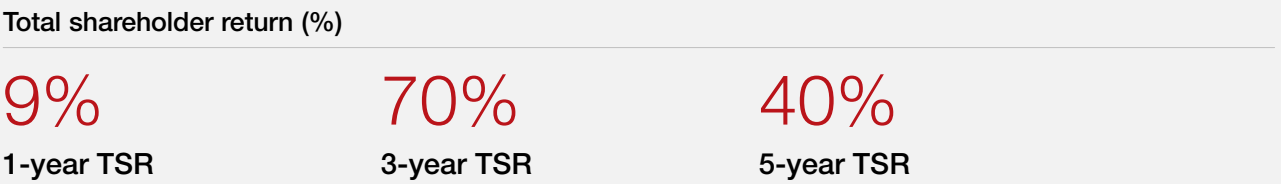
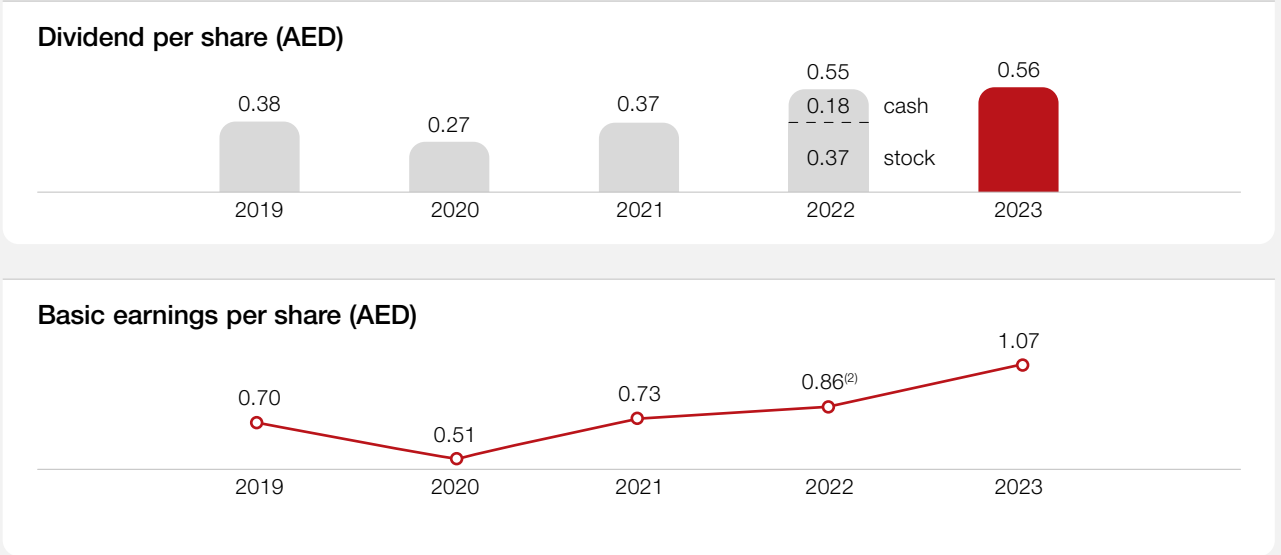
# ADCB at a glance

Driving significant growth and creating long-term value for shareholders

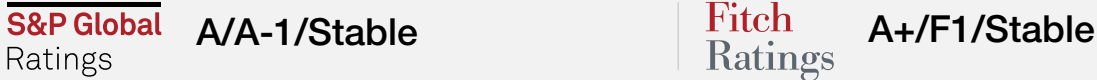
## Growing franchise strength



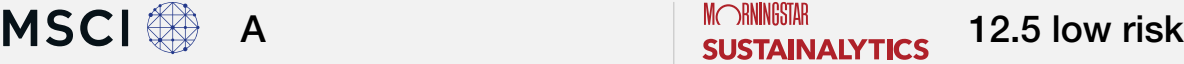
## Long-term shareholder value creation



## Credit ratings



## ESG ratings<sup>(3)</sup>



(1) Post 'proposed dividend'  
(2) Restated for stock dividend issued in 2023  
(3) ADCB is the highest ranked among diversified and regional banks in the MENA region by Sustainalytics as at 25 March 2024. Source: Sustainalytics Ratings Portal MSCI ESG rating as at 25 March 2024. Source: MSCI Ratings Portal

# Creating stakeholder value

Our value creation is underpinned by a strong foundation of robust corporate governance, strategic risk management and a commitment to the customers and communities we serve.

## Our strengths



### Leadership

ADCB benefits from an experienced Board of Directors supported by a highly skilled Executive Management team, who actively promote a healthy organisational culture and ensure robust operational efficiencies.

### Talent

The Bank employs a diverse workforce from over 80 nations, including 2,096 UAE nationals, united by shared values and an inclusive, high-performance culture.

### Innovation and partnerships

ADCB continuously enhances its digital capabilities and partnerships, while using advanced data analytics to make banking more accessible and secure.

### Service excellence

ADCB is dedicated to understanding customer needs and leverages data-driven insights and innovation to provide an exceptional customer experience.

### Governance

The Bank has a strong and effective governance framework, based on the highest standards of international best practice. It provides the foundation for long-term success and demonstrates the integrity and transparency our stakeholders expect.

### Resilience

We are a domestic, systemically important bank with more than AED 567 billion in total assets, robust liquidity, and strong credit ratings.

### A responsible bank

Sustainability is a key focus of the Bank's strategic agenda. We are committed to maximising ADCB's contribution to the UAE's ambition for an inclusive, net zero economy through a range of ESG initiatives.

### Brand

ADCB maintains substantial brand value and attracts a growing base of more than 1.9 million customers.

### Diverse ownership

ADCB is 60.20% owned by Mubadala Investment Company (through its wholly owned subsidiary, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC). The Bank has a growing share of foreign institutional ownership at 18.16%.

## About ADCB



### Our vision

To be the number one bank of choice in the UAE.

### Our mission

To build partnerships with customers that last a lifetime by acknowledging every customer as an individual, offering innovative products and unparalleled service, and understanding that customers have a choice.

### Our strategic goals

To deliver sustained, profitable growth to create long-term benefits to stakeholders.

### Our values

- Integrity
- Care
- Ambition
- Respect
- Discipline

### Our business segments

- Retail Banking Group
- Private Banking
- Corporate & Investment Banking Group
- Treasury & Investments Group
- Property Management

### Our key subsidiaries



## Delivering stakeholder value



### Employees

Fulfilling careers, competitive benefits and rewards with professional development.



### Customers

Protecting and growing the wealth of more than a million customers, from individuals, SMEs and large corporates to government entities.



### Community

Playing a role in the socio-economic development of the country. Guided by the vision of the UAE leadership, the Bank is fully committed to initiatives that create a diversified and sustainable economy.



### Regulators/Government

Engaging with relevant authorities to support a responsible regulatory framework.



### Investors

Delivering robust returns and long-term sustainable value to shareholders.



### Partners

Working with numerous suppliers, providing them with new business opportunities and timely payments.



# The UAE context



## Alignment with the UAE's ambitions

In 2023, which was declared by the UAE as ‘the Year of Sustainability’, ADCB made strong progress on its broad ESG agenda, with a particular focus on climate in support of the [UAE's Net Zero by 2050 Strategic Initiative](#).

Building a more sustainable, climate-friendly and inclusive economy is a priority for the UAE. The country was the first in the GCC to commit to net zero, and formally set out its decarbonisation strategy in the ‘[Net Zero by 2050 Pathway](#)’ in late 2022.

Reflecting the country's preparedness to take a leadership position, the UAE hosted COP28, the United Nations global climate conference, in November-December 2023 to review global progress towards the targets of the landmark 2015 Paris Agreement.

The country also published its own medium-term target of achieving a 19% reduction in greenhouse gas emissions by 2030, compared to the 2019 baseline, along with sector-specific decarbonisation targets. In the context of this clear policy direction, ADCB adopted an enhanced climate strategy in 2023. The Bank is providing substantial financing for initiatives to promote sustainability, while supporting clients in their transition to a net zero economy, including through the provision of a suite of green products and services.

This approach reflects the belief that investment in the UAE's transition to net zero represents significant economic opportunity, and that major financial institutions have a critical role in financing and supporting customers on their paths to a successful transition.

## The UAE Consensus: the landmark agreement at COP28

The UAE led 198 countries at COP28 to a historic agreement that sets out ambitious actions on climate to keep the 1.5°C target of the Paris Agreement within reach.

The UAE Consensus calls on parties to transition away from fossil fuels to reach net zero, encourages them to submit economy-wide Nationally Determined Contributions, includes a new specific target to triple renewables and double energy efficiency by 2030, and builds momentum towards a new architecture for climate finance.



## UAE Government's climate commitments<sup>(1)</sup>

Absolute GHG emissions reduction by 2030

 **19%**

Triple renewable energy by 2030

 **3x**

Investment by 2030 to meet energy demand

 **USD 50 bn**

Hydrogen production by 2030

 **1.3 Mt**

UAE's new 'ALTERRA' climate investment fund

 **USD 30 bn**

(1) [Third Update of Second Nationally Determined Contribution](#)

# The UAE context (continued)

## Social

In line with the Universal Declaration of Human Rights, the UAE continues its commitment to principles of justice, equality, and respect for human rights.

The National Human Rights Institution (NHRI) [↗](#) was established in 2021 to protect human rights on regional and international levels. At the same time, the anti-discrimination/anti-hatred law, tackles discrimination against individuals or groups based on religion, doctrine, race, colour or ethnic origin.

## Gender equality in the UAE

The UAE is ranked as the leading country in gender equality in the region in the World Economic Forum's 2023 Global Gender Gap report<sup>(1)</sup>. The country had the highest number of women on the Forbes' 100 Most Powerful Arab Businesswomen in 2023, with 15 Emirati women on the list.

Research by Business Link, a leading business consultancy, reveals 47.5% of small and medium enterprises (SMEs) in the UAE are owned by women<sup>(2)</sup>. It also found that, since the pandemic, female entrepreneurship in the UAE surged by 68%.

This momentum has been underpinned by the UAE Labour Law, designed to support equality and non-discrimination, prohibiting forced labour and discrimination on the basis of gender, race, colour, sex, religion, national or social origin or disability in the workplace.



The law promotes equal pay for female employees undertaking the same work as their male colleagues. The country also promotes progressive and flexible working structures, with the introduction of a four and a half day working week, since January 2022.

## Spotlight



## PROMOTING EMIRATISATION IN THE PRIVATE SECTOR

### THE NAFIS INITIATIVE

Emiratisation continues to be a strategic priority of the UAE, with the Ministry of Human Resources and Emiratisation (MoHRE) leading the drive to increase participation of UAE nationals in the private sector.

In 2023, a new law came into force requiring private sector companies with 50 or more employees to increase their Emirati workforce by 2% every year until they reach 10% in 2026. Starting in 2024, private sector companies with a workforce of 20 to 49 workers will be required to hire at least one UAE citizen and from 2025, they will be required to hire at least two Emirati citizens. These requirements support the Nafis programme, which set a target of creating 75,000 skilled jobs for Emirati nationals in the private sector.

Meanwhile, the Central Bank of the UAE is progressively increasing its targets for the banking sector, with local banks required to achieve a minimum Emiratization rate of 45% of total employees by 2026, with UAE nationals holding at least 30% of senior executive roles.



(1) [https://www3.weforum.org/docs/WEF\\_GGGR\\_2023.pdf](https://www3.weforum.org/docs/WEF_GGGR_2023.pdf) [↗](#)

(2) <https://www.zawya.com/en/press-release/research-and-studies/new-generation-of-female-entrepreneurs-set-to-drive-economic-activity-in-uae-rvvs194b> [↗](#)



# The UAE context (continued)

## Governance

The UAE has enhanced corporate governance standards to ensure a stable and transparent environment that is business-friendly and conducive to investment. The Securities and Commodities Authority (SCA) and the major exchanges have focused on promoting greater disclosure and Board diversity among publicly listed companies and establishing a strong platform for investments. Meanwhile, the Central Bank of the UAE has introduced a broad range of regulations to promote institutional resilience in the banking sector and to align with the evolving international regulatory landscape.

In 2023, the Central Bank of the UAE continued to prioritise consumer protection to enhance industry standards and ensure best practice data privacy and cybersecurity. This included reviews of practices pertaining to contracting, transacting, disclosures, increased transparency around fees, interest rates and inherent risks related to products. A banking industry ombudsman has been established in 2024 to further safeguard the interests of consumers<sup>(1)</sup>.

## INTRODUCTION OF CORPORATE TAX



During the year, the regulator also took steps to ensure banks and their corporate customers were prepared for the introduction of a new federal corporate tax regime, in line with the UAE's membership of the G20/OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS).

Under the new regulation, banks and their corporate customers are required to adjust to the UAE's new federal corporate tax regime, which commenced for financial years starting on or after 1 June 2023.

9%

A headline rate of 9% has been introduced for taxable profits above AED 375,000

## Other key regulatory initiatives



Securities and Commodities Authority (SCA) mandated ESG reporting for all listed entities



UAE Ministry of Finance chairs a 'Taxonomy Working Group', to classify green economic activities



Abu Dhabi Securities Exchange (ADX) joined the UN Sustainable Stock Exchange Initiative and issued ESG reporting guidelines for all listed firms



The Central Bank of the UAE has mandated its first Climate Stress Tests



Central Bank of UAE has issued; 'Principles for Effective Management of Climate Related Financial Risks' and 'The Guiding Principles Regarding Islamic Sustainable Finance'



UAE Banking Federation established a Sustainability Committee and issued guidance on sustainable finance (conventional and Islamic) to all banks

(1) For further details, please visit, [sanad.ae/en/](https://sanad.ae/en/)

# Group CEO's message

## Ala'a Eraiqat

Group Chief Executive Officer



The UAE's Year of Sustainability in 2023 and successful hosting of the COP28 climate conference saw the country take centre stage, energising the public and private sectors to take decisive action on global climate change.

At ADCB, we are implementing an ESG strategy that is closely aligned with this progressive national agenda. Sustainability is embedded in our corporate strategy, and environmental and social risks are integral to our credit decision-making. In 2023, teams across the Bank collaborated to make remarkable progress in a number of areas.

We defined a new climate ambition for the ADCB Group, while reinforcing our leadership position in areas such as consumer protection, data security and cybersecurity, financial inclusion, workplace culture and Emiratisation.

In making climate a priority, ADCB is aligning with the strategic direction of the UAE, the first GCC country to commit to net zero by 2050. Our role is to finance the solutions to climate change and support customers on this journey. In November 2023, ADCB became the third bank in the Middle East and North Africa (MENA) region to join the Net Zero Banking Alliance (NZBA), the UN-convened group of global banks.

Among its NZBA commitments, ADCB will set targets for priority sectors by mid-2025 and annually publish its emissions data in line with global best practice.

We have more than tripled our pledge on sustainable finance to AED 125 billion by 2030, with a near-term target of AED 50 billion by 2025. The issuance of our second green bond in 2023 has embedded sustainable financing in our funding strategy, and the Bank is well positioned to mobilise substantial capital for green projects.

In 2023, we continued to advance in a range of strategic priorities, and I am particularly proud of the excellent progress we have made on Emiratisation. ADCB has attracted over 500 UAE nationals in the last two years, providing industry-leading training and career development programmes to ensure our Emirati talent are equipped to drive the Bank's growth strategy. This has proven successful, with more than 1,000 UAE nationals promoted in 2023 and Emiratis taking up a number of executive roles across the Group.

Amid rapid changes in the operating and regulatory landscape, ADCB has scaled up its compliance function considerably and is investing significantly in internal control functions. This includes adopting new technologies in a wide range of areas, such as anti-money laundering, data protection and privacy, as well as to enhance credit risk assessments.

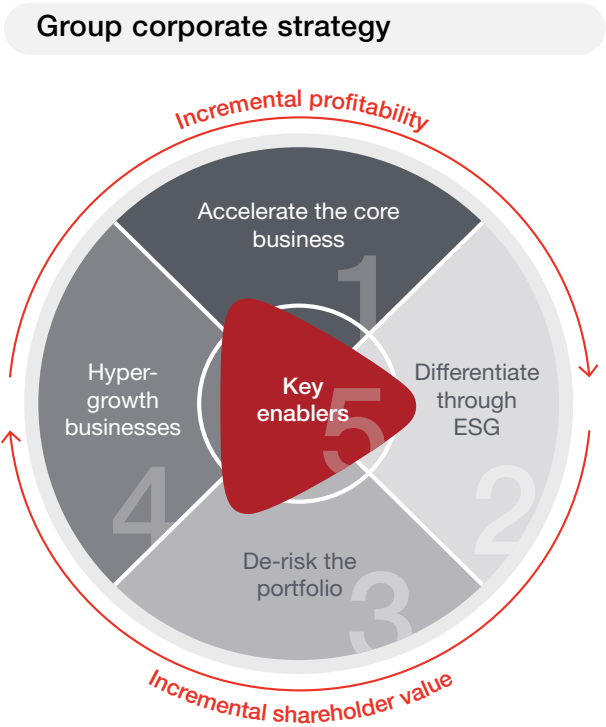
AI and machine learning are playing an important role by providing rapid and accurate assessments of customer behaviour and predicting potential risk. This allows the Bank to effectively manage risk while leveraging digital platforms to expand the customer base and broaden its offering.

Our solid track record in managing ESG risks and opportunities is reflected in ADCB's high regional standing. The Bank was rated 'A' for ESG by MSCI and was upgraded to a 'low risk' rating of 12.5 by Sustainalytics in January 2024, placing it among the top 6% of companies globally, reflecting our strong focus on social impact and risk assessments for products, managing data privacy and security issues, and employee training.

This report highlights our key ESG initiatives and outcomes in 2023 and the Bank's vision for the future. We remain committed to engaging further with all key stakeholders and to ensuring best practice disclosures as we partner towards a more sustainable future.



# Sustainability is a key pillar of the Bank's corporate strategy



- 1 Continue accelerating the core business** by focusing on growth in market share, increasing 'share of wallet', and providing best-in-class customer experience, while delivering significant efficiency gains
- 2 Differentiate through ESG** by maintaining an ESG lens in all value-creation activities
- 3 De-risking the portfolio** to reduce potential volatility in profitability stemming from areas such as underperforming assets
- 4 Building businesses with hyper-growth potential** in areas such as payments, digital banking, wealth and asset management
- 5 Focusing on key business enablers** such as our digital capabilities, key talent, best-in-class governance, and risk management practices

## ESG as a key differentiator

As a major UAE financial institution, ADCB has a responsibility and an opportunity to play a key part in supporting the country's ambitions for an inclusive, net zero economy. The Bank's role is to provide solid financial returns to our investors and to maximise its positive impact on society, empowering our customers and creating lasting value for our people and communities.

Our strategy also enables us to play a leading role in contributing to the UAE's national vision and the country's strategic commitments to the UN Sustainable Development Goals (SDGs).

To deliver on this mandate, the Bank has fully integrated management of environmental, social and governance risks and opportunities into its corporate strategy.

This comprehensive approach is a key differentiator, with ESG contributing significantly to institutional resilience for the benefit of all our stakeholders and providing focus for ADCB's progressive role in the economy.

As part of our continuous review of our risk appetite, in 2023, we further enhanced principal risks related to sustainability, data privacy & protection, Islamic banking and model risk.

### Strategic ESG priorities

Climate

Customers and communities

Employees

Governance

For more information on our ESG priorities, please visit [adcb.com/esg](https://adcb.com/esg)





# OUR APPROACH TO ESG

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# 2023 ESG performance highlights

ADCB Group has established a comprehensive set of key performance indicators to measure progress against our sustainability objectives. In 2023, we continued to make significant progress in each of our four strategic pillars, the highlights of which are displayed here. Further information and detailed KPIs can be found in the [‘Data and assurance’](#)  section

Climate

GHG emissions intensity (tCO<sub>2</sub>e/FTE)<sup>(1)</sup>

2023

2.3

2022

2.8

2021

2.8

2020

3.3

Sustainable finance portfolio (AED)

30.3 bn

24% progress towards AED 125 bn target


Green bonds issued (AED)

4,224 mn


Total value of issuances

Local procurement

96%



Procurement budget spent on local suppliers

 Go to Climate

Customers and communities

Digital transactions

2023

97%

2022

96%

2021

95%

2020

94%

By ADCB UAE retail customers

Customer experience

73



NPS score recorded for ADCB UAE

Small business customers

110k +



Active MSME clients<sup>(2)</sup>

Accounts to unbanked or underbanked customers<sup>(3)</sup>

280,000 +

51% increase in no-cost retail accounts compared to 2022

 Go to Customers and communities

Employees

New hires

2023

1,400

2022

1,316

2021

1,046

2020

452

44% females among new recruits in 2023

Emiratisation<sup>(4)</sup>

40%



UAE nationals in the workforce

78%



Female employees among Emirati nationals

Employee diversity

43%




Percentage of female employees in the workforce

Training

390k +


Employee learning hours in 2023

 Go to Employees

Governance

Board composition


18%



Female members on the Board<sup>(5)</sup>

Data privacy and protection training


94%




Employees formally trained on data privacy and protection<sup>(6)</sup>

Anti-corruption

100%



Employees who have formally acknowledged compliance with our code of conduct

 Go to Governance

Note: All figures reported for ADCB Group (unless specified) as at 31 December 2023

(1) Reported in tonnes of carbon dioxide equivalent per full time employee. Reporting for prior years (2020-2021) was limited to UAE only. For 2022-2023, our reporting boundary covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan). Excludes Scope 3 emissions from properties leased to third parties

(2) Micro, Small and Medium Enterprises (MSME) ADCB UAE only

(3) Number of accounts opened for individuals through 'Hayyak' with salary < AED 5K/month in ADCB UAE

(4) Emiratization figure refers to UAE nationals employed by ADCB UAE and AHB UAE

(5) ADCB ranked highest among major GCC banks for female board representation based on S&P Global Market Intelligence, September 2022

(6) Reported for total employees including new joiners, trainees, employees on maternity and other long-term leave

# Focus on climate strategy

## An interview with Group Chief Financial Officer and Head of Sustainability



**Deepak Khullar**  
Group Chief Financial Officer



**Richard Hirst**  
Head of Sustainability

### What are your reflections on ADCB's progress towards its sustainability strategy over the last couple of years?

**Deepak Khullar:** Looking back to when we launched our revamped sustainability strategy early 2022, what stands out for me is the pace of change across the Bank, which has been quite remarkable. A key driver for this has been the solid governance structure we now have in place. This includes full Board oversight of our strategy, an executive-level Group Sustainability Committee that I chair, and Bank-wide working groups on priority areas including, sustainable finance, risk management, net zero transition planning and reporting.

In a relatively short period of time we have engaged and mobilised teams across the organisation, including our subsidiaries, to enhance and disclose our performance on a range of ESG topics, from business ethics and corporate governance, to data privacy and green finance. Finally, I am very proud to see this performance being recognised by external rating agencies and analysts.

### What do you consider the main sustainability achievements since joining ADCB early 2022?

**Richard Hirst:** Broadly speaking, I think our achievements fall into two categories. Firstly, there has been great focus on getting the right foundations in place such as governance, capacity building, policies, reporting, KPIs, training and stakeholder engagement. Secondly, early on we targeted strategic projects including the integration of Environmental and Social Risk Management (ESRM) within our lending decisions and creating a suite of sustainable finance propositions to support our customers better, against a backdrop of an evolving regulatory and policy environment. Of course, the journey is far from complete and there is much more to do. But we are on the right path with our external commitment to the Net Zero Banking Alliance and internal focus on upskilling our people.

### What has driven ADCB's focus on climate in the last year?

**Deepak Khullar:** Climate change is clearly one of the most significant issues facing humanity and the science shows that rapid and wholesale action is required. As a major financial institution in the UAE, we regard climate action as a huge opportunity both from a perspective of doing the right thing for the environment and the planet, and also for our business.

We have been working hard to stay ahead of stakeholder expectations in this space, whether it be the regulators introducing new requirements, investors increasing their scrutiny of our approach, or customers coming to us for sustainable finance products and services. It has been positive to see a number of our clients are already on the transition journey, and this will gain momentum as the UAE presses ahead with its roadmap for decarbonisation. The government has set ambitious targets to triple its renewables and reach 30% clean energy by 2030. I believe there will be a multiplier effect from these investments in the energy transition, and we can expect a wider economic transformation in the coming years.

### What is the significance of joining the Net Zero Banking Alliance?

**Richard Hirst:** As we enhanced our climate strategy during 2023, we felt it was important to adopt market best practice to ensure a credible approach. The Net Zero Banking Alliance (NZBA) is widely considered the 'gold standard' for climate commitments within the sector and we joined in order to set a clear plan for action, demonstrate our seriousness, and open up new opportunities to engage and partner with regional and global organisations. The decision to join NZBA was not taken lightly and preparation work was undertaken over many months, involving detailed assessments consultation with experts in the field, and the participation of teams across the Bank.

# Focus on climate strategy

## An interview with Group Chief Financial Officer and Head of Sustainability (continued)

As members of NZBA, we will be aligning our lending and investment portfolios with net zero GHG emissions by 2050 or sooner. Our immediate focus turns to defining our emissions targets for 2030 in close collaboration with our clients.

As part of our preparations for this, we have already completed an assessment of our scope 3 financed emissions in accordance with Partnership for Carbon Accounting Financials (PCAF) standards, which enables us to identify our most carbon-intensive sectors.

### What role do green bonds play in ADCB's funding strategy?

**Deepak Khullar:** We launched our inaugural green bond in 2022 within just eight months of launching our refreshed ESG strategy. The Bank followed that up with our second green bond in September 2023 and we now regard green bonds as an integral component of our overall funding strategy. The latest USD 650 million issuance was very well received by the market, and was nearly three times oversubscribed. Importantly, ADCB is demonstrating its ability to deploy capital effectively. The Bank is rapidly growing its eligible green loan portfolio, which increased by 58% over six months to reach AED 9.6 billion at the end of 2023.

### How are you progressing with your offering of green products and services?

**Richard Hirst:** Our businesses have been very active on this front and we want to ensure that providing support for our customers in their transition to a net zero economy is at the heart of our approach. With this in mind, our Retail Banking, Private Banking, Treasury and Corporate and Investment Banking departments have developed a suite of sustainability-driven products and services.

For example, Retail Banking is already offering preferential loans for electric vehicles and mortgages for energy-efficient homes. Our Corporate and Investment Banking business is leveraging our own experience to support clients in their issuance, and we are also seeing a good level of interest and demand for sustainability-linked loans as well as the newly launched Sustainable Call Account.

Partnerships will be increasingly important, and we have worked with Mastercard to introduce a Corporate Carbon Calculator, an innovative tool that calculates the carbon footprint of all spending made on corporate credit cards, encouraging more awareness of climate responsible spending and sustainability.

We will continue to develop new offerings across the Board, including ESG-related investment opportunities for our Wealth Management clients. All of these products and services come together to contribute towards our new Board-approved Group-wide sustainable financing commitment of AED 125 billion by 2030.

### What has been the impact locally of the UAE hosting the COP28 climate conference?

**Deepak Khullar:** The UAE has made a huge leap forward on climate, and you can see this in the latest update on the nationally determined contribution (NDC), which sets out clear emission reduction targets and a detailed pathway, including a national energy strategy. These commitments have set the tone for the private sector, and companies in the UAE know that they need to be part of the transition and see tremendous opportunity.



# Sustainability governance framework

To drive accelerated progress on ESG and in recognition of its importance to the Bank’s strategy and operations, ADCB employs a best practice governance framework, with full Board oversight and executive accountability, including remuneration linked to ESG KPIs.

The Board Executive Committee (BEC), which reports to the Board, received the following key updates on sustainability in 2023:

- Quarterly updates on sustainability initiatives linked to the corporate strategy
- Annual update on progress on ESG workstreams
- Approved 3x increase in the Bank’s sustainable finance commitment and disclosure of ADCB’s **Sustainable Finance Framework** [↗](#)
- Briefing on the requirements of the UN-convened Net Zero Banking Alliance (NZBA)

All sustainability initiatives are monitored by the Group Sustainability Committee (GSC), which is chaired by the Group Chief Financial Officer. The GSC provides updates to the Management Executive Committee (MEC) and to the Corporate Strategy Steering Committee.

## Sustainability governance in action

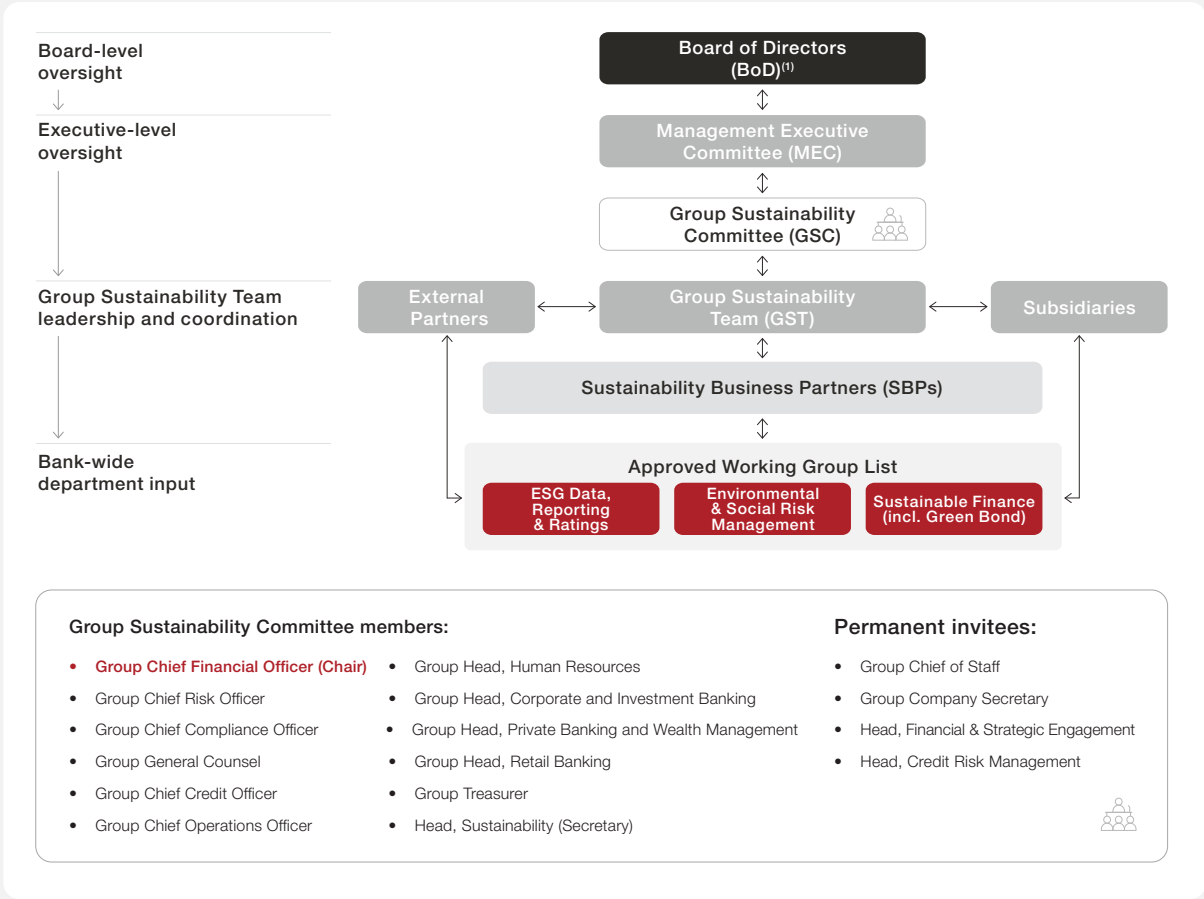
The Group Sustainability Committee held 5 meetings in 2023. Key topics discussed included:

- ADCB climate strategy/net zero plan (NZBA)
- ADCB presence at COP28
- ADCB ESG disclosures
- Eligible Green Finance Portfolio
- ADCB Group 2023 Green Bond Impact and Allocation Report
- Climate stress test results
- Results of financed emissions baseline
- Sustainable finance targets
- Sustainable Finance Framework

5 meetings   
Held by the Group Sustainability Committee in 2023

## ADCB Group Sustainability Governance Framework

A key enabler for the successful implementation of our sustainability strategy



(1) Via the Board Executive Committee

# Other ESG strategic enablers

## ESG policies

The Bank has issued a Group Sustainability Policy covering general principles and commitments linked to ADCB's sustainability strategy. This is being supplemented with topic-specific and sectoral policies, operating procedures, and guidelines to support effective implementation across the organisation, including our subsidiaries.

In 2023, we published our Sustainable Finance Framework, detailing how we classify, track and report progress against our sustainable finance target.

### Investor corner

- Group Sustainability Policy [📄](#)
- Environmental & Social Risk Management Policy [📄](#)
- Sustainable Finance Framework [📄](#)
- ADCB Green Bond Framework [📄](#)
- Anti-Bribery and Corruption Policy Statement [📄](#)

For more information on our policies, please click [here](#) [🔗](#)



## Reporting and disclosures

ADCB is committed to transparent disclosure of ESG performance in line with global standards and evolving regulatory requirements, including the new IFRS S1 and S2 requirements announced by the International Sustainability Standards Board (ISSB) in June 2023<sup>(1)</sup>. IFRS S1 provides a set of disclosure requirements related to

sustainability-related risks and opportunities over the short, medium and long term, while IFRS S2 sets out specific climate-related disclosures (e.g. GHG emissions). ADCB will continue to assess the reporting requirements and develop internal capabilities in preparation for adoption of IFRS S1 and S2 in future reporting periods.

### ADCB's disclosures are aligned to the following reporting standards and guidelines:



**Global Reporting Initiative (GRI)**  
Standards



**Taskforce on Climate-related Financial Disclosures (TCFD)** recommendations



**UAE Securities and Commodities Authority (SCA)** sustainability disclosure requirements, based on the **Abu Dhabi Securities Exchange (ADX)** ESG Disclosure Guidance for Listed Companies



**Sustainability Accounting Standards Board (SASB)** 'Industry Standards'



**International Capital Market Association (ICMA) Green Bond Principles:**  
the ADCB Green Bond Report is aligned with the ICMA requirements and provides details on the Eligible Green Loan Portfolio, allocation of proceeds and estimated environmental impacts



IFRS Sustainability Disclosure Standards are developed by the International Sustainability Standards Board (ISSB). The ISSB is an independent standard-setting body within the IFRS Foundation.

IFRS Sustainability Standards are developed to enhance investor-company dialogue so that investors receive decision-useful, globally comparable sustainability-related disclosures that meet their information needs. The ISSB is supported by technical staff and a range of advisory bodies.

Source: [IFRS sustainability](#) [🔗](#)

(1) For further information on IFRS S1 and S2 please click [here](#) [🔗](#)

# Other ESG strategic enablers

## External partnerships and commitments

ADCB collaborates with strategic partners to advance its strategy. It regularly monitors and evaluates the market to expand its network of external partnerships on ESG topics to match its strategic priorities.

Current partnerships and commitments include:



Member of the global **Net Zero Banking Alliance (NZBA)**, a United Nations-convened group of global banks committed to financing ambitious climate action to achieve net zero greenhouse gas emissions by 2050



Member of the **UAE Carbon Alliance**, launched by the UAE Independent Climate Change Accelerators (UICCA) to advance the carbon market ecosystem



Signatory to the **UAE Climate Responsible Companies Pledge** – highlighting ADCB’s commitment to the UAE’s Net Zero by 2050 Strategic Initiative



Collaboration with the **UAE Ministry of Climate Change and Environment (MOCCA)** and engagement through sector consultations including the National Dialogues for Climate Action (NDCA)



Participant of the **UAE Sustainable Finance Declaration Working Group** convened by Abu Dhabi Global Markets (ADGM). This includes updates and engagement on the three Working Groups disclosures, taxonomy and governance



Invited by the **UAE Banking Federation (UBF)** to be a member of the Sustainability Committee. Supporting the development of Islamic finance sustainability initiatives and providing feedback via industry consultations



Member of the **Abu Dhabi Sustainability Group (ADSG)**, a forum convened by the ‘Environment Agency – Abu Dhabi’ (EAD) to promote sustainability learning and knowledge-sharing opportunities for government, private companies and not-for-profit organisations in Abu Dhabi



Partnering with **Harvard University** on academic research aimed at facilitating a new approach to carbon credit markets

## Training and upskilling

The Bank regards training and development as an essential element in the successful execution of our Group Sustainability Strategy.



There are three levels of in-house training for employees:

- **Foundational:** Introductory training at all levels, including on ESG content within the Bank’s induction programme and mandatory ESG e-learning for all employees
- **Advanced:** Role-specific training across all departments and Executive Management/Board-level ESG deep-dive on specific topics such as climate change
- **Leadership & culture:** The Bank is working on continuous engagement with our employees on sustainability topics, embedding ESG in ADCB’s DNA

For further details on ESG training please refer to the case study on [page 70](#).

## Targets, KPIs and rewards

### Executive Management remuneration, incentives and KPIs

Sustainability is embedded in the heart of ADCB’s performance management framework, with Management Executive Committee’s remuneration linked to ESG KPIs.

These include:


- Sustainability strategy milestones (included in the Group CEO and Group CFO’s KPIs)
- Compliance and risk metrics
- Emiratisation targets
- Digital index
- Customer Net Promoter Score (NPS)
- Organisational Health Index (OHI)





# Meaningful collaborations to promote carbon markets

## Case study

 **HARVARD**  
Kennedy School

**UICCA**  
المسرعات المستقلة لدولة الامارات العربية المتحدة للتغير المناخي  
UAE INDEPENDENT CLIMATE CHANGE ACCELERATORS

To promote greater investment flows into initiatives to combat climate change, ADCB is supporting research conducted by the Harvard Kennedy School that aims to lay the foundations for a new approach to activate global carbon markets.

ADCB has also joined the UAE Carbon Alliance, which has been convened by the UAE Independent Climate Change Accelerators (UICCA) to foster collaboration to develop and scale up a carbon market ecosystem in the UAE.

Looking ahead, the Bank will be advancing engagement with customers, regulators, industry bodies and regional organisations to address key climate topics for a credible transition plan including data quality, public policy and industry standards.







# Stakeholder engagement

Stakeholder engagement remains a key component of our success driven by regular, proactive, and transparent communication.

Continuous open dialogue provides the Bank with a clear understanding of stakeholder expectations on a range of material issues and their economic, social, and environmental impact.

Working with our stakeholders – including customers, investors, employees, government, and regulatory bodies – ADCB is able to identify and respond to the ESG topics that will deliver the greatest value for these stakeholder groups.

How we engage		
Stakeholder group	Their most important ESG topics	How we engaged
<div>Customers</div> <div></div>	Customer experience, ethical banking practices, fair pricing, information security and data privacy	One-on-one meetings, customer surveys, newsletters, online and mobile banking, branch visits, social media, focus groups and customer contact centre
<div>Employees</div> <div></div>	Health and well-being, training and skill development, information security, data privacy and resource consumption	Organisational Health Index, annual engagement surveys, internal communication through email and the intranet, and learning programmes
<div>Investors</div> <div></div>	Robust governance framework, Board independence and diversity, bank-wide policies, ESG disclosures, and adoption of environmental commitments	Quarterly disclosures including earnings press releases, investor presentations, annual reports, analyst and investor calls, one-on-one and group investor meetings, investor conferences and roadshows
<div>Government and regulators</div> <div></div>	Supporting the UAE's ambition to reach net zero by 2050, climate-risk assessment, helping to build a knowledge-based economy through Emiratisation and nurturing local talent	Public disclosures (e.g., regulatory reporting), one-on-one meetings, consultations, forums and working groups

## Stakeholder management and ESG communications in 2023

 10+  
Corporate clients

 17  
Government agencies/regulators

 50+  
Investors<sup>(1)</sup>

 8  
Rating agencies

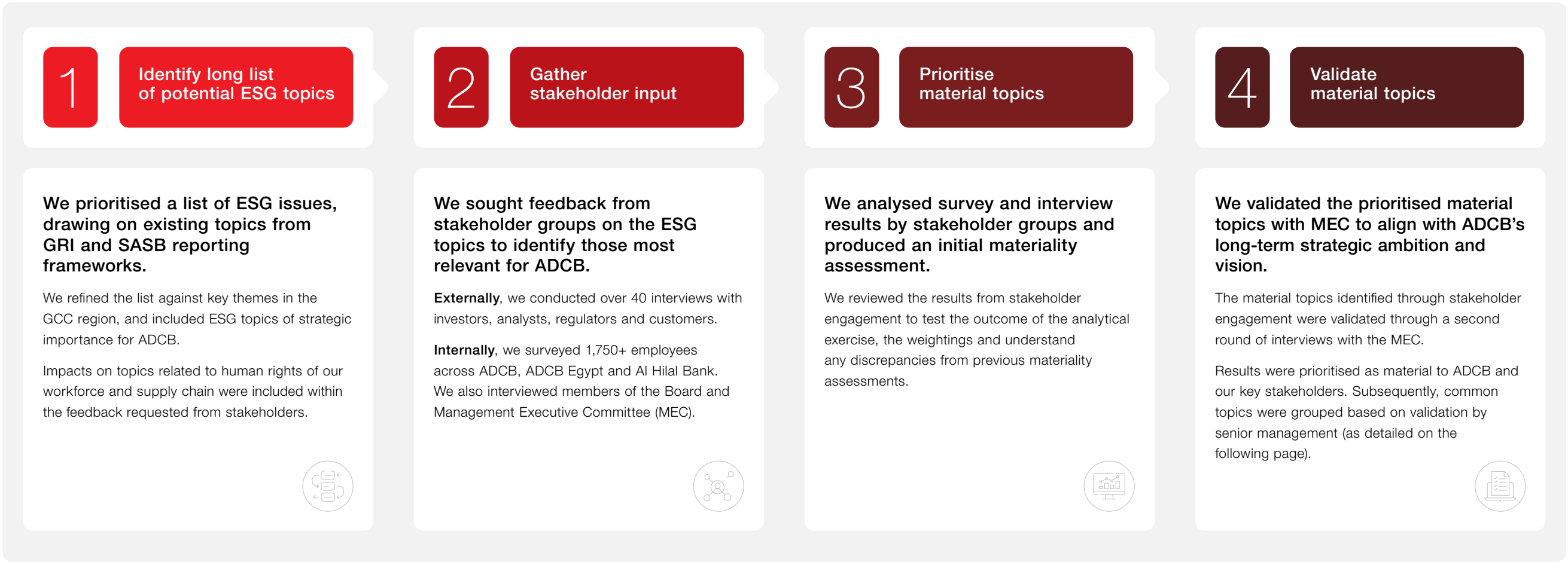
Open dialogue with external parties continues to provide the Bank with a clear understanding of stakeholder expectations on a range of material issues and their impact.

(1) Investors met during the Green Bond Roadshow in September 2023

# Materiality assessment

Focusing on what matters most

In 2023, the Bank reviewed the results of a comprehensive materiality assessment carried out in 2021. The materiality assessment encompassed engaging internal and external stakeholders to seek feedback on the ESG topics most relevant for ADCB.






# Materiality assessment

## Identifying our most material topics

We identified 21 ESG topics that were prioritised as material to ADCB and our stakeholders. Common topics were grouped based on validation by senior management to arrive at 16 material ESG topics.

These material topics have been incorporated into our sustainability strategy. We are committed to disclosing our performance and progress in the management of these topics through our ESG reports and other channels of communication.

40+ 

### Interviews with external stakeholders

Including investors, analysts, corporate customers, and regulators (UAE Central Bank, SCA, ADX and ADGM). Furthermore, a separate survey was rolled out to retail customers

25+ 

### Interviews with senior management and Board members

1,750+ 

### Employee opinions

Captured via surveys conducted across the Group

### ADCB material topics

#### Environmental topics



- Aligning portfolios and reducing financed emissions
- Environmental and social risk management (ESRM)
- Sustainable finance
- Operations and supply chain

#### Social topics



- Customer satisfaction
- Financial inclusion
- Digital and innovation
- Community investments
- Employee engagement and well-being
- Emiratisation
- Learning and development
- Equality, diversity and inclusion

#### Governance topics



- Corporate governance, compliance and code of conduct
- Risk management and cybersecurity
- Financial crime, anti-bribery and corruption
- Tax transparency

Note: The topics were prioritised based on inputs from full set of stakeholders, including: interviews with Board and MEC members, internal materiality workshop results, survey of ADCB UAE employees (n=1,090), survey of ADCB Egypt employees (n=554), survey of AHB UAE employees (n=123), press search, interviews with key analysts/investors, sustainability reports from key investors, ESG benchmark study, retail customer survey, corporate customer interviews (n=5), interviews with SCA, ADX, ADGM and the UAE Central Bank. Inputs were weighted differently, prioritising perspectives of investors, customers and the Board most heavily



24	<b>Group sustainability strategy</b>
26	<b>Climate</b>
30	Aligning portfolios and reducing financed emissions
33	Sustainable finance
39	Environmental & social risk management
44	Operations and supply chain
48	<b>Customers and communities</b>
49	Customer satisfaction
53	Financial inclusion
58	Digital and innovation
61	Community investments
63	<b>Employees</b>
64	Employee engagement and wellbeing
67	Emiratisation
69	Learning and development
71	Equality, diversity and inclusion
73	<b>Governance</b>
74	Corporate governance, compliance, and code of conduct
79	Risk management and cybersecurity
83	Financial crime, anti-bribery and corruption
85	Tax transparency

# STRATEGIC PRIORITIES





# ADCB's sustainability strategy

## Strategic priorities

### Our integrated approach to ESG management

ADCB's strategy is based on topics identified in a comprehensive materiality assessment, in close collaboration with internal and external stakeholders. The strategy consists of four pillars, and each pillar contains four workstreams that define the initiatives the organisation is pursuing.

The four pillars are:

- Climate
- Customers and communities
- Employees
- Governance

The sustainability strategy is an integral part of the Group corporate strategy, demonstrating the level of ambition set by the Board and the Management Executive Committee to operationalise ESG initiatives across the Bank.

In addition, the Bank has adopted an enhanced climate strategy developed in line with industry best practice, underpinned by key initiatives to ensure a credible framework.



### External recognition of our approach



The Bank's strong track record in sustainability was recognised by the UAE government, with ADCB receiving the Impact Seal 'Platinum Tier' from Majra, the National CSR Fund.

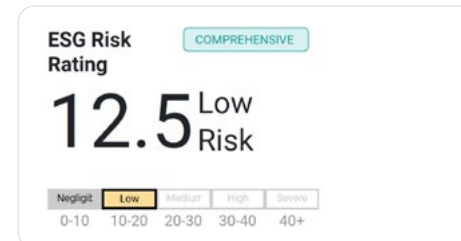


ADCB was named as one of the leaders in ESG disclosures across MENA banks by Citi Research in its report, 'MENA ESG: Identifying the Leaders, Laggards and Improving Challengers', published in September 2023.



The Bank received a significant upgrade in its ESG rating from Sustainalytics to 'low risk', placing ADCB in the top 6% of over 15,000 companies globally and the highest ranked among diversified and regional banks in the MENA region.

### ADCB maintained its leading regional position on ESG ratings<sup>(1)</sup>



(1) ADCB is the highest ranked among diversified and regional banks in the MENA region by Sustainalytics as at 25 March 2024. Source: Sustainalytics Ratings Portal  
MSCI ESG rating as at 25 March 2024. Source: MSCI Ratings Portal



# ADCB's sustainability strategy

**Purpose** Support the transition to an inclusive, net zero economy

## Strategic priorities

### Ambition

### Workstreams

### Commitments

## Climate



**Support the transition to a net zero economy and manage climate change risks**

- 1.1 Aligning portfolios and reducing financed emissions
- 1.2 Environmental and social risk management (ESRM)
- 1.3 Sustainable finance
- 1.4 Operations and supply chain

- **Commit to lend, invest and facilitate AED 125 billion (USD 34 billion) by 2030** to sustainable activities
- **Launch new products and services** to support customers in their transition
- **Commit to net zero in own operations, and to reducing financed emissions** in line with UAE government net zero ambition

## Customers and communities



**Provide inclusive and innovative financial services to drive sustainable economic growth**

- 2.1 Customer satisfaction
- 2.2 Financial inclusion
- 2.3 Digital and innovative propositions
- 2.4 Community investment

- **Enhance experience and create value for money** for customers, whilst improving access to financial products
- **Digital initiatives** to drive mobile banking penetration among new and existing customers

## Employees



**Create a thriving workplace that attracts and retains the most talented and committed people**

- 3.1 Employee engagement and well-being
- 3.2 Emiratisation
- 3.3 Learning and development
- 3.4 Equality, diversity and inclusion

- Continue to improve **diversity and inclusion metrics**, and maintain best in class employee satisfaction
- **Enhance employee learning** through **high quality content** and **dedicated training**

## Governance



**Operate a responsible business with the highest ethical standards to preserve integrity and trust**

- 4.1 Corporate governance, compliance and code of conduct
- 4.2 Risk management and cybersecurity
- 4.3 Financial crime, anti-bribery and corruption
- 4.4 Tax transparency

- **Drive best-in-class governance** in the region, and continue to enhance ethical banking practices
- Maintain **industry leading data privacy** and information security



## Enablers

ESG governance and policies

Targets, KPIs and rewards

Training and upskilling

Stakeholder management and communications

External partnerships and commitments

Reporting and disclosures



# Climate



## Why it matters

The world is facing a climate emergency and we recognise banking has a key role to play in helping people and businesses cut emissions

## Our ambition

Support the transition to a net zero economy and manage climate change risks

## Our commitments

- Commit to lend, invest and facilitate AED 125 billion (USD 34 billion) by 2030 to sustainable activities
- Launch new products and services to support customers in their transition
- Commit to net zero in own operations, and to reducing financed emissions in line with UAE government net zero ambition





# Our climate framework


The Bank developed a new climate framework in 2023, designed to drive emission reductions across its financing, operations and supply chain. This followed extensive engagement with internal and external stakeholders, including 1:1 climate interviews with the GCEO and MEC members facilitated by international climate experts.

ADCB's enhanced climate ambition including membership to the UN-convened NZBA was approved by the Group Sustainability Committee and subsequently endorsed by the Board Executive Committee.



## ADCB's commitments on climate action

ADCB is a signatory to the 'UAE Climate-Responsible Companies Pledge' with the Ministry of Climate Change and Environment (MOCCAE), reaffirming its commitment to the UAE's Net Zero by 2050 Strategic Initiative and with the Paris Agreement to limit global warming to well below 2°C.

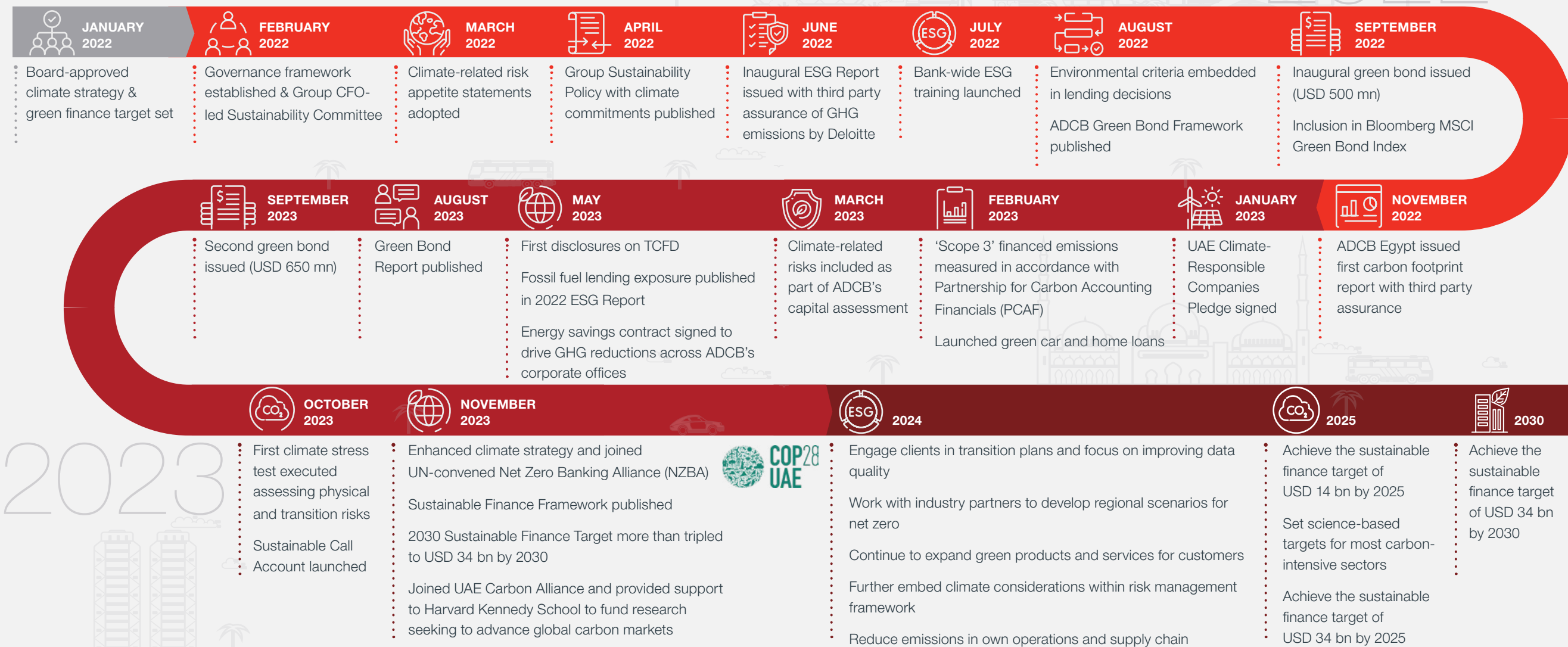
The Bank further demonstrated its support for climate action, with a strategic decision to join the global Net Zero Banking Alliance (NZBA) in November (see case study on [page 29](#) .

ADCB has also more than tripled its sustainable finance commitment to AED 125 billion (USD 34 billion) by 2030, while setting a shorter-term target of AED 50 billion (USD 14 billion) by 2025.



# Our climate journey

## Taking action for a net zero future





“ ADCB’s climate strategy is underpinned by a core belief that the transition to a low carbon economy is a historic opportunity for the UAE.

If left unchecked, climate change will adversely affect infrastructure, human health and natural habitat. By joining the NZBA, ADCB is deepening its support for the UAE’s ambition to create an inclusive, net zero economy.”

Ala’a Eraiqat,  
Group CEO

## ADCB joins UN Net Zero Banking Alliance

**To support customers on their path to success in a net zero economy, ADCB joined the Net-Zero Banking Alliance (NZBA) in November 2023.**

Convened by the UN Environment Programme Finance Initiative (UNEP FI), the NZBA brings together more than 130 global banks with over USD 74 trillion in total assets that have committed to financing ambitious climate action to transition the real economy in line with the goals of the Paris Agreement.

In joining the NZBA, ADCB has pledged to align its lending and investment portfolios with the imperative of limiting global warming to 1.5°C, in line with the Paris Agreement.

ADCB’s commitment to NZBA forms an integral part of the Bank’s enhanced climate strategy. At the core of this approach is supporting customers in their transition to an inclusive, sustainable economy.

As a member of the alliance, ADCB is committed to the following actions on climate:

- Transition the operational and attributable GHG emissions from lending and investment portfolios to align with pathways to net zero by 2050 or sooner
- Within 18 months of joining, set targets for 2030 or sooner and a 2050 target, with intermediary targets to be set every five years from 2030 onwards
- The Bank’s first 2030 targets will focus on priority sectors where it can have the most significant impact, i.e. the most GHG-intensive sectors, with further sector targets to be set within 36 months
- Annually publish absolute emissions and emissions intensity in line with best practice. Within a year of setting targets, disclose progress against a Board-level reviewed transition strategy setting out proposed actions and climate-related sectoral policies
- Take a robust approach to the role of offsets in transition plans



USD  
**74 tn**

Total assets of 130+ global banks under NZBA membership



# Aligning portfolios and reducing financed emissions

## Why it matters

The majority of our Greenhouse Gas (GHG) emissions are attributable to the financing and investing activities that we undertake as part of our business, commonly referred to as Scope 3 financed emissions as defined by the GHG protocol.

Estimating our financed emissions will enable us to identify the emissions hotspots within our portfolio and effectively manage climate-related transition risks and opportunities in alignment with the UAE's Nationally Determined Contributions (NDCs). Furthermore, it will also guide our climate actions for portfolio alignment and client transition plan development.

## Our approach and progress

To support the UAE's transition to net zero, ADCB joined the Net Zero Banking Alliance (NZBA) in November 2023. By joining NZBA, ADCB has pledged to align its lending and investment portfolios with the imperative of limiting global warming to 1.5°C, in line with the Paris Agreement.

As part of our commitment to joining NZBA, we have baselined our financed emissions for the most carbon intensive sectors in the corporate lending book. To ensure a credible approach, we have adopted the methodology provided by the Partnership for Carbon Accounting Financials (PCAF).

## Our reporting methodology as per Partnership for Carbon Accounting Financials (PCAF)

### Boundary

To embark on this journey, we first mapped our corporate lending exposure to net zero relevant sectors<sup>(1)</sup> ensuring comprehensive coverage. Sector materiality was then conducted, based on outstanding exposure and industry carbon intensities, to identify the most material sectors for financed emissions computation.

### Outstanding exposure

Our outstanding exposure was measured, following PCAF standard recommendations, by considering only loans and advances held for financing and bonds invested in as of September 2022. Undrawn commitments and off balance-sheet commitments were not considered.

### Input data & sources

We used a tiered approach for the data collection process with the PCAF data quality score hierarchy as per the table below. For the counterparties with disclosed financials, the book value of equity and debt was used to compute the Enterprise Value Including Cash (EVIC).

## PCAF data quality score hierarchy

		Definition	ADCB's approach
<div>Certain</div> <div>↑</div> <div>Uncertain</div>	Score 1	Verified GHG emissions data from the company in accordance with the GHG Protocol	We captured the published data for the counterparties that have been reporting their emissions data through their TCFD or other ESG reports.  Majority of the reported emissions were not accompanied by a third-party assurance report, leading to a data quality Score of 2.
	Score 2	Unverified GHG emissions data/primary physical activity data for the company's energy	
	Score 3	Estimate using primary physical activity data for the company's production	Due to limited availability of production level data for the portfolio, we collected financial data for the counterparties.  This data was then used to model the emissions using globally accepted and relevant emissions factors, leading to a PCAF data quality Score of 4.
	Score 4	Estimate using revenue	
	Score 5	Estimate using asset turnover	A portion of the Bank's exposure consisted of private companies with undisclosed financial information. An asset based approach was used to model the emissions for such counterparties, leading to a data quality Score of 5.

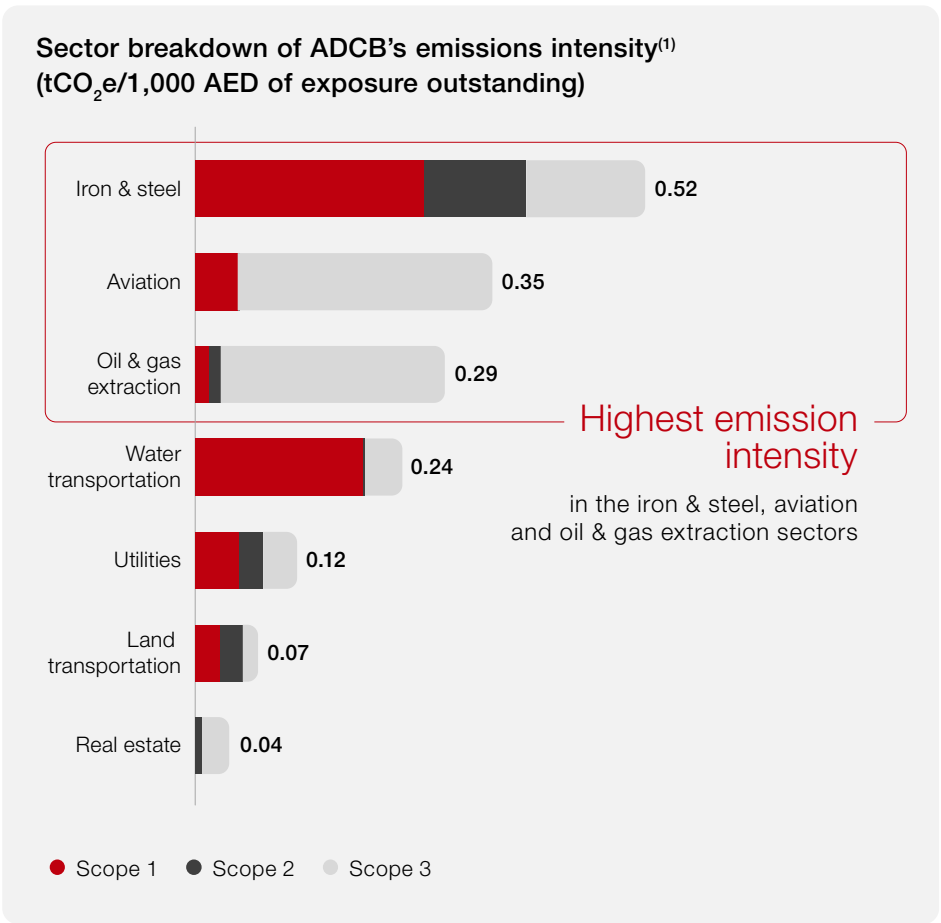
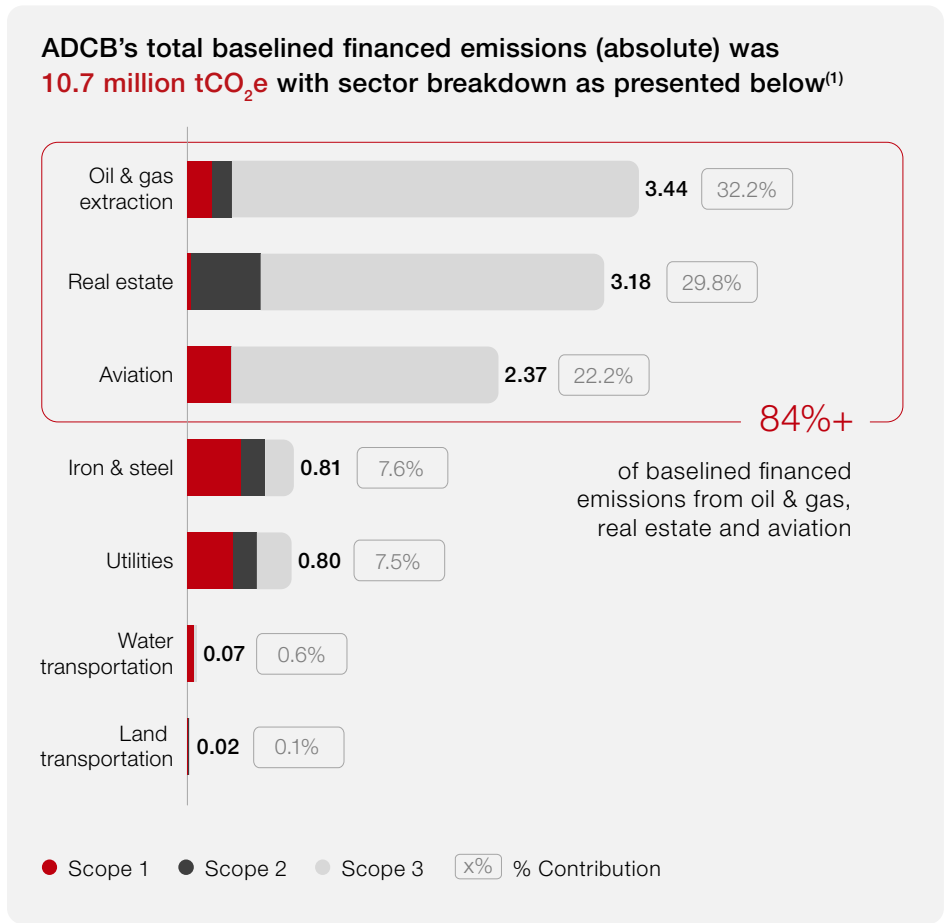
(1) Guidelines for Climate Target Setting for Banks by UNEP-FI (Guideline one)



# Aligning portfolios and reducing financed emissions

## Financed emissions baseline

ADCB's scope 3 financed emissions (absolute and intensity) calculated in accordance with the widely adopted industry standard 'PCAF' is presented below.



## Challenges, limitations and mitigation

Some of the key challenges the Bank has faced when measuring financed emissions are as follows:

- Lack of published, client level emissions and financial data
- Differences in calculation methodology and reporting by clients
- Attribution and allocation at portfolio level for conglomerates with multi-sector businesses

To overcome some of the challenges listed above we used appropriate assumptions and proxies, such as sector emissions intensities and asset turnover ratios.

We are working to enhance our estimates of financed emissions through improvements in the granularity and coverage of customer data.

The Bank will also explore the use of third party data to improve the overall data quality score (as outlined on the previous page).

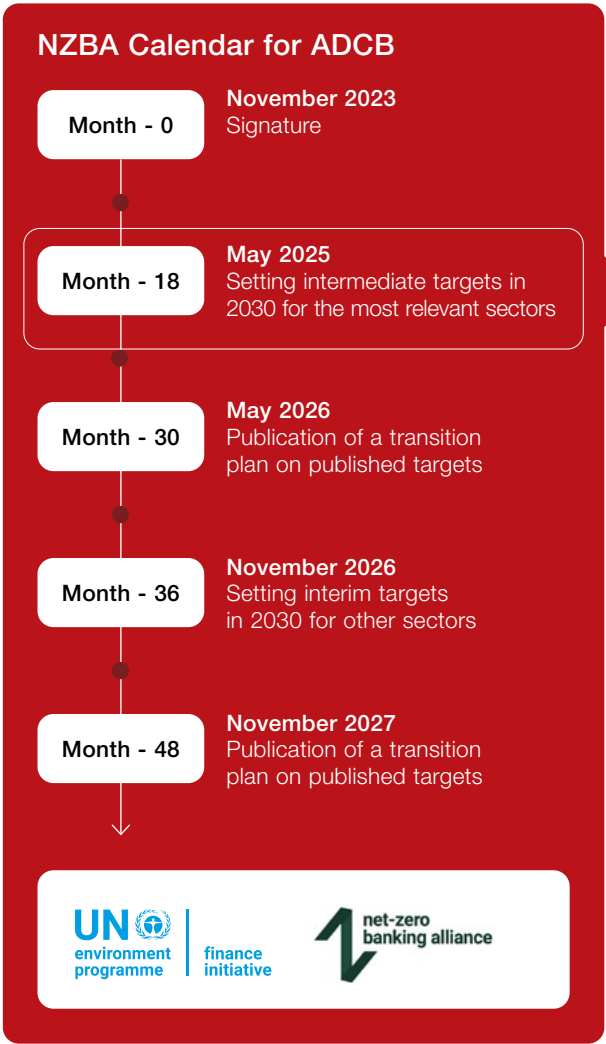
Note: Baseline emissions are based on estimates and might deviate upon recalculation with improved data quality  
(1) Scope 1, 2, 3 Greenhouse Gas (GHG) emissions of customers

# Aligning portfolios and reducing financed emissions (continued)

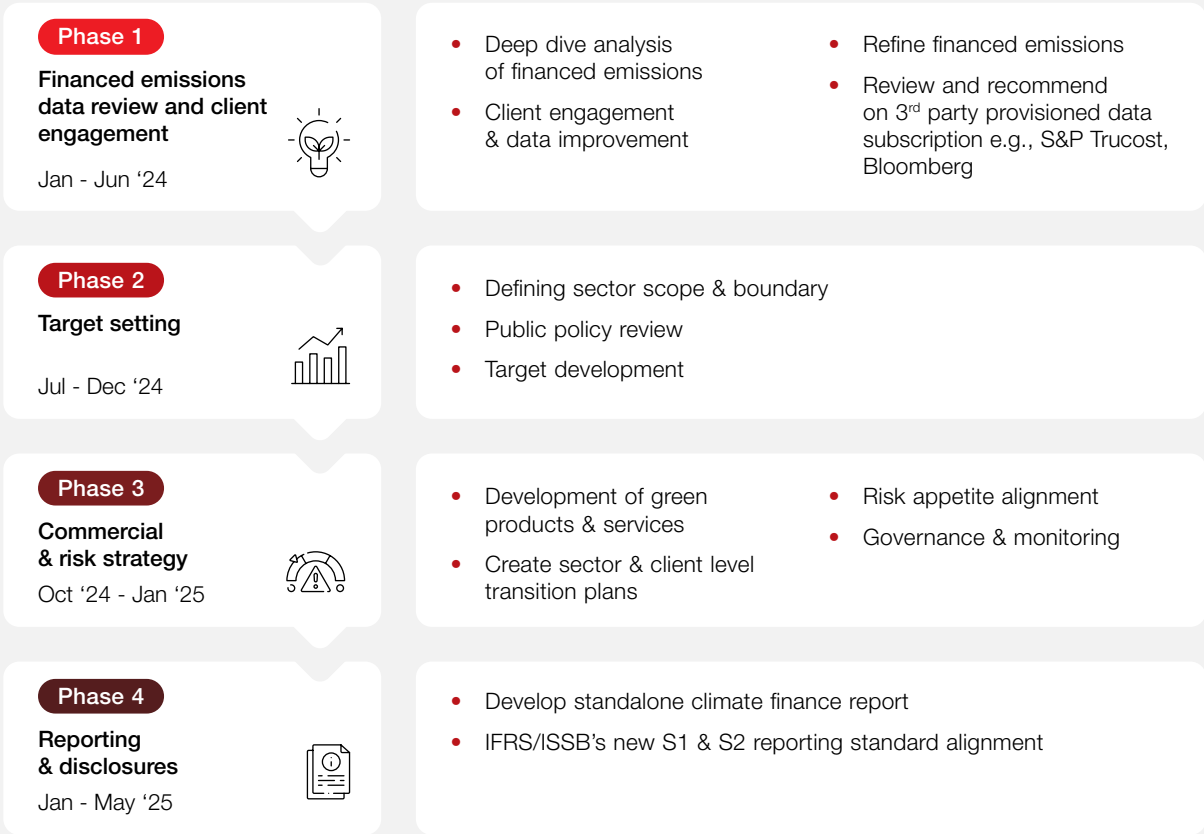
## Portfolio alignment

In preparation for joining NZBA, ADCB carried out a comprehensive readiness assessment for aligning with the requirements. This involved deep dive sessions with key internal stakeholders including members of the Management Executive Committee (MEC), consultation with external climate experts and engagement with industry peers.

The Bank has adopted a robust implementation roadmap to meet its NZBA commitments. A Group-level NZBA steering committee has been established comprising of stakeholders from Sustainability, Risk, Corporate and Investment Banking, and Credit departments responsible for overseeing the implementation of the roadmap.



## ADCB NZBA roadmap to meet May 2025 milestone



# Sustainable finance

## Why it matters

ADCB believes that the integration of ESG considerations into our investments, lending, products and services benefits our business, while contributing to sustainable development. Our focus on sustainable finance enables the Bank to enhance business resilience, gain financial returns and to support our customers in their transition.

## Our approach and progress

ADCB is determined to make low-carbon lifestyles financially accessible to more people in the UAE. The Bank is expanding its range of products to help individuals and families make more environmentally conscious decisions and already offers preferential loans for electric and hybrid cars and green mortgages to incentivise the purchase of energy efficient homes.

The Bank recognises the importance of collaborating with external partners to accelerate the shift towards more sustainable financial markets. As a signatory to the Net Zero Banking Alliance (NZBA) and one of the founding signatories of the Abu Dhabi Sustainable Finance Declaration, ADCB remains committed to financing sustainable projects. At the core of ADCB's approach is supporting customers with our sustainable products and services.

## Sustainable finance target

As part of the Bank's new climate framework, ADCB has more than tripled its sustainable finance commitment to AED 125 billion (USD 34 billion) by 2030, while setting a shorter-term target of AED 50 billion (USD 14 billion) by 2025.

Since 2021, the Bank has raised and facilitated over AED 30.3 billion (USD 8.2 billion) in sustainable finance through lending, investments and facilitation of sustainable projects.

## Introducing ADCB's Sustainable Finance Framework

In 2023, the Bank introduced a new Sustainable Finance Framework, which defines our approach and methodology for categorising, tracking and reporting on sustainable finance.

The framework, aligned to international industry guidelines and principles, provides the scope, assessment parameters and standards, E&S due diligence requirements and approach to governance which helps us to ensure the robustness of our sustainable financing activities.

## Activities included within the scope of the Framework, include:

- Lending:** Green, social, sustainability (green and/or social) and sustainability-linked financing (including Islamic financing)
- Investments:** Investments by ADCB Group in green, social, sustainability, sustainability-linked and transition instruments (including sukuk)
- Facilitation:** ADCB's role in facilitating green, social, sustainability, sustainability-linked and transition investments/financing through our advice, products and financing support that we offer our clients or customers

In addition to the [Sustainable Finance Framework](#), ADCB also has a Green Bond Framework, used to issue green bonds to finance and/or refinance green loans. For further details on our issuance framework, please refer to [ADCB's Green Bond Framework](#).

### ADCB is committed to lend, invest and facilitate:

- AED 125 billion (USD 34 billion) by 2030
- AED 50 billion (USD 14 billion) by 2025

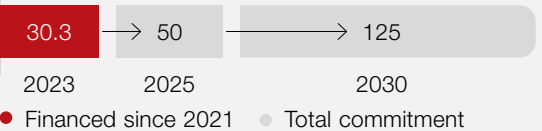


## Overview of ADCB's sustainable finance and liability portfolio<sup>(1)</sup>

Sustainable finance portfolio category (AED bn)	Existing to date 2021-2023
Lending <sup>(2)</sup>	21.8
Investments <sup>(3)</sup>	4.7
Facilitation <sup>(4)</sup>	3.8
<b>Total sustainable financing - assets</b>	<b>30.3</b>

Total liabilities (AED bn)	Existing to date 2021-2023
Green bonds issued	4.2
Sustainable call account	0.3

### ADCB's sustainable finance commitment (AED bn)



(1) As at 31 December 2023

(2) For Corporate and Investment Banking Group (CIBG)/Private Banking Group (PBG) - Limit booked at execution of new facilities provided (and any incremental increase in limits in case of refinancing). For Retail Banking Group (RBG) - Total disbursements

(3) Total invested

(4) For CIBG: Apportioned value of ADCB's participation in the transaction. For Asset Management: Net inflows



# Governance of sustainable financing

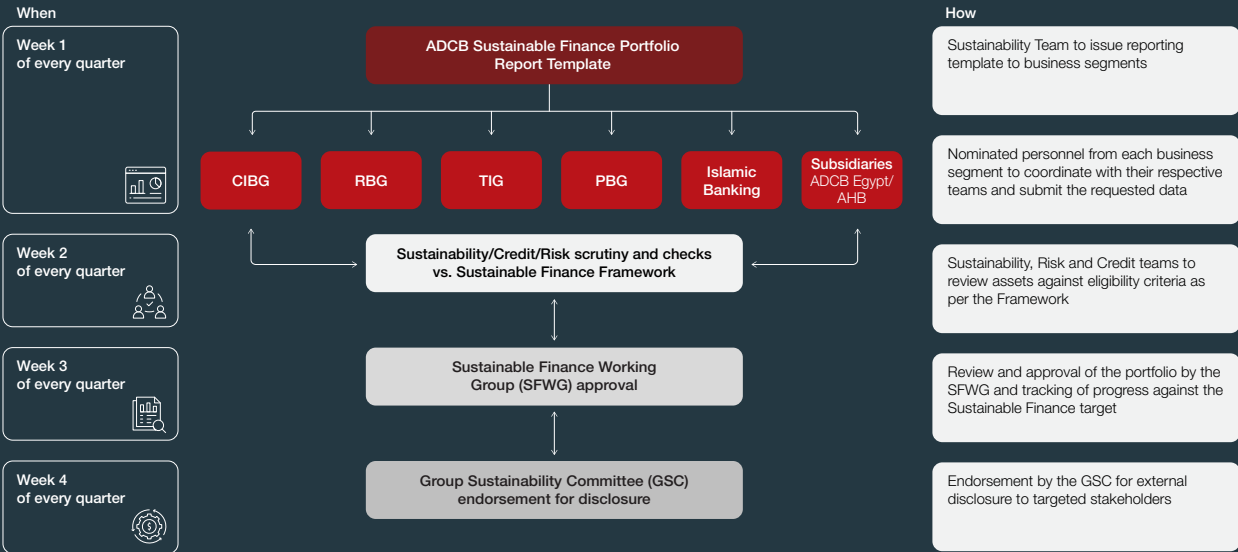
## Case study

ADCB has established a Sustainable Finance Working Group (SFWG) which consists of senior stakeholders from across the Bank including representatives from Corporate & Investment Banking Group (CIBG), Retail Banking Group (RBG), Treasury & Investments Group (TIG), Private Banking & Wealth Management Group (PBG), Islamic Banking, Risk, Credit, Legal, Compliance and Sustainability.

### SFWG responsibilities:

- Reviewing and updating ADCB's Green Bond and Sustainable Finance Frameworks
- Ensuring compliance with all aspects of ADCB's Green Bond and Sustainable Finance Frameworks
- Reviewing all new proposed use of proceeds of each green/social bond issuance, in accordance with the requirements of ADCB's Green Bond Framework
- Signing off the Eligible Sustainable Finance Portfolio
- Tracking of progress against the Bank's sustainable finance target
- Developing annual sustainable finance reporting with third party assurance
- Preparing documentation related to ADCB's sustainable products
- Monitoring regulation, best practice and investor expectations

### Quarterly monitoring and tracking of Sustainable Finance Portfolio



The SFWG reviews the processes, systems and controls related to product classification and documentation to ensure consistent application of the green and social eligibility criteria as defined in the Framework, and as per applicable regulatory requirements.

The Bank also seeks external verification on its sustainable finance assets on an annual basis, ensuring assurance on its sustainable finance disclosures in alignment with the requirements of the Framework.

# Sustainable finance

## Impact highlights of eligible green loan portfolio<sup>(1)</sup>

### Impact highlights

Issued 2 green bonds to support UAE's transition to a net zero economy

- USD 500 mn issuance in Sep 2022 (3.8x oversubscribed)
- USD 650 mn issuance in Sep 2023 (2.9x oversubscribed)

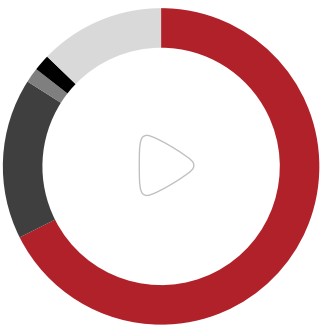
 719,509 tCO<sub>2</sub>e  
Annual financed emissions avoided

 119 tCO<sub>2</sub>e/AED mn  
Annual financed emissions avoided per million invested

 156,000  
Equivalent number of cars eliminated per year

Avoided emissions by category ('000 tCO<sub>2</sub>e per year)

- Renewable energy: 486
- Pollution prevention and control: 118
- Wastewater management: 11
- Green buildings: 12
- Energy efficiency: 92



For further details on the allocation and impacts of ADCB's eligible green loan portfolio, please see the [2023 ADCB Green Bond Report](#) 



### Examples of sustainable finance deals in 2023

Bridge Facility to Green Bond



Client: Masdar

Limit approved:  
AED 1,800 mn

Sustainability Linked Loan



Client: Aldar

Sustainability KPIs:

- Reduction in electricity consumption
- Increase in LEED certification
- Contractors audited against Aldar Welfare Inspection Plan
- Percentage of tenants engaged on net zero/sustainability

Limit approved:  
AED 1,000 mn

Green Equity Bridge Loan for Upcoming Projects



Client: ACWA Power

Limit approved:  
AED 1,100 mn

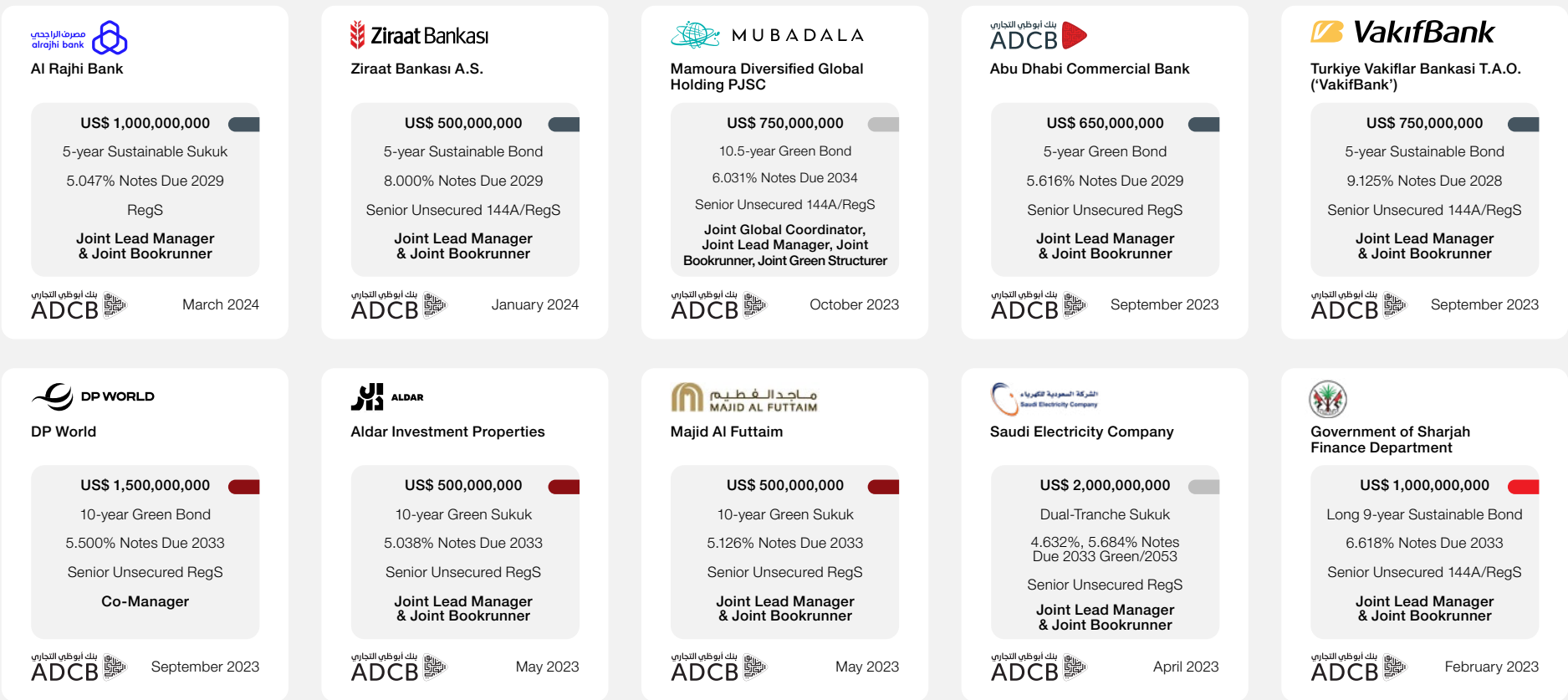
(1) As at 30 June 2023



# Sustainable finance – debt capital markets

To support the transition to a green economy, ADCB facilitated and led the following ESG deals in the Debt Capital Markets

## Selected Debt Capital Markets ESG Deals Led by ADCB

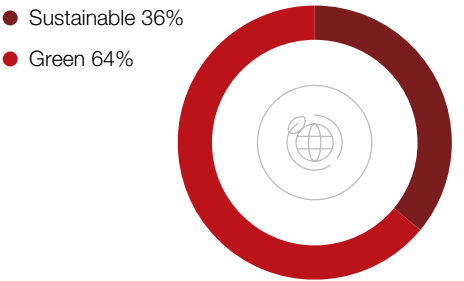


● Sovereigns   ● GREs   ● Corporates   ● Financial Institutions

## Summary of DCM ESG deals led by ADCB



## Breakdown of ESG deals facilitated



(1) Apportioned value of ADCB's participation in the transaction

# Sustainable finance – asset management

In line with our Group Sustainability Policy, ADCB Asset Management Limited (AAML) is committed to developing its investment strategy built upon a robust ESG infrastructure.

AAML made significant progress in 2023 to transition its investment strategy toward ESG integration. We significantly increased our actively managed EU Sustainable Finance Disclosure Regulation (SFDR) Article 8 & 9 assets.

**Article 8:** Funds that promote environmental or social characteristics (light green)

**Article 9:** Funds that have sustainable investment as their objective (dark green)

On-going initiatives to support the integration of ESG into AAML's investment strategy:

- Established an **ESG forum led by Chief Investment Officer** to oversee the implementation of strategic ESG initiatives
- Developed a **Responsible Investment Policy** setting out the framework, integrating sustainability risks and opportunities into investment decision-making process
- Created an innovative digital dashboard to tag and **monitor performance of ESG funds** in the portfolio

In addition to the above, the Bank is assessing external partnerships and commitments for sustainable investing and a robust training framework to drive our ambition.

Product type	Description	Net inflows for investments products (AED mn) <sup>(2)</sup>
ESG focused impact investments	Only products mapped to Article 9 are considered	19.9
ESG focused thematic investments	Only products mapped to Article 8 and with a declared SDGs commitment are considered	26.6
ESG assessed investments	The remaining products mapped to Article 8 and without a SDGs commitment are considered	61.5
Total		107.9



22.2% 

Assets under management (AED 939 mn)  
comply with SFDR Article 8 & 9<sup>(1)</sup>

Note: ESG funds classified as per the SFDR Directive - Article 8-9

(1) As at 31 December 2023

(2) From 1 January 2021 until 31 December 2023



# Sustainable finance – new green/sustainable products and services launched

In 2023, the Bank launched new products and services to support both our corporate and retail customers in their transition to net zero.

## For corporate customers

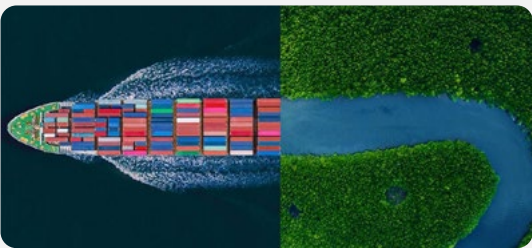
### Sustainable call account



Providing a new avenue for corporate banking customers to manage funds while contributing to their social and environmental goals. Funds deposited by corporates and institutions in an ADCB Sustainable Call Account are directly allocated to sustainable and green bonds within the Bank's Treasury investment book in accordance with principles set by The International Capital Market Association (ICMA).

For further details, please visit:  
[Sustainable Call Account \(adcb.com\)](https://adcb.com)

### Carbon calculator



Introduced the region's first Mastercard Corporate Carbon Calculator, an innovative tool that supports the sustainability ambitions of businesses by providing data on the estimated carbon footprint of their corporate expenditure using the ADCB corporate cards.

Developed by Mastercard, together with the Swedish fintech company Doconomy, the Carbon Calculator informs customers about the estimated carbon footprint of their purchases. The tool estimates the environmental impact of each purchase using a weighted calculation, powered by the independently verified [Doconomy Åland Index](#).

For further details, please visit:  
[Carbon calculator \(adcb.com\)](https://adcb.com)

## For retail customers

### Green car loans



The Bank provides loans for purchase of electric or hybrid vehicles for individuals. This provide customers with discounts on loan processing fees and interest rates on all environmentally friendly vehicles, by making sustainable vehicle purchase more accessible and affordable.

Our Green Car Loans are tailored to encourage the purchase of eco-friendly vehicles such as electric vehicles (EVs), hybrids and plug-in hybrids, aligning with our commitment to support greener choices for our retail customers.

For further details, please visit:  
[Green Car Loans \(adcb.com\)](https://adcb.com)

### Green home loans



ADCB offers loans for green homes that fit product eligibility criteria. The Bank's green home loans are designed to support environmentally conscious home buyers by offering favourable terms and incentives. This provides customers with discounts on processing fees in addition to other exclusive benefits.

For further details, please visit:  
[Green Home Loan \(adcb.com\)](https://adcb.com)

# Environmental and social risk management (ESRM)

## ESRM policy and governance framework

### Why it matters

Environmental and social (E&S) risks can impact our business at every level. By incorporating ESG considerations into the existing risk management and lending practices, the Bank serves to enhance its due diligence process, making risk management more effective, and opening new opportunities to capitalise on.

### Our approach and progress

In 2023, ADCB progressed on implementation of the Group Environmental and Social Risk Management (ESRM) Policy and scorecard in a phased approach across the Group, including all our subsidiaries. In line with the ESRM Policy, the Bank assesses E&S risks for all material transactions in high risk sectors. The latest policy was approved by the Board Risk Committee in February 2024 and is subject to an annual review.

For more information please check our [ESRM policy](#)



For more information on our approach to climate risk and opportunities see [Taskforce on Climate-related Financial Disclosures \(TCFD\) update](#)



### ESRM policy & key objectives

The Policy, which is accompanied by sector-specific addendums for high risk activities, was developed following an extensive assessment process that included gap analysis, industry benchmarking, and materiality assessment of our lending portfolio.

Furthermore, international standards such as the International Finance Corporation (IFC) Performance Standards, Equator Principles and UAE industry guidelines informed our approach.

#### The key objectives of the policy are as follows:

- Incorporate material E&S risks into the overall risk appetite framework of the Group
- Establish an effective E&S risk governance structure and oversight with clear responsibilities across the three lines of defence
- Create a common definition for E&S risks and related terminologies across the Group
- Define the framework to identify, assess, monitor, and report material E&S risks faced by the Group
- Promote training and development for E&S risk management as and when required
- Develop E&S risks awareness and understanding at all levels as well as embed the importance of sustainability in the existing risk culture

### ADCB Group E&S risk governance framework



#### A detailed list of responsibilities is outlined within our ESRM Policy covering the following:

- |  |                             |
|--|-----------------------------|
| • Management Credit Committee                    | • Group Credit              |
| • Group Chief Risk Officer                       | • Group Sustainability Team |
| • Credit support functions within business units | • Business units            |
| • Credit Risk Management                         |                             |

(1) ICAAP: The Internal Capital Adequacy Assessment Process  
(2) PCAF: Partnership for Carbon Accounting Financials



# ESRM (continued)

## Risk strategy & appetite

The Group assesses various E&S risks and opportunities and their impact in the short, medium, and long term. Such information is utilised for decision-making, business strategy as well as financial planning to navigate current and future risks.

The Group sets E&S risk appetite indicators to support its strategic plans. These indicators include a mix of qualitative and quantitative criteria:

- Exposures to restricted sectors as defined in the Group's ESRM policy
- Group's own operational emissions footprint from Scope 1, 2, and 3 (business travel)
- Progress against the sustainable finance target of AED 125 bn by 2030

The E&S risk appetite statement is reviewed and approved by the BRC on an annual basis and monitored on a quarterly basis.

## Materiality assessment

A materiality assessment is conducted to gather insight on exposure and materiality of different E&S risks for the Group and to proactively manage the identified risks. This exercise helps to identify the critical risks and material issues relevant to our stakeholders.


The materiality assessment focuses on high, medium, or low risks emanating through transmission channels as defined in our ESRM Policy.

Materiality assessment is conducted annually by the Credit Risk Management department. The Bank has developed sector-specific addendums for high risk activities as an extension of the ESRM Policy which form part of the enhanced due diligence process for assessing counterparties and transactions.

## Portfolio exposure to economic sectors with material E&S risks

Sector	2022 portfolio exposure (%) <sup>(1)</sup>	2023 portfolio exposure (%) <sup>(1)</sup>	Transition risk <sup>(2)</sup>
<b>Energy</b>			
Oil & gas extraction	4.30%	3.40%	<div></div>
Power - conventional	1.10%	1.30%	<div></div>
Power - renewables	0.00%	0.00%	<div></div>
<b>Real estate investment</b>	23.10%	17.80%	<div></div>
<b>Transport &amp; communication</b>			
Aviation	0.40%	0.70%	<div></div>
Shipping	0.10%	0.10%	<div></div>
<b>Government &amp; public sector</b>			
Oil & gas extraction	1.80%	1.80%	<div></div>
Aviation	1.30%	0.60%	<div></div>
Power - conventional	0.70%	2.00%	<div></div>
Power - renewables	0.60%	0.70%	<div></div>
<b>Manufacturing</b>	3.30%	3.20%	<div></div>
Transition risk levels: Low <span>1</span> <span>2</span> <span>3</span> <span>4</span> High			

- Total lending to oil and gas extraction is AED 15.5 billion, representing 5.2% of ADCB UAE loans and advances
- ADCB UAE does not have any direct exposure to coal mining

Further information can be found in 'Data and Assurance'  section



(1) Portfolio exposure (%) reported for ADCB UAE as at December-end  
(2) Transition Risk heat map is based on European Bank for Reconstruction and Development (EBRD) classification as well as ADCB's internal view

# ESRM (continued)

## Counterparty due diligence

### Risk assessment and scorecard

E&S risk assessment at the counterparty level begins with front line units conducting screening against the ADCB exclusions and restricted lists, followed by determining risk exposure of potential customers through the E&S scorecard.

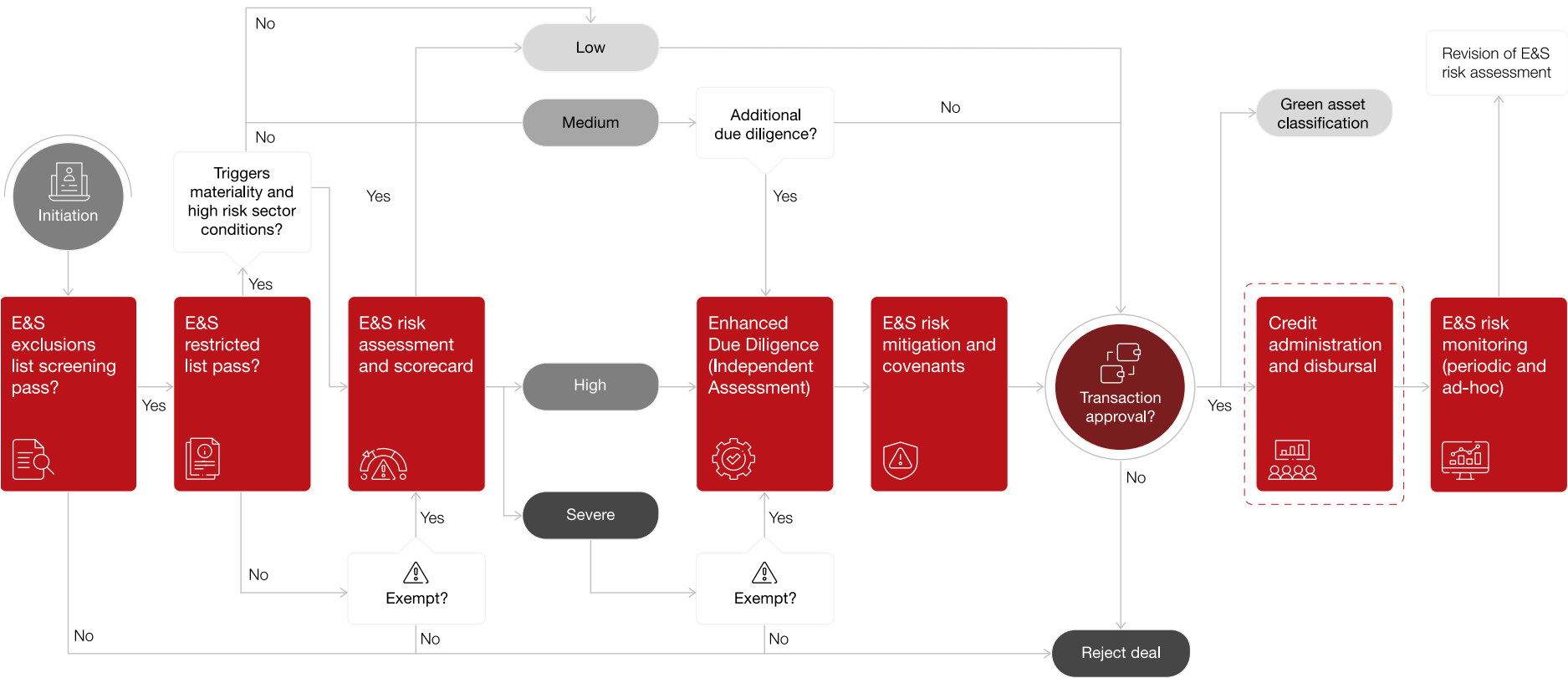
The scorecard includes quantitative and qualitative assessments, providing a combined risk rating outcome for customers. This assessment is completed at the onboarding phase of new customers and as part of the periodic credit review for existing customers.

**The scorecard has four risk categories:**

- **Low:** No further action required. Business units proceed with standard credit approval process steps
- **Medium:** The risk is acceptable. Further due diligence may be proposed to limit the risk of escalation to high or severe levels
- **High:** The Group performs enhanced due diligence and establishes mitigation measures
- **Severe:** No engagement and exit from the client relationship, unless approved as part of the exceptions and exemptions mechanism

### Overview of E&S assessment in credit approval process

ADCB continues to strengthen its approach to E&S risk assessment by increasing the scope of the ESRM Policy and the associated scorecard to increase coverage of our lending portfolio and other asset classes.





# ESRM (continued)

## Climate stress testing

ADCB conducts climate scenario analysis and stress tests in order to assess the impact of material climate risks on the Bank’s lending portfolio. The findings from these exercises enhance awareness of climate risk in the Bank. As data quality and accuracy improves, this information will be used in the future to guide the Bank’s strategy and risk appetite. In 2023, ADCB carried out the following sets of climate stress tests:

### Portfolio level top-down approach (internal assessment):

Leveraged climate risk scenarios designed by Network for Greening the Financial System (NGFS) to assess impacts of both transition and physical risks related to ADCB’s corporate portfolio.

### Bottom-up approach (as mandated by CBUAE):

Assessed the impacts of scenarios prescribed by the Central Bank of UAE (CBUAE), on customers operating in climate-sensitive economic sectors. These scenarios are tailored with UAE-specific macro-economic variables (e.g. UAE price of carbon in USD per tonne), UAE oil production (barrels per day), and UAE real GDP growth rate.

The analysis involved translating different climate scenarios and sector-specific supply and demand elasticities and market dynamics into financial drivers including price, volume, unit cost, capex, and asset value.

These drivers were then used to forecast company financial statements under various climate scenarios to assess impacts on customers’ Probability of Default and Loss Given Default as of 2030 and 2040.

### Climate Scenarios

The NGFS provides a set of six scenarios covering both physical and transition risks under three broad categories of orderly transition, disorderly transition and hothouse world.

For further details on the Climate Risk Scenarios, please refer to the [NGFS Scenarios Portal](#).

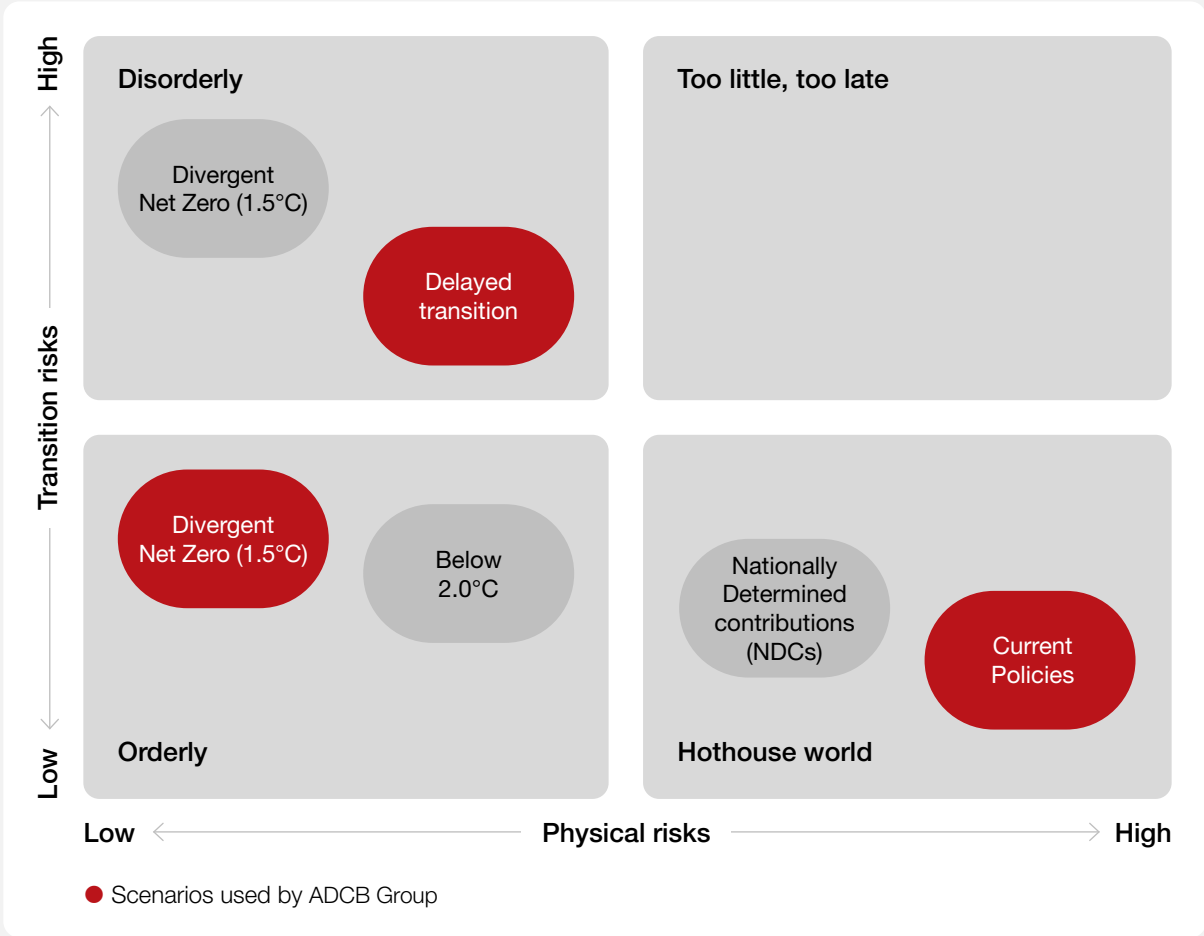


ADCB selected the following 3 scenarios to run the top-down climate stress testing:

- Net Zero 2050 under orderly transition (impact of high transition risk and low physical risk)
- Delayed transition under disorderly transition (impact of higher transition and physical risk)
- Current policies under hothouse world (higher physical risk/no transition risk)

The above scenarios were selected to gauge impact on IFRS 9 Expected Credit Loss (ECL) of both transition risk and physical risk related to ADCB’s corporate portfolio.

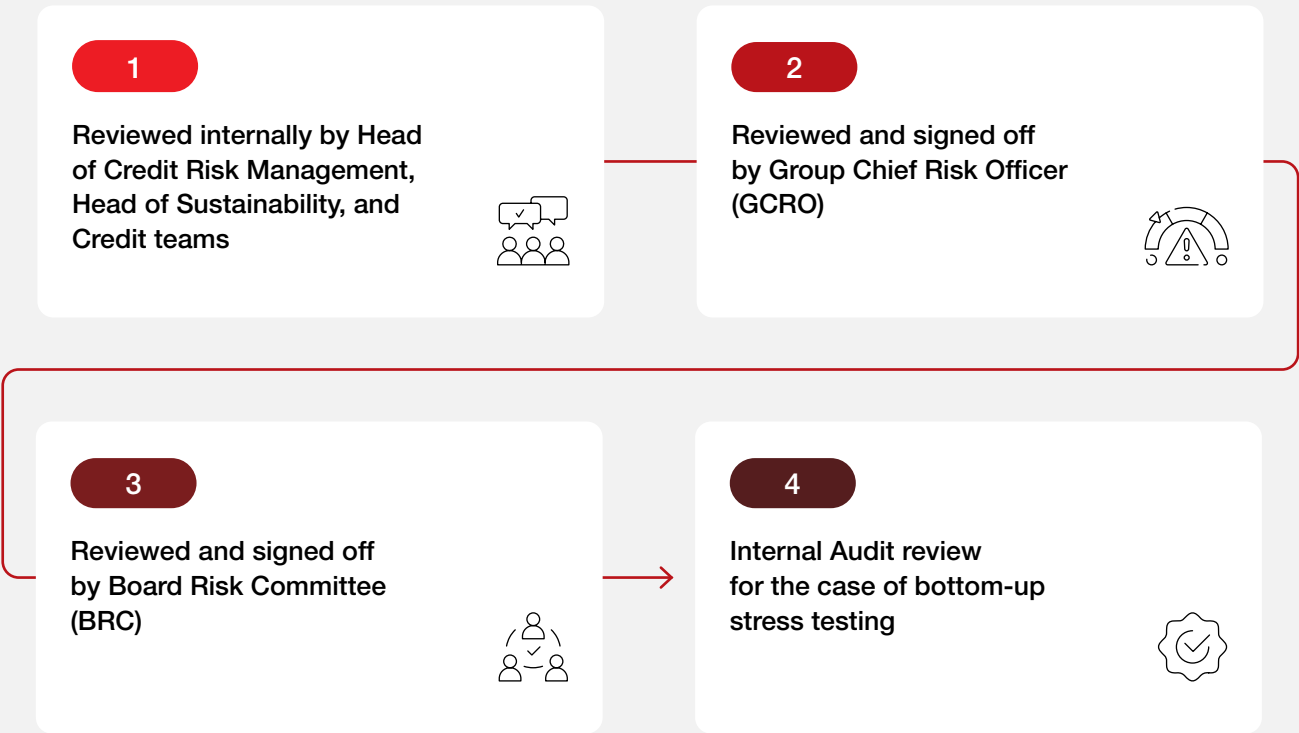
### NGFS Climate Scenario Framework based on whether climate targets are met



# ESRM (continued)

## Climate stress testing

The results have gone through the below governance process



### Future enhancements

ADCB's inaugural climate stress test was a significant step for the Bank in measuring the potential impacts of climate risk. We recognise that this is still an evolving topic for the industry and the Bank is enhancing its internal processes and capabilities.

Furthermore, we acknowledge the clear synergies between climate stress testing and our recent NZBA commitment to decarbonise our portfolio, with both requiring advancements in capturing granular customer-level data.

On an annual basis, we will review our operating model for stress testing and scenario analysis to adopt industry best practices and adhere to prevailing regulatory requirements.

As we advance towards higher levels of sophistication, the Bank acknowledges that it is critical to assess portfolio sensitivities to physical risk (i.e. impact on asset value, loan-to-value and loss given default), in elevated climate risk sectors, particularly commercial and residential real estate.

# Operations and supply chain

## Net zero operations

### Why it matters

An increase in the use of clean energy and reduction in water consumption are critical to the success of the national drive towards a net zero economy. From proactive electricity and water-saving practices to effective waste management, ADCB is committed to reducing our environmental impact and monitoring our resource consumption across our branches, offices, and data centres.

### Our approach and progress

ADCB complies with all relevant environmental laws and regulations in the jurisdictions in which we operate. To ensure continuous improvement, we seek to establish environmental management systems across our locations.

This year, we continued to reduce our environmental footprint, focusing on assessing energy efficiency initiatives within our operations.



### Energy

As part of our drive to reduce energy use, the Bank has continued to implement a diverse range of initiatives:

#### Reducing energy consumption in office buildings

A major advance in 2023 was a strategic contract agreement with RESET, an Energy Services Company (ESCO) to evaluate the energy usage and efficiency in our Abu Dhabi office buildings.

This has enabled us to define potential efficiency improvements and energy conservation measures to support the Bank in optimising resource utilisation and reducing its environmental impact, including:

- Replacing major heating, ventilation, and air conditioning equipment with smart energy models
- Using energy-saving LED lights, and operating dimmer systems
- Activity sensors for lighting
- Installing Building Management System (BMS)

This initiative is expected to play a significant role in the Bank's journey towards net zero within our operations.

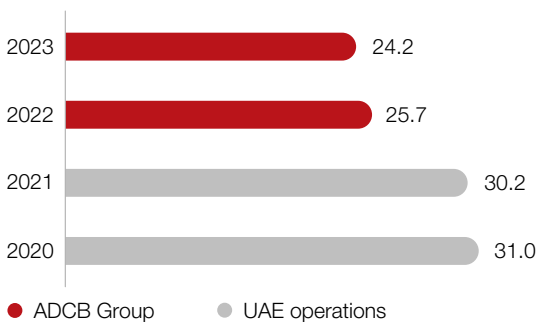
#### Information Technology

Across our data centres, the Bank has moved away from large aggregated heavy power consumption switches to fixed-form switches with reduced power demands. This has resulted in approximately 20% lower power consumption, contributing in our efforts to reduce our carbon footprint.

Cloud computing offers opportunities for reducing both energy consumption and carbon emissions, as well as cutting costs. By transitioning to cloud-based virtual servers, which consume 90% less energy than physical servers, ADCB aims to reduce the number of data center racks in our production data centers by 12 racks from 120. This will help to achieve a 10% saving in data centre energy consumption by December 2024, along with a 25% reduction in data centre carbon footprint.

We also provide low power consumption virtual devices for the majority of ADCB employees. These virtual devices consume 6 to 50 watts of electricity compared to 150 to 350 watts used by desktop devices.

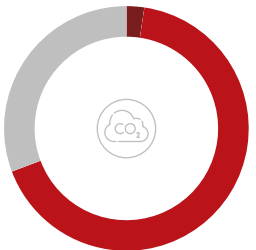
### Energy intensity (GJ/FTE)<sup>(1)(2)</sup>



### Total GHG Emissions (tCO<sub>2</sub>e)<sup>(3)</sup>

- Scope 1 (tCO<sub>2</sub>e) – 644
- Scope 2 (tCO<sub>2</sub>e) – 15,048
- Scope 3 (tCO<sub>2</sub>e) – 7,294

Total GHG emissions in ADCB Group operations decreased by 14% compared to 2022



(1) Energy intensity covers electricity and fuel consumption within the organisation  
(2) Reporting for prior years (2020-2021) was limited to UAE only. For 2022-2023, our reporting boundary covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan)  
(3) Reported in tonnes of carbon dioxide equivalent



# Operations and supply chain

## Net zero operations (continued)



### Water

ADCB uses water from municipal sources in all our locations, ensuring water consumed is discharged for recycling. The Bank has installed water-efficient fixtures and fittings within certain offices, which has successfully reduced water consumption. We are looking to expand this initiative across all offices.

At our data centres, water is used responsibly to control temperatures for optimised equipment cooling. By drastically reducing the number of on-premises servers in our data centres, we have also reduced our water consumption, with wastewater safely discharged back into the municipal water network to be recycled.



### Waste and recycling

ADCB has well-defined procedures for collecting, sorting, and disposing of the general and recyclable waste it produces. The Bank employs an approved environmental services provider to collect and dispose waste (both general and recyclable) in line with guidelines from Tadweer, the Abu Dhabi waste management company. This waste is then sorted, weighed, and all data is recorded before being transported to the disposal site - landfill or recycling station.

The Bank is committed to reducing the amount of waste it produces and its contribution to landfill and disposal sites. We encourage this through the installation of separate recycling and general waste bins, together with a variety of in-house initiatives to segregate bottles and cardboard from general waste. We also ensure that all end-of-life IT equipment is destroyed through environmentally-friendly recycling via e-waste certified partners.



### Paper

By implementing enhanced digital capabilities and platforms, we have reduced our paper consumption through many initiatives, such as e-statements, mobile apps, and by making more digital channels available.

In 2023, the Bank continued to reduce the number of printers and their use in our buildings. We are removing low-utilisation printers from our offices, helping to reduce the amount of wastepaper produced. All printers are programmed to enter 'sleep mode' from 5pm to 7am every day, which has reduced the daily power consumption of printers by almost 55%.

We continued to raise awareness among our employees and encouraged them to adopt greater use of digital technology and reduce paper consumption as much as possible. At the same time, we expanded our efforts to recycle the wastepaper we generate.

29.3 tonnes 

Electronic waste recycled in 2023



# Operations and supply chain

## Green procurement and supply chain



### Why it matters

A sustainable supply chain is a key component in reducing the Bank’s environmental impact as well as helping to ensure it sources ethical goods and services. ADCB is also committed to improving working conditions and to increasing operational efficiency in our supply chain.

### Our approach and progress

Our approach to supply chain management is covered under the umbrella of the Group-wide Procurement Policy. ADCB has integrated environmental and social criteria within its procurement policies and processes to identify, assess, and manage the associated risks accordingly.

ADCB expects its suppliers to comply with local laws and regulations and abide by its Vendor Code of Conduct. This Code outlines a common set of standards and expectations throughout the supply chain. All vendors are treated fairly and equally, and selection is based on clearly defined parameters.

In managing existing and potential suppliers, the Bank considers the vendor’s approach to business ethics and any policies that cover gifts & benefits, anti-bribery and corruption, and information security and data privacy, among others. Vendors must comply with the Group’s relevant sustainability principles, including environmental responsibility, human rights, diversity and equal opportunities, and occupational health and safety.

### Vendor Code Of Conduct

All suppliers must comply with the Bank’s Vendor Code of Conduct. As well as adhering to applicable laws and standards, the Code requires all suppliers to:

- Take active steps to disclose and manage any actual, potential, or perceived conflicts of interest concerning their engagement with the Bank
- Comply with privacy and data protection laws to protect the Bank, customers and employees
- Take steps to reduce their environmental impact, while creating a positive social impact through their products and services
- Have robust business continuity capabilities in place
- Adopt fair and ethical employment practices and take appropriate steps to identify and reduce risks of child labour and modern slavery in their supply chain
- Pay a pre-defined minimum salary to their employees according to local labour law and regulations
- Notify the Bank of any security incident that may affect data or assets

Further information can be found in our **Vendor Code of Conduct** [↓](#)



In 2023, we developed a sustainable procurement plan which is under implementation to incorporate principles of sustainable sourcing into the Group-wide Procurement Policy.

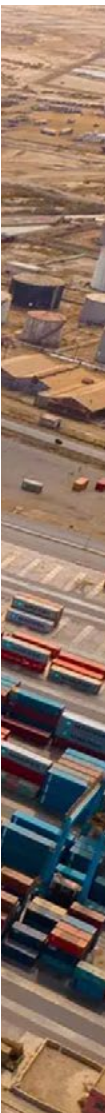
We have updated our vendor questionnaire template with ESG criteria to be rolled out in 2024. This will set our ambition and guide our engagement with vendors who do not meet minimum ESG requirements.

All members of the central procurement team have been trained on Sustainable Procurement to ensure awareness on the subject and how to implement the plan.

### Paperless procurement

The Procurement Department has implemented an entirely paperless procure-to-pay system through which all contracts are managed. This system allows for online procurement related activities including, tendering, contracting, payments and invoicing to ensure a transparent and auditable process.

In addition, the Procurement Department is leading a project to transition from physical to digital business cards throughout the organisation.



# Operations and supply chain

## Green partnerships in the supply chain

ADCB collaborates with a number of strategic partners to advance our strategy. We regularly monitor and evaluate the market to expand our network of external partnerships on ESG topics to match our strategic priorities.

The Bank continued to grow the number of green partnerships with suppliers. Through the Mastercard Sustainable Card Programme, all our cards are verified for their recycled content by the Card Eco Certification (CEC) Scheme. In 2023, a CEC Statement of Compliance confirmed that our plastic cards are made of 86% recycled PVC material, while the metal cards contain 54% recycled material.

1,647



Total number of local suppliers increased by 20% compared to 2022

86%



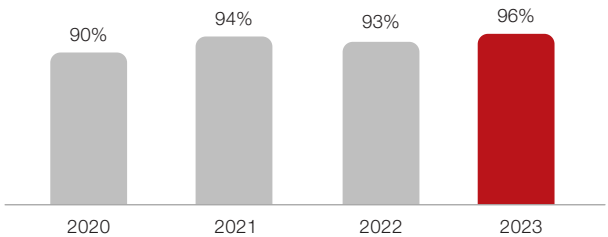
Recycled plastic content in cards

## Local procurement

The Bank actively seeks to partner with local suppliers, with 96% of its procurement budget spent locally in the UAE.

In Egypt and Kazakhstan the Bank takes a similar approach and will continue to work closely with local suppliers, actively engaging with them on relevant ESG issues.

### Percentage of the procurement budget spent on local suppliers



## Sustainable procurement plan - 2023 and beyond

Our plans to enhance sustainable procurement practices include the following:



Identify material procurement activities



Identify percentage of local SMEs in ADCB's total vendor pool



Update the vendor questionnaire to integrate ESG elements



Communicate with all existing vendors ADCB's intended changes



Integrate ESG criteria into vendor assessment



Review and update Procurement Policy with principles of sustainable sourcing



Integration within ADCB's procurement system and roll out



Integrate ESG elements into commercial/technical evaluation during the tendering process



Communicate to all staff on implemented changes



Embed sustainable sourcing principles in ADCB's existing and future procured items



# Customers and communities



## Why it matters

ADC Bank plays a significant role in the lives of more than one million customers and the communities in which they live and work. Customer-centricity is deeply embedded in our strategy and the culture of the Bank. We are committed to delivering more than just financial support to our stakeholders and the community

## Our ambition

Provide inclusive and innovative financial services to drive sustainable economic growth

## Our commitments

- Improve customer experience and value for money for customers, while improving access to financial products
- Digital initiatives to drive mobile banking penetration among new and existing customers





# Customer satisfaction

## Why it matters

The needs and aspirations of our customers lie at the heart of decision-making at the Bank. Customer satisfaction is one of the most important measures of success for the Group. We take every opportunity to engage with our customers and seek feedback about our services, products and channels to identify areas for improvement.

## Our approach and progress

Detailed and comprehensive feedback from customers provides ADCB with invaluable insights that enable the Bank to enhance its products and services. This creates a stronger customer experience, building loyalty and reducing the number of complaints.

The 'Customer Experience Executive Forum' (CEX), chaired by the Group CEO, uses feedback from our customers to develop and implement service improvement initiatives.

Customers also participate in user testing and needs assessment studies for digital assets across all stages of development. Diverse data is collated centrally to drive changes and improvements across the Bank and all customer feedback is tracked and reported on a weekly basis.

Meanwhile, the ADCB Service Leadership Framework promotes customer-centricity throughout the organisation. This includes assessing all employees against KPIs linked to customer experience and maintaining up-to-date scorecards on progress.

A 'Customer Experience & Research Team' is responsible for connecting with customers through regular surveys to capture customer feedback. This is complemented by sub-committees, including a 'Voice of the Customer Forum' (VOC), that considers social media feedback and customer complaints, which are analysed to create action plans.

This process empowers the Banks' internal teams to work more effectively to improve systems and processes and deliver a consistent cross-platform experience. Customer insight also enables the Bank to prioritise investments in the right digital services and ecosystems to bring new banking and lifestyle experiences to the market.

73 

ADCB UAE Net Promoter Score (NPS)



# Customer satisfaction (continued)

## Service excellence

Ensuring the consistent delivery of service excellence is central to ADCB’s strategy for achieving its growth objectives and gaining market share. Customer expectations are constantly rising in the context of an increasingly competitive market. ADCB is continually investing in its service delivery to meet and exceed these expectations.

We embed a customer-first ethos throughout the entire organisation and it plays a central role in shaping our strategic decisions and actions. Service excellence is also measured against performance and is included in every employee’s KPIs and appraisal.

We aim to make accessing our products and services as convenient as possible for our customers. One of the ways we achieve this is through continued investment in processes and technology to manage a greater proportion of customer interactions digitally, while maintaining a high level of service quality. This ranges from enhancing self-service digital onboarding and account management processes, to investing in AI-enabled automation in our contact centres.

The Bank measures its success through fast feedback loops and uses the net promoter score (NPS) to assess customer experience. NPS measures the willingness of customers to recommend ADCB’s brand, products and services to others. In 2023, the overall NPS for the Bank increased by 4 points to 73.

Tracking and responding to customer complaints is a fundamental part of the Bank’s approach to enhancing service standards. In 2023, ADCB resolved approximately 93% issues raised by customers within three days.

The table below shows NPS breakdown by business segment for ADCB UAE

Net promoter score	2020	2021	2022	2023
Retail Banking Group (RBG) <sup>(1)</sup>	52	63	63	70
Private Banking Group (PBG) <sup>(2)</sup>	76	75	84	88
Corporate & Investment Banking Group (CIBG) <sup>(1)</sup>	64	64	68	78
Treasury and Investments Group (TIG) <sup>(2)</sup>	77	90	91	91
Bank wide <sup>(1)</sup>	52	66	69	73

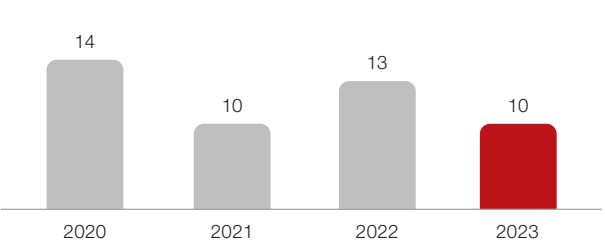
## Customer feedback journey

A typical complaint journey starts from the customer reaching out via our front-end channels to report a problem they have encountered. This is registered as a complaint. We encourage first-point-of-contact resolution by empowering our customer service teams by providing them with tools and knowledge to enable them to serve customers promptly.

Once a complaint is resolved, we undertake a review to verify the effectiveness of the resolution and proactively identify other customers affected. In addition, a customer care representative calls the customer to ensure they are satisfied, and that their concerns have been addressed.

The customer feedback received is regularly reviewed and assessed through various platforms including voice of customer (VOC), Service Quality Forums and CEx sessions, as well as half-yearly updates to the Board.

## Customer complaints per 1,000 customers<sup>(3)</sup>



(1) Refers to Fast Feedback Loop (FFL) NPS  
(2) Refers to strategic NPS  
(3) Reported for ADCB (UAE and Egypt), AHB (UAE and Kazakhstan)



# Customer satisfaction (continued)

## ADCB Islamic Banking

Another significant element of the Group's approach to ethical banking is represented by the range of Shari'ah-compliant banking and financing solutions it offers as part of its Islamic banking proposition.

ADCB Islamic Banking is the fourth largest Islamic banking provider in the UAE<sup>(1)</sup> compared with full-fledged Islamic banks and Islamic windows (conventional banks with Islamic banking products offered as a segment). The Bank offers market leading Shari'ah-compliant financial products and services, delivering the highest levels of service standards and convenience for customers.

Shari'ah emphasises ethical and socially responsible behaviour in economic activities. Islamic finance also aligns with environmental principles by prohibiting activities, transactions and businesses that harm the environment or in sectors that are socially harmful, such as alcohol, tobacco, and weapons. Islamic finance also promotes social responsibility through Zakat and encourages ethical conduct in all financial transactions.

30% 

Increase in Islamic Banking customers with 80% onboarded digitally in 2023

The interconnection between Shari'ah, Islamic finance and ESG presents an opportunity to promote sustainability, social justice and environmental protection within the Islamic banking and finance sector. By aligning with these principles, ADCB Islamic Banking is committed to supporting a sustainable and responsible financial system.

ADCB has established a working group with members from Islamic Banking, Sustainability, Compliance, and Internal Shari'ah Control, with a detailed plan of activities to ensure compliance with these requirements.

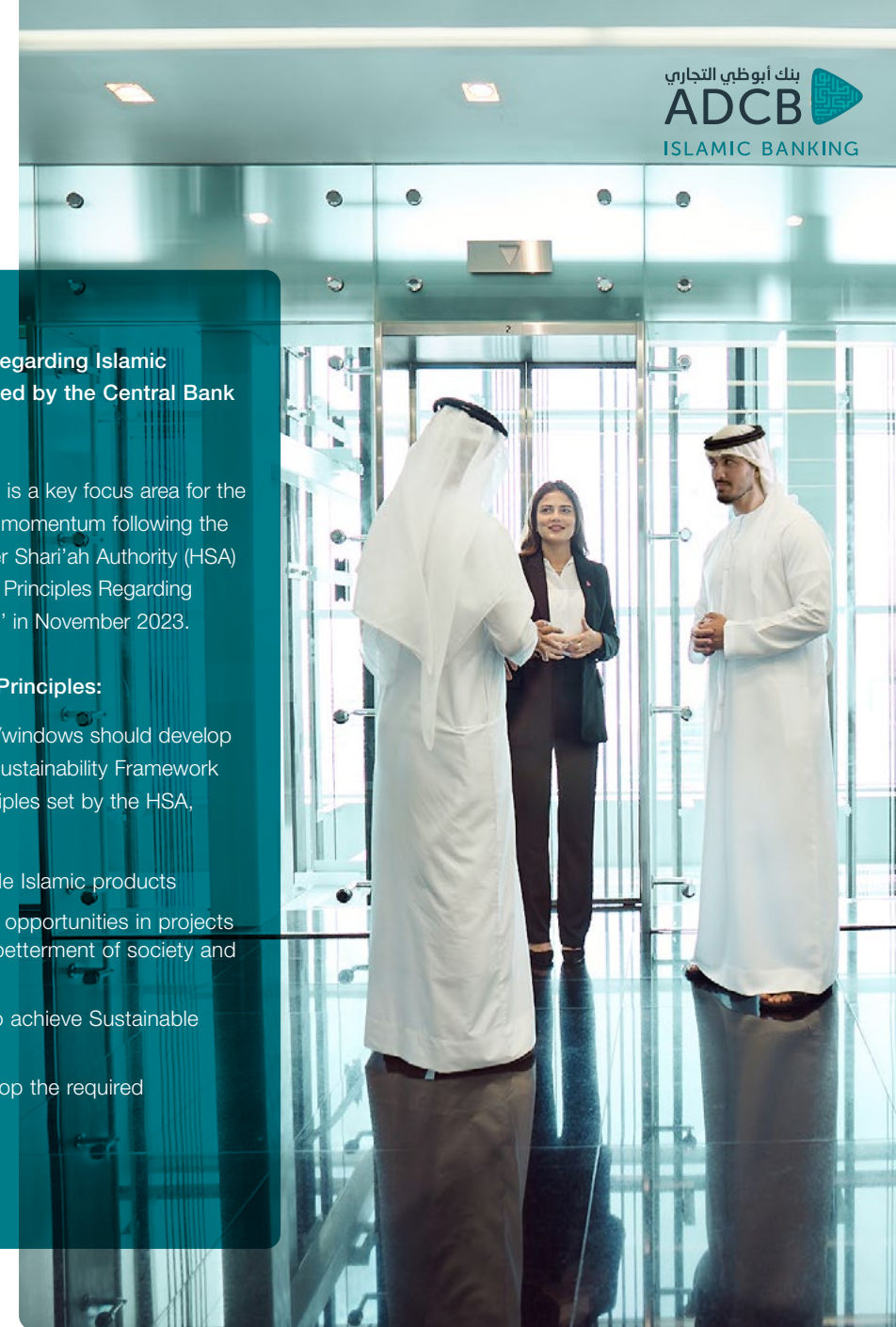
## The Guiding Principles Regarding Islamic Sustainable Finance issued by the Central Bank of the UAE.

Islamic Sustainable Finance is a key focus area for the Bank and is gaining further momentum following the issuance of CBUAE's Higher Shari'ah Authority (HSA) Resolution on 'The Guiding Principles Regarding Islamic Sustainable Finance' in November 2023.

### Key expectations of the Principles:

Islamic Finance institutions/windows should develop a robust Islamic Financial Sustainability Framework as per the 10 guiding principles set by the HSA, including:

- The need for sustainable Islamic products
- Sustainable refinancing opportunities in projects that are related to the betterment of society and the environment
- A 5 year growth plan to achieve Sustainable Islamic Finance
- Upskilling plan to develop the required capabilities in this field



# Ethical approach to banking

## Case study



**ADCB understands the importance of disclosure and exercising transparency with consumers for all products and services. During 2023, the Bank enhanced business practices in relation to the regulatory obligations and guidelines contained in the UAE's enhanced consumer protection standards.**

This included reviews of practices pertaining to contracting, transacting, disclosures, increased transparency around fees, interest rates and inherent risks related to products.

The Bank is committed to providing its customers with clear, accessible information that will inform them of the fundamental benefits, risks, and terms of the products and services. ADCB aims to identify and address any conflicts of interest; ensure all advertisement and promotional material is accurate, understandable; and inform consumers of all applicable fees.

In addition, the Bank informs consumers promptly of all important changes, such as interest rates and terms and conditions changes; and ensures that information is timely, up-to-date and provided at each stage of the contractual process to ensure consumers have the information required to make informed decisions.

ADCB adheres to the business conduct principles set out in UAE Consumer Protection Standards (CPS) regarding marketing and promotional activity. The Bank ensures that all direct contact with consumers for the purpose of marketing and promotion complies with all applicable laws and consumer preferences.

Unless consumers explicitly consent to 'opt in,' they are deemed to have 'opted out' of all promotional communication. Furthermore, ADCB has implemented a 'Consumer Protection Marketing Checklist' that ensures all marketing and promotional materials are developed in line with the CPS requirements.

To ensure its business is performed in a fair, and professional manner, all employees involved in the selling or promotion of third-party products or services are trained on ADCB's Consumer Protection Policy requirements.



# Financial inclusion

## Consumer education

### Why it matters

Financial inclusion empowers individuals and businesses by providing access to a range of affordable products and services that meet their needs. Financial access, delivered in a responsible way, makes managing day-to-day living easier and helps families and businesses achieve their long-term goals.

### Our approach and progress

ADCB actively supports the growth of SMEs, micro-businesses, and entrepreneurs by providing access to finance and improving financial inclusion. We promote financial education to improve skills and knowledge about sound financial planning and management. The Bank issues email communications, financial education articles on budgeting, saving for retirement, payment options, money transfer options and guides on avoiding financial frauds and scams.

1.4 mn+ 

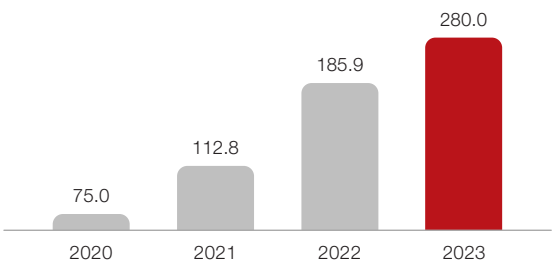
Number of participants in financial literacy initiatives

### Everyday banking

The Bank has experienced a high volume of new account openings in 2023 through its digital onboarding app 'Hayyak'. The platform provides a range of banking benefits for the premium banking segment, as well as options for low-income customers. More than 400,000 digital accounts were opened using Hayyak, representing 79% of new-to-bank retail customers.

Hayyak ties into our strategy to ensure our services are accessible to the widest possible customer base by making it easier for low-income customers to access our banking services. We also partner with third-parties to develop the Bank's presence in non-traditional channels and ecosystems to further enhance accessibility.


Digital account openings by unbanked or underbanked customers (thousands)<sup>(1)</sup>



### Consumer education

In 2022, ADCB created a Consumer Education and Awareness function responsible for the implementation of programmes for its customers and the wider public. In 2023, the Bank delivered training and awareness on a range of key financial literacy topics through regular communications via the Bank's website as well as targeted emails, posters, and messages on ATMs.

The financial literacy topics tailored to the needs of identified consumer personas include, fraud prevention, teaching children about money, balancing family savings priorities, saving for retirement, improving credit score, jump-starting investments and the principles of Islamic banking.

Additionally, in 2023 ADCB developed the **Consumer Education Awareness (CEA) Digital Platform**  for financial awareness. The platform will function as a centralised hub for all the Bank's educational assets and enable the development of an engaged online community of consumers gaining knowledge and expertise on personal financial matters.

The CEA Digital Platform provides customers with various modules and personalised insights to empower them to make informed decisions in their financial education journeys.

### Financial literacy communications read by customers in 2023



The Bank is implementing a comprehensive consumer education plan in 2024. The various topics of the plan include building good credit, accessibility in ATMs, the importance of life insurance, targeting Gen Z and building wealth and managing business through mobile.

(1) Includes number of accounts for individuals through digital onboarding app 'Hayyak' with salary <AED 5,000/month in ADCB UAE

# Financial inclusion (continued)

## SMEs and micro-businesses

### Consumer education at Al Hilal Bank

Al Hilal Bank's digital platform caters to families in a meaningful and enriching way. Al Hilal's super app is helping parents empower their children to develop financial responsibility and positive money habits at an early stage through a first-of-its-kind gamified approach.

Through this feature, parents can assign daily chores to their children and enable them to earn pocket money, unlock rewards, and access e-commerce and digital services by completing their chores.



### SMEs and micro-businesses

Small and medium-sized enterprises (SMEs) are a powerful force in helping to drive the UAE's economy. ADCB is committed to empowering these critical businesses by providing access to a range of products and services to promote greater financial inclusion.

The Bank benefits from in-depth knowledge of the sector, a reputation for service excellence, and effective risk management. This allows ADCB to provide a comprehensive series of products, solutions, and advice to diverse businesses to help them launch, develop, and scale up.

We now have over 110,000+ active SME and micro-business clients in our portfolio that are significant contributors to the Bank's customer deposits.

The Bank provided AED 3.4 billion in loans to SMEs in 2023, while offering a range of transaction services, trade finance and foreign exchange facilities through digital platforms, such as ProTrade and ProCash.

There was also a strong demand for 'BusinessFirst' accounts, which offer a range of banking packages to suit the needs of SMEs. More than 4,400 new 'BusinessFirst' accounts were opened during the year.

In addition, ADCB partnered with Mastercard to launch a co-branded corporate debit card that provides enhanced payment and transaction management for businesses of all sizes, from SMEs to large corporates. It also launched its innovative GlobalLinker online B2B networking platform, which helps SMEs connect with each other and access new markets.

The Bank aims to build on this strong performance in 2024 to further extend its reach among the UAE's growing base of SMEs.

### ADCB Pace Pay

Pace Pay – ADCB's initiative to help SMEs and micro-businesses adjust to a cashless economy – continued to go from strength to strength in 2023. The number of Pace Pay transactions increased by 48%, while the number of businesses using the service grew by 35%. The app has proven popular among merchants, who use their smartphones and tablets to scan credit and debit cards, replacing more costly point-of-sale (POS) terminals.


Through advanced data analytics, the Bank can assess credit risk effectively, allowing ADCB to extend its products and services to micro and SME businesses that previously lacked access.

### Emirates Development Bank

The Credit Guarantee Scheme with Emirates Development Bank (EDB) is part of ADCB's long-running commitment to support the SME sector and aims to fill critical lending gaps and provide solutions. Small and medium-sized enterprises (SMEs) are rapidly becoming the backbone of the UAE, with over half a million operating in the country, contributing as much as 63.5% of non-oil GDP.<sup>(1)</sup>

Under the scheme, ADCB and EDB jointly underwrite the credit risk of eligible customers. EDB will guarantee the credit risk up to 50% of the principal amount or AED 7.5 million (whichever is lower), on facilities to SMEs for Working Capital and Capital Expenditure (Capex).

The partnership will enable the Bank to unlock more funding for the nation's SME community and expand its support for the government's 'We the UAE 2031' vision and the 'National Agenda for Entrepreneurship'.

**EDB** Further information can be found on the [EDB website](#) 

(1) As at 31 December 2023  
(2) Small and Medium Enterprises - The Official Portal of the UAE Government 



# Financial inclusion (continued)

## SME case studies



### Focused on food

Hydroponic farming is gaining traction in the UAE, providing food security while significantly lowering water and energy consumption compared to traditional farming methods.

Pure Tech Food Advanced is at the forefront of this innovation, developing its own advanced, patented technology, with solar-powered vertical robotic farming delivering crop yields 10 times higher than conventional methods.

ADCB is the sole banker to Pure Tech Food Advanced and provides the company with working capital. The ambitious firm is growing rapidly, with a planned investment of USD 50-60 million in 10 additional farming units. Its products have become widely available in the market through partnerships with Waitrose and Barakat Vegetable & Fruit Co.



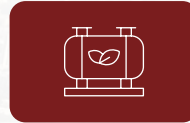
### Driving towards a greener tomorrow

The transport industry is responsible for 30% of global emissions with 72% of those emissions coming from road transportation.

A UAE-based company, Al Salam Limousine, one of largest providers of vehicles to ride-hailing firms Uber and Careem, has taken a clear stand by ensuring that its fleet is almost entirely made up of hybrid and electric vehicles.

ADCB has been the banking partner for Al Salaam Limousine since 2019 helping to finance the company's growth to a fleet of 1,900 vehicles. In 2023 alone, the Bank funded the purchase of over 100 Tesla vehicles, as well as hybrid cars.

By taking an 'electric-first' approach, the company has cumulatively avoided over 20,000 tonnes in CO<sub>2</sub> emissions – the equivalent of 46,000 flights between New York and Los Angeles.



### Fuels of the future

Neutral Fuels, founded in 2011 in Dubai, collects waste cooking oil and transforms it into biofuel, a commercially viable drop-in replacement for use in diesel engines. The fuel immediately reduces transport carbon emissions to net zero, enabling clients to contribute meaningfully to combating climate change.

ADCB's relationship with Neutral Fuels began in 2016. The Bank has provided credit facilities and digital cash management products and services, supporting the company's growth in areas such as bus transportation, oil and gas services and shipping. In this time, Neutral Fuels has become the largest biofuel provider in the Gulf region, with operations in the UAE and Bahrain, as well as Singapore and South Africa.

Neutral Fuels now works with over 150 global clients and is responsible for the cumulative conversion of nearly 20 million litres of oil into biofuel. This contribution has avoided over 60,000 tonnes of CO<sub>2</sub> emissions from entering the environment.

SMEs driving the transition to a low carbon economy

Spotlight



# Financial inclusion (continued)

## Accessibility

ADCB continually monitors the accessibility of our branches to make our facilities more inclusive. The measures undertaken include the installation of access ramps and adjusting the height of ATMs in 10 branches specifically designed to be friendly for people of determination (POD).

### ADCB's 10 POD-friendly branches

- **Abu Dhabi:** Al Hosn, Dalma Mall
- **Ajman:** Ajman
- **Al Ain:** Hazza Bin Zayed Stadium
- **Dubai:** Al Karama, Arabian Center
- **Fujairah:** Dibba, Fujairah
- **Ras Al Khaimah:** Ras Al Khaimah
- **Sharjah:** Al Buhaira



We provide mandatory staff training to equip our people with the understanding and insights to welcome, guide and service POD customers in our branches. We have also introduced voice guidance to support POD customers undertaking ATM transactions.

In addition, the Bank introduced a range of assistive equipment across its branch network as detailed below.

### ADCB's assistive equipments

<b>Tactile floor indicators</b> 	<b>Ramp and handrails</b> 	<b>Steps</b> 	<b>Dedicated parking slot</b> 	<b>Accessible entrance doors</b> 
<b>Wide doorways</b> 	<b>Low height teller counter</b> 	<b>Low height CSO counter</b> 	<b>Low height cheque desk</b> 	<b>Physical security</b> 
<b>Lights adjustment</b> 	<b>POD dedicated waiting area</b> 	<b>Emergency exit</b> 	<b>Hearing induction loops<sup>(1)</sup></b> 	<b>Job aids<sup>(1)</sup></b> 

(1) Assistive equipment available across all branches

### Spotlight



### DIVERSE COMMUNITY CLIENTS

We want to ensure our services are accessible to the diverse communities that live and work in the UAE.

The Bank has introduced multilingual forms, posters, materials, and other means of communication, such as visual monitors in branches, and multilingual staff are available in all branches to assist customers in English, Arabic, Urdu and Hindi. Telephone banking is also available in three languages (English, Arabic, and Hindi), covering a significant portion of the UAE's population.





## Financial inclusion ADCB Egypt case study



الآن جديد في باقة  
**إرادة**  
قرض  
بأقل فائدة في مصر



BEST FINANCIAL INCLUSION PACKAGE  
TOWARDS PEOPLE WITH DISABILITIES  
– ERADA

EGYPT

### Empowering persons with disabilities (PWD) by ADCB Egypt

Erada is an award winning program by ADCB Egypt which seeks to provide positive social and financial benefits for all stakeholders and continues to grow in popularity.

The Bank launched the Erada package in 2021, offering banking and non-banking features and supports the initiatives set by the Central Bank of Egypt (CBE) and the nation to integrate PWD's into society. In 2022, the Bank launched a specially designed personal loan under the 'Erada' package for PWDs. This loan offers an interest rate 3% lower than the advertised rate, with flexible repayment periods ranging from 6 months to 8 years. PWDs aged between 21 and 60 years (at loan maturity) are eligible for loan amounts of up to EGP 1 million.

To enhance accessibility, PWDs are also provided the option to open an account through the Bank's mobile application.

In addition to the Erada package for customers, ADCB Egypt also actively supports community initiatives providing educational scholarships, vocational training and economic empowerment opportunities for PWD's.



# 50%

Increase in Erada accounts  
from 2022 to 2023

# Digital and innovation



## Why it matters

Digital and technological advancements in the financial sector offer consumers greater control, making banking easier, swifter, and more secure. ADCB has accelerated the pace of its digital transformation as part of its corporate strategy, providing customers with a wide range of innovative digital products and services.

79%



Retail customers onboarded digitally through Hayyak<sup>(1)</sup>

## Our approach and progress

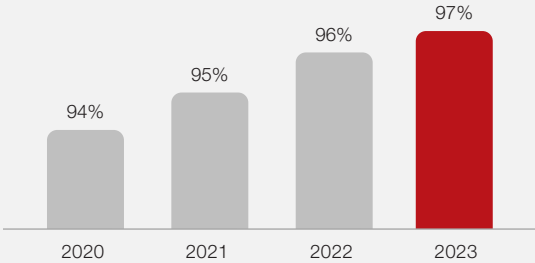
ADCB is moving to a digital first strategy to enhance its offering of superior products and services via a seamless banking experience. The strategy focuses on driving customer acquisition and engagement, particularly through ecosystems created with external non-banking partners to provide new opportunities for customers.

ADCB's customer-centric approach to digital innovation is a core strength and a critical component of the Bank's success and strategy for future growth. Significant investment in technology has enhanced customer experience, resulting in rapid growth in customer numbers and engagement levels.

## From onboarding to seamless access to products

ADCB's priority is to open up a full range of banking services to new customers digitally, through the most convenient channels — either via ADCB or third-party platforms. Over 1 million customers have joined the Bank through our 'Hayyak' onboarding app since its launch in 2019, and momentum has increased with over 400,000 customers welcomed through this channel in 2023.

## Retail digital transactions<sup>(1)</sup>



A project is currently underway to integrate the Hayyak process into the ADCB Mobile Banking app, which will provide a seamless journey from onboarding straight through to accessing a full range of products and services on a single platform.

89%



Customers registered on Internet & Mobile Banking<sup>(1)</sup>

200



Number of digital projects teams across the Bank worked on in 2023

End-to-end automation is enabling customers to register easily for current and savings accounts, credit cards and personal loans. For example, it now takes only eight minutes for an existing customer to apply for a credit card and receive a digital card for immediate use.

Ease of use of digital platforms and security enhancements, including the introduction of 'UAE FacePass' facial recognition technology to verify transactions, have supported increased engagement and security in digital channels.

The number of digital banking customers and retail customer transactions have more than doubled since 2019. In 2023, digital retail transactions increased by 37% year on year to more than 188 million.

(1) ADCB UAE only



# Digital and innovation

## Artificial Intelligence

### Leveraging the potential of AI

Across the Bank, advanced analytics and AI are enabling better and more responsible credit decisions, while helping to drive compliance and optimise efficiencies.

AI capabilities were integrated in the new cloud-based contact centre, built on the industry-leading Genesys platform. It includes voice recognition and a ‘next best action’ engine to suggest conversation prompts based on the customer’s behaviour. This empowers contact centre staff to develop stronger relationships with customers and respond to queries more effectively.

Continued investment in ADCB’s mobile banking app has achieved faster time to market and greater resilience through modernisation of the technology platform. The Bank deployed generative AI into its software engineering capabilities to automate the writing of software application code and test automation scripts, leading to significant productivity improvements. Meanwhile, the offers and discounts feature, which is integrated into the app, uses machine learning technology to provide personalised offers to customers based on their spending patterns.

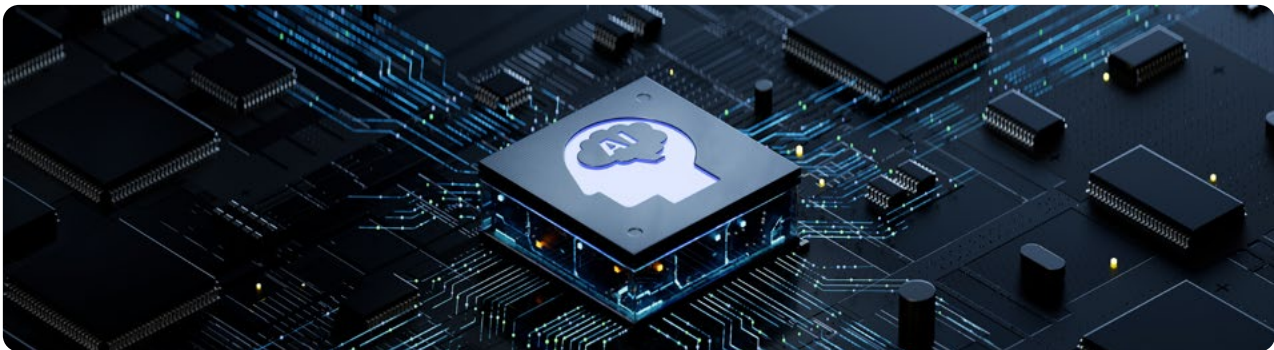
### Driving efficiencies for all customers

ADCB’s Private Banking and Wealth Management digital proposition is reimagining how the business serves its clients. The Bank launched a digital wealth self-service portal and integrated mobile app in 2023, bringing private banking services to customers via a more convenient, personalised and responsive channel.

In the Corporate and Investment Banking Group, investment in digital platforms continued to deliver high service levels and enhance customer convenience. The two digital corporate banking platforms ProCash and ProTrade — benefitted from improved efficiency and security measures. New alerts were introduced to allow users to effectively monitor transactions in real time on the ProCash platform, while machine learning and AI technology were implemented to apply trade based anti-money laundering rules to trade finance products.

Additional upgrades included a streamlined onboarding process for SMEs and the integration of facial recognition on the ProCash mobile app. The improvements help clients to track their money in real time and provide a seamless proposition that continues to make banking more efficient.

In addition, the Bank introduced a new supply chain and virtual accounts solution, along with a blockchain-enabled automated trade licence renewal process for Dubai-registered companies. This facility will be extended to other Emirates as the capability becomes available. Meanwhile, the IPO portal continued to offer convenient access to new investment opportunities.



### Digital key highlights

 **97%**  
Digital retail customer transactions<sup>(1)</sup>

 **188 mn**  
Digital retail transactions in 2023,  
up 37% YoY<sup>(1)</sup>

 **34%**  
YoY growth in digital banking (internet and  
mobile banking) subscribers in 2023<sup>(1)</sup>

(1) ADCB UAE only

# Digital and innovation

## Digital strategy

### Refreshed digital strategy

Given the rapid advances in technology and the highly competitive environment, the Bank is continuously reinvigorating its digital approach, to ensure it provides a suitable platform for innovation, combined with a focus on tangible customer benefits and speed to market.

ADCB commands a strong market position in the UAE, particularly in terms of digital usage and account openings. The Bank revised its digital strategy in 2023 to reflect its ‘digital first’ approach, further cementing its position as a digital leader.

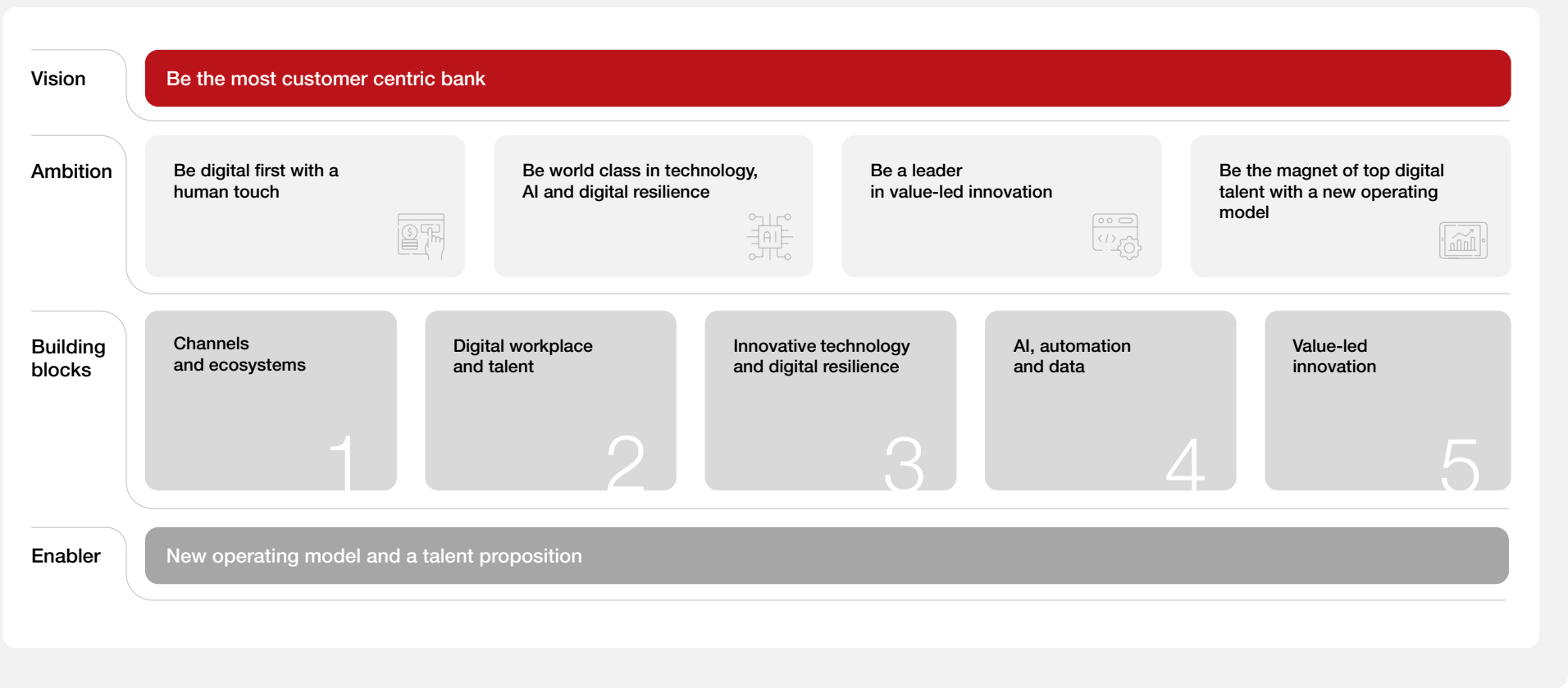
The revised digital strategy, which will be rolled out from 2024, is focused on accelerating the digitisation of key customer journeys, building strong digital technology foundations, refining internal processes and tools, and developing the enablers to ensure a long-lasting transformation.

### ADCB’s digital vision is anchored on four key ambitions:

- Digital first with a human touch
- World-class in technology, AI and digital resilience
- Value-led innovation
- Attracting top digital talent

### Our digital ambition

ADCB strives to be the most customer-centric bank in the UAE through a focus on five building blocks in the Bank’s digital strategy.





# Community investments

## Why it matters

Supporting local causes and groups helps to improve people's lives and enhance the communities in which they live and work. Community investment through financial support and expertise, charitable work, and volunteering helps promote financial inclusion and education while helping society to flourish.

## Our approach and progress

ADCB has a long and established track record of partnerships with charitable organisations and communities in the UAE, supporting worthy causes.

We are committed to delivering targeted activities, initiatives, and sponsorships that progress socio-economic development within the communities in which we operate. Our total social contributions in 2023 amounted to AED 10 million, which included sponsorships and donations. We also encourage our people to volunteer in initiatives that deliver meaningful societal benefits.

67.7%



In-Country Value (ICV) score  
for ADCB UAE<sup>(1)</sup>

## In-country value generation

Our contribution to value creation in the UAE has been certified as part of the National In-Country Value (ICV) Program by the Ministry of Industry and Advanced Technology. The National ICV Program seeks to boost economic performance and support local industries by redirecting higher portions of public spending into the national economy.

As part of its ICV certification, the Bank was assessed on its contribution through the total amounts spent within the country on:

- Local products and services
- Investments (which include tangible fixed assets and investment property)
- Hiring and development of Emiratis
- Contribution to the local economy through the expatriate workforce

The National ICV Program is focused on improving the sustainability of the industrial sector, by increasing the contribution of local industries and supporting local companies in advancing economic and social development, as well as contributing to the growth of the country's GDP.

## Spotlight



## YOUTH EMPOWERMENT

Providing education and increasing financial knowledge help develop responsible businesses, focusing on improving employability and financial skills needed to help communities thrive and empower the UAE's youth.

ADCB helps to raise financial awareness through a range of programmes and partnerships and provides additional educational opportunities for UAE nationals.

The Bank works with the Human Resources Authority and Abu Dhabi Global Market to support 'The Bankers Programme', which aims to enhance the skills and knowledge amongst UAE nationals across the UAE banking sector.

For more information please refer to 'Learning and development'  section.



(1) The decline in the 2023 ICV score is due to the increase in interest expenses in a rising interest rate environment

# Community investments (continued)

## Partnerships

ADCB continues to partner with a diverse range of organisations to provide financial support and knowledge to help drive change in the community. Some examples of partnerships in 2023 include:

### Reaching the Last Mile initiative



ADCB supported Reaching the Last Mile initiative (RLM) and World Neglected Tropical Diseases (NTD) Day campaign, with a donation of AED 1 million.

World NTD Day aims to tackle diseases such as river blindness (onchocerciasis), leprosy, elephantiasis (lymphatic filariasis), guinea worm disease, rabies, and intestinal worms (soil-transmitted helminths), which can debilitate, disfigure and in some circumstances be fatal.

The initiative, by UAE Red Crescent aims to promote cooperation between communities and nations to eradicate these diseases that cause thousands of preventable deaths and disabilities, and to help millions of children and adults live healthy lives.



### ATAYA Charity Exhibition



ADCB supported the annual charity exhibition, ATAYA by UAE Red Crescent, held at the ADNEC Marina Hall in Abu Dhabi. This event, showcasing the finest products in women's fashion, jewellery, accessories, and home furniture, brings together exhibitors and producers from the UAE and around the world.

The funds raised from the exhibition support charitable initiatives by the UAE Red Crescent. This raises awareness of community service among young Emiratis and instills the value of charity in the community. ADCB's support to ATAYA demonstrates its commitment to social responsibility and contributes positively to humanitarian causes, creating a significant impact both locally and globally.



### Make-A-Wish Foundation



ADCB's support for the Make-A-Wish Foundation aims to make a positive impact on the lives of children facing critical illnesses. The Bank aligns itself with the Make-A-Wish Foundation's mission to grant life-changing wishes, offering hope, strength, and joy to children and their families challenging times.

Our support reflects the Bank's corporate values and commitments to the well-being of our community. Together with the Make-A-Wish Foundation, we aim to create moments of happiness and inspiration, fostering a sense of resilience and optimism among children and families.



### Pink Run



ADCB supports breast cancer awareness and promotes active, healthy lifestyles for the UAE community through its support of the annual 'ADCB Pink Run' initiative.

The Bank has supported the event for a decade with growing numbers of participants. In 2023, the event attracted close to 2,000 runners, with proceeds donated to Al Jalila Foundation for Breast Cancer Research Initiatives.





# Employees



## Why it matters

Our employees are at the core of our long-term success. We remain committed to attracting and nurturing a diverse and highly skilled workforce and consider the development of Emirati nationals as a strategic priority in line with the developmental agenda of the UAE

## Our ambition

Create a thriving workplace that attracts and retains the most talented and committed people

## Our commitments

- Continue to improve diversity and inclusion metrics, and maintain best in class employee satisfaction
- Enhance employee learning through high quality content and dedicated training



# Employee engagement and wellbeing

## Why it matters

Our employees personify our values and represent the Bank to our customers, clients and other stakeholders. The well-being and engagement of our employees is vital to the ongoing success of our business.

## Our approach and progress

ADCB invests substantially in talent and capabilities to ensure our people are well-equipped and feel fully supported in the jobs they do. Our organisational framework provides well-defined roles and responsibilities, ensuring access to pertinent strategic objectives, as well as appropriate tools and support mechanisms to foster heightened levels of engagement and performance.

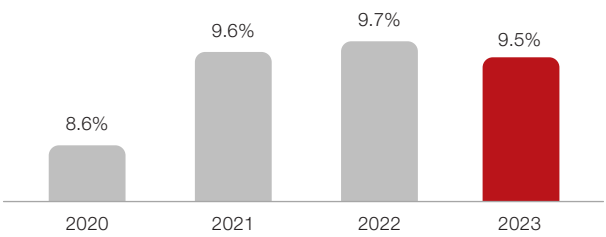
Our approach to employment and labour practices strictly adheres to local labour laws across all geographical locations where we operate. At the same time, the Bank adopts a distinctive culture and working environment. We remain committed to nurturing our employees’ well-being and professional development.

## ADCB Group recruitment policy

ADCB promotes equal opportunities for all. It recruits without any preferences related to a candidate’s nationality, ethnic origin, marital status or gender, subject to any specific requirements as per UAE law. All ADCB employees, regardless of their country of origin or citizenship, are governed by the applicable laws, regulations and decrees of the UAE and other applicable geographies, in addition to the Bank’s internal policies and their individual employment contracts.

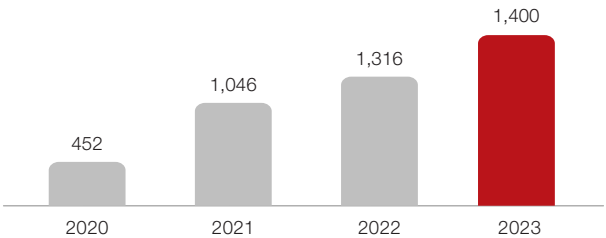
We regard the onboarding process as a critical step in the employment journey of new joiners. Following a 360-degree review in 2022 to identify areas for improvement, in 2023 we refreshed the onboarding process to increase support and engagement for new joiners, contributing to a smooth and positive introduction to ADCB for new employees.

## Total employee turnover



## Total new hires

(44% females and 23% Emirati nationals among new recruits in 2023)

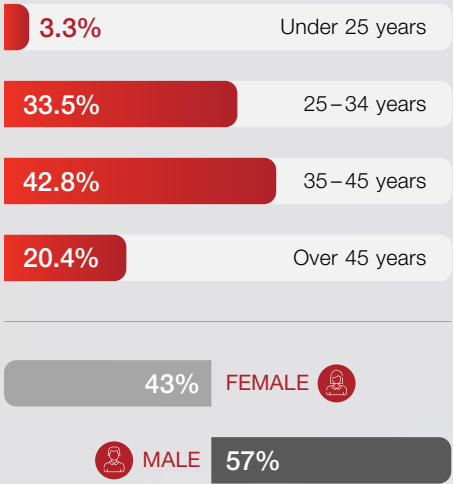


The retention of our employees is a key indicator of our successful approach. Among our Executive Management team, the average length of service is over 10 years. This is higher than the average tenure for senior professionals in the top 1,000 US companies, as reported by the Korn Ferry Institute.



# Employee engagement and wellbeing

## ADCB Group employee profile by age and gender



### SPOTLIGHT



### Employee experience

ADCB provides a diverse and inclusive workplace, with over 80 nationalities represented in the employee base. Every year, the Bank carries out an Organisational Health Index (OHI) survey and a Line Manager Index (LMI) survey to track its performance on culture and employee experience. OHI, an internationally recognised benchmark, measures organisational health based on company-specific health outcomes, management practices, and employee experience. The survey is regarded as an indicator of future organisational performance potential. Research shows that companies within the top quartile organisational health, on average, deliver three times greater total shareholder returns over time.

In 2023, the OHI survey received a response rate of 96%<sup>(1)</sup>, while the overall OHI rating placed ADCB firmly in the top quartile of banks globally. The high response rate to both these surveys demonstrates a strong level of employee motivation and commitment to ADCB, its customers and its future. These surveys reflect our efforts to maintain an open, engaging culture where people feel their opinions and ideas are valued.

(1) For ADCB UAE and its subsidiaries in the UAE, excluding AHB

# Employee engagement and wellbeing (continued)

## Remuneration

ADCB supports remuneration levels necessary to attract, retain and motivate employees capable of leading, managing and delivering high quality services in a competitive environment. Our performance-linked approach is designed to minimise turnover of top talent and to inspire employees to perform at the highest levels, consistent with effective risk management.

ADCB's remuneration structure is conservative, with practices and policies that promote effective risk management. To that end, ADCB structures remuneration packages so that they reflect roles, responsibilities and accountabilities and are fair and equitable. Packages incorporate clear and measurable rewards linked to the organisation, department and individual performance as applicable. Furthermore, rewards are based only on the results of a rigorous performance management system with a robust management review, decision-making and approval process.

The Nomination, Compensation, Human Resources & Governance (NCHRG) Committee oversees the design, operation, and effectiveness of the framework and allocation of rewards, including distribution amongst business groups and remuneration to senior management.

Salaries in our UAE operations are a combination of fixed pay, social allowance and pension schemes (for UAE nationals), job-specific allowances, benefits based on level of employment (including private medical insurance, life insurance coverage, education and air travel allowance), and variable pay based on performance over the year.

The Bank also operates a share-based retention scheme. Membership of the retention scheme is at the sole discretion of the NCHRG. Members of the Management Executive Committee are not eligible to participate. Retention scheme rewards expire after four years from the reward date.

For further details on our approach to employee remuneration and rewards, please refer to our [2023 Corporate Governance Report](#) ↓



## Health, safety, and wellbeing

ADCB encourages a positive work-life balance among its employees and takes a responsible approach to the welfare of its staff. This includes the provision of high-quality medical insurance that covers treatment for a wide range of illnesses, free annual medical checks, and support for mental health.

Zero

Work related injuries reported for employees in ADCB UAE

The Bank's health and safety team ensures compliance with all relevant regulatory and internal policies and procedures. Our approach has received external recognition with UAE Civil Defence safety certificates awarded for all ADCB locations.

Each office has an emergency response team, which includes a health and safety warden. Periodic mock drills are carried out to test the effectiveness of emergency response procedures. The Bank also carries out regular risk assessments, and provides first aid and fire warden training for nominated employees. All health and safety incidents are reported and investigated, with relevant learnings used to inform any revisions to the Bank's health and safety policies and procedures.

To ensure staff are fully aware of health and safety issues and emergency procedures, the Bank communicates emergency procedures during incidents such as earthquakes, floods, fires, and other natural disasters.

To encourage work-life balance, ADCB has maintained flexibility in its working hours. The Bank also adopts a four-and-a-half day working week, with the option to work remotely on Fridays.

## Grievances

ADCB fosters an environment where employees at all levels are empowered to confront improper behaviour, raise grievances, and suggest better ways to pursue the Group's strategic goals.

The Bank has a formal grievance process in place and employees can raise complaints and present their grievances to management. Prompt and fair consideration is given to each grievance. Employees are not subject to retaliation for initiating the process or for participating as witnesses. If an employee has any concerns, they are encouraged to raise them directly with their managers or through the Bank's formal grievance platform.

100%

Employee grievances filed in 2023 were addressed or resolved

For details on our approach to whistleblowing, please refer to the section on [Whistleblowing policy](#) in this report





# Emiratisation



## Why it matters

ADCB is proud to contribute to the UAE's progressive Emiratisation agenda as part of the country's vision for the development and growth of the economy and its people. By supporting the national Emiratisation strategy, we help to create jobs and increase the number of UAE nationals with the necessary technical and vocational skills for employment, and entrepreneurship.

## Our approach and progress

The Bank has a long-standing commitment to create skilled career opportunities and provide professional development programmes that are closely aligned with its strategic priorities. Attracting and developing UAE national talent is a key pillar of this strategy.

Developing a pool of experienced, dedicated and engaged Emirati employees provides the Bank with a strong competitive advantage. ADCB is proud to be a major employer of Emiratis in the UAE banking sector and to uphold its commitment to promoting home-grown talent. We endeavour to exceed the targets set by the UAE Central Bank and are fully committed to empowering Emirati women.

The Bank employs 2,096 UAE nationals, accounting for 40%<sup>(1)</sup> of our workforce. In 2023, ADCB welcomed over 300 UAE nationals as new employees. Today, Emiratis make up more than 50% of the total number of employees at Al Hilal Bank. Notably, the Emiratisation rate at Al Hilal Bank is among the highest in the UAE banking sector. Emiratis hold more than 20% of middle and senior leadership positions at ADCB Group.

## Training and development programmes

Providing relevant and engaging training and career development opportunities is vital for the Bank to continue attracting top Emirati talent. ADCB provides organisation-wide training to onboard UAE national graduates effectively. It also offers employees a range of structured learning and development opportunities throughout their careers to enable staff to further develop their managerial and leadership skills.

ADCB also supports Abu Dhabi's accelerator programme, collaborating on a cross-functional project with Abu Dhabi Global Market (ADGM) and the Abu Dhabi Human Resources Authority (HRA) to deliver the Bankers Programme for fresh Emirati graduates.

## Emiratisation in numbers

Emirati nationals in our workforce<sup>(1)</sup>

 **2,096**

Emirati representation among employees

 **40%**

Emiratis in senior leadership positions<sup>(2)</sup>

 **483**

UAE national branch managers

 **94%**

Females among the Emirati nationals

 **78%**

(1) Emiratisation figure refers to UAE nationals employed by ADCB UAE and AHB UAE  
(2) Senior leadership positions include middle and senior management

## Emiratisation (continued)

ADCB's Emirati Academy offers a holistic and robust framework that provides targeted and customised learning aligned to the organisation's job and level. It is designed to develop knowledge, skills and behaviours of all Emiratis based on individual learning tracks (Mahara, Specialised, Management and Leadership).

The Bank has initiated a number of programmes to equip Emirati employees with the skills and capabilities to not only excel in their current roles, but also to enable them to advance their careers with the Bank. These programmes include a 'UAE national career development' component for high performing Emirati employees.

This initiative is part of the Bank's vision to develop UAE nationals, by identifying their strengths and investing in their development through tailored learning pathways. Participants are assessed across key metrics, such as cognitive ability, personality type and behaviour, to determine areas for further focus. The programme includes personalised feedback with certified coaches and access to targeted learning sessions.

Over 360 people have participated in the programme so far. The Bank provides the necessary resources and support to enable UAE nationals to progress their careers and contribute to the success of ADCB.

In 2024, the Bank plans to add an additional 'career pathways' level to the programme, linking employee development and career ambitions to internal vacancies and performance requirements. The initiative aims to identify and nurture the next generation of Emirati leaders within the organisation.

### Succession planning

ADCB continued to develop its succession planning strategy in 2023, identified key positions in the organisation based on well-defined criteria, and creating new development initiatives for successors. This included creating different learning opportunities to provide potential successors with the proper skills and knowledge to progress, strengthening their level- and role-based competencies.

As part of this strategy, the Bank implemented a thorough identification and assessment exercise. The aim of this exercise is to increase the number of UAE nationals seen as future business leaders and strengthen the pipeline of potential candidates with the skills and aptitude to take on new challenges and responsibilities in the future.

Specific talent management projects were developed in line with this approach, such as ATPP (Accelerated Talent Progression Programme), an initiative designed to ensure sustainable growth and progression of UAE nationals across all areas of ADCB, accelerating their development and further supporting the Bank's Emiratisation objectives.

### SPOTLIGHT



### UPSKILLING EMPLOYEES IN PARTNERSHIP WITH EMIRATES INSTITUTE OF FINANCE (EIF)



ADCB has partnered with the Emirates Institute of Finance (EIF) to deliver an exclusive training programme. Emirati fresh graduates appointed to critical roles undergo the EIF ETHRAA Programme, covering the foundations of banking and specialised courses relevant to the banking sector. Each year around 145 UAE nationals attend EIF courses running between six to nine months.



# Learning and development

## Why it matters

Providing a wide range of learning and career development opportunities enables ADCB to ensure its people are equipped with the personal and professional skills they need to achieve their career aspirations, while also making a valuable contribution to the Bank's ongoing growth and development. This not only helps to attract and engage employees, it enhances ADCB's reputation as the employer of choice and provides a competitive advantage in the market.

## Our approach and progress

The Bank continues to invest significantly in professional training to support employees in their performance and career progression. Learning is generally delivered in a blended approach via a combination of in-person and online modules covering a variety of technical and behavioural topics, in partnership with leading international providers.

To promote continuous development, we provide a diverse curriculum of learning opportunities tailored to different roles and levels within the workforce. We identify each employee's strengths and development needs and align them with individual career plans to support their professional goals.

43 

Average training hours per employee in 2023

## Employee training

The HR team employs a talent-centric development approach that takes into account the needs and motivation factors to enable employees to succeed in their careers. ADCB delivered more than 300,000 learning hours to employees in 2023, through a combination of in-person and online training modules, in partnership with leading international providers.

Ambition University is ADCB's in-house centre of learning and development. It aims to provide strategically-aligned, business-driven learning that adds value to our business, our employees, our stakeholders and our customers.

Ambition University comprises of four academies: Emiratisation, Leadership and Management, Business Excellence, and Organisation Excellence. Under each academy there are specific faculties responsible for the development of the relevant curriculum, which are then delivered through a series of programmes. Ambition University offers courses to all employees, including mandatory training modules linked to regulatory requirements, such as anti-money laundering and know-your-customer.

The Bank also partners with well-established providers, such as the London Institute of Banking and Finance (LIBF), to develop joint training programmes for staff, including a three-month Bankers Programme for fresh university graduates.

## Performance management

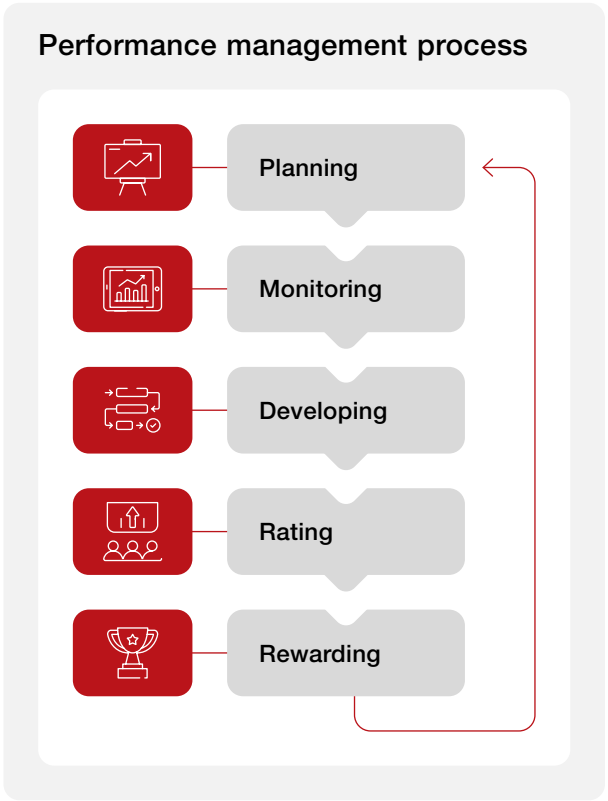
The Bank seeks to promote a high-performance culture. This is supported by a detailed performance management framework that includes strategic key performance indicators (KPIs) and a robust infrastructure designed to support employees and accommodate their individual needs.

In 2023, we continued to enhance our performance management process to deliver a better employee journey, improving the objective/KPIs setting exercise, and increasing the effectiveness of the appraisal process.

In addition to setting KPIs and objectives, at the beginning of the year, every employee creates an individual development plan linked to specific performance indicators. This includes an overview of key strengths and development areas from both a behavioural and a technical perspective. These plans are clearly aligned to defined roles, responsibilities, and goals, as well as to the needs of each department and individual.

Alongside formal reviews undertaken at the middle and end of the year, the performance framework is designed to encourage continuous feedback and support for all employees throughout the year.

To encourage employee retention, the Bank has a performance-driven variable pay plan that directly links the variable pay of senior management with the Group's overall performance and individual performance. The Bank ensures robust compensation parameters in accordance with applicable regulations and best practices.





# Fostering a culture of sustainability in ADCB

## Case study



7,800+

Learning hours delivered on ESG topics for employees in 2023

### ESG training and upskilling

Regular training and development is recognised as an essential element in the successful execution of the Bank’s ESG strategy. Through our ESG training plan, the Bank seeks to ingrain ESG principles into its organisational DNA. The below diverse training and awareness programmes not only enhance people’s knowledge, but also inspire a collective commitment to sustainable practices.

During 2023, the Bank enhanced its in-house learning programme:

	ESG learning initiatives	Learning activities rolled out in 2023
<b>Our foundational, basic awareness</b> 	Introductory training at all levels, including ESG content within the Bank’s induction programme for all new joiners, and mandatory ESG eLearning for all existing employees	<ul style="list-style-type: none"><li>• Corporate induction for all new joiners</li><li>• ESG awareness sessions to introduce sustainability and ADCB’s approach</li><li>• Mandatory ESG eLearning module for all staff</li><li>• eLearning module to increase understanding of UN Sustainable Development Goals (UN SDGs)</li><li>• ‘Climate Fresk’ interactive experience to raise awareness of key climate topics</li></ul>
<b>Role-specific, tailored content</b> 	Role-specific training across all departments and Executive Management/Board-level including deep dives on specific topics such as climate change	<ul style="list-style-type: none"><li>• ‘Sustainability Unlocked’ training for 200 selected senior stakeholders across ADCB</li><li>• ESRM briefing sessions to support the implementation of ADCB’s ESRM policy</li><li>• Face-to-face training on priority topics such as net zero, ESG reporting and sustainable procurement with further role-specific training sessions planned in 2024</li></ul>
<b>Advanced, specialist certificates</b> 	Specialised international certificates to support colleagues with deeper understanding of specific topics such as ESG investing, sustainable finance and climate risk	<ul style="list-style-type: none"><li>• Sustainable Finance course by Cambridge Institute for Sustainability Leadership (CISL)</li><li>• Certificate in ESG investing by Chartered Financial Analyst (CFA) Institute</li><li>• Sustainability and Climate Risk Certificate by Global Association of Risk Professionals (GARP)</li></ul>



# Equality, diversity and inclusion


## Why it matters

We recognise that our combined differences make us stronger. Equality, diversity and inclusion provide us with the tools to create a more innovative, resilient business that is better able to respond to challenges, attract the best talent, and provide an enhanced customer experience.

## Our approach and progress

With over 80 nationalities represented among ADCB's employees, our aim is to foster an inclusive culture of mutual respect, where diversity is embraced and all individuals feel valued and empowered to achieve their true potential. We respect the human rights of our employees, ensuring dignity and equality for all, regardless of race, religion, gender, age, or language. We are committed to treating our employees with fairness, equality, and respect.

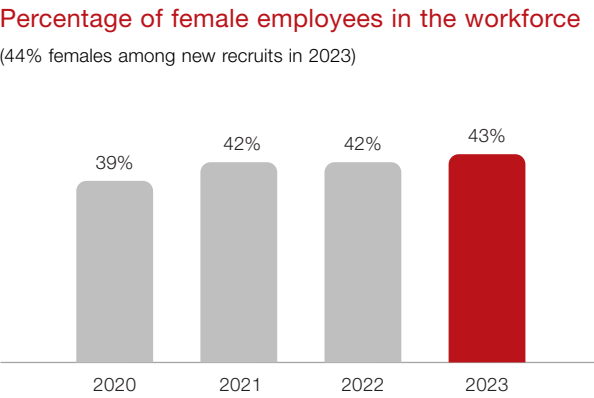
The Bank ensures fair and equitable remuneration and development opportunities for women, in compliance with UAE labour law which mandates equal pay for equal work for men and women.

0.94   
Ratio of median male  
to median female salary<sup>(1)</sup>

(1) Higher median salary for female staff when compared to median salary for males in UAE operations  
(2) Based on S&P Global Market Intelligence, September 2022

## Gender diversity

ADCB's sustainability strategy is closely aligned with the relevant UN Sustainable Development Goals (SDGs) on gender equality. Of over 9,000 employees in the Group, 43% are female, 15% of the Management Executive Committee (MEC) including the Group Chief Compliance Officer and Group General Counsel are female. In addition, women comprise over 30% of employees in Egypt, and over 55% in Kazakhstan.




## Board diversity

The Board is committed to supporting gender diversity and the Bank ranks highest among major GCC banks for female board representation<sup>(2)</sup>. ADCB led the sector on gender diversity in UAE by appointing Aysha Al Hallami as its first female Board member in 2013 and Fatima Al Nuaimi joined the Board in 2022.

The UAE continues to enhance its corporate governance standards through legislation and regulatory bodies, such as the Central Bank of the UAE and the Securities and Commodities Authority. Current regulations stipulate that at least 20% of the candidates considered for appointment to the Board of a listed company must be female and every Board must have at least one member who is female.

ADCB is in full compliance in terms of gender diversity on the Board, two of our eleven Board members are female with women representing 18% of ADCB's Board membership, from 10% in 2021.

 Tamooha, our award-winning inclusivity initiative for Emirati women, continues to grow and now supports 198 Emirati women.

## SPOTLIGHT



## Tamooha

The Tamooha initiative is part of the Bank's commitment to improve access for Emirati women to career opportunities in the banking sector.

Established in 2014, Tamooha, which is Arabic for ambitious, provides flexible employment and career development opportunities that are designed to make it easier for women to fit their work around their social and family responsibilities. Tamooha gives them the flexibility to work from home, in a local branch near their home, or in ADCB's dedicated women-only operations centre in Al Ain. The centre supports the Bank's operations, such as account opening and maintenance, loan processing, and contact centre.

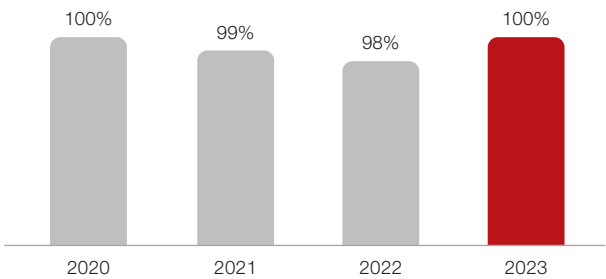


# Equality, diversity and inclusion (continued)

## Parental leave

We remain committed to support our employees with adequate parental leave as per local regulatory requirements in each of the countries in which we operate.

Return to work rate<sup>(1)</sup>



### United Arab Emirates

(ADCB UAE and all subsidiaries in the UAE)



#### Maternity leave

- 90 calendar days with full pay (which exceeds the 60-day requirement of UAE labour laws)<sup>(2)</sup>
- Maternity leave can start 10 days before delivery date and is available for all employees, regardless of length of service
- Employees can choose to take any accrued annual leave in conjunction with maternity leave, with the total consecutive period of absence not exceeding four months
- Maternity leave for outsourced employees: 45 calendar days with full pay, and 15 calendar days with half-pay
- Nursing mothers are entitled to take a break of one hour each day during working hours, for 18 months after delivery

#### Paternity leave

- Three calendar days of paternity leave with full pay

We also offer child care leave of five working days for a mother or father to take care of her/his child. She/he shall be entitled to child care leave continuously or intermittently within a period of six months from the date of birth of the child

### Egypt

(ADCB Egypt)



#### Maternity leave

- 90 days of fully paid leave for maternity, and up to two years of unpaid leave (allowed only twice)

#### Paternity leave

- Men have no provision for paternity leave as per local labour laws

### Kazakhstan

(AHB Kazakhstan)



#### Maternity leave

- Paid leave (through the eligible government social allowances) up to 126 calendar days
- This type of leave can be combined with accrued annual leave

#### Paternity leave

- 5 business days with full pay

(1) Female employees who returned to work from maternity leave

(2) Employees who have not completed one year of service are entitled to this leave with half pay



# Governance



## Why it matters

ADCBB's continued long-term success relies on robust corporate governance policies and effective risk management controls. High standards of corporate governance provide a strong foundation for growth and strengthen the trust and confidence our stakeholders place in us.

## Our ambition

Operate a responsible business with the highest ethical standards to preserve integrity and trust

## Our commitments

- Drive best-in-class governance in the region, and continue to enhance ethical banking practices
- Maintain industry leading data privacy and information security



# Corporate governance, compliance, and code of conduct

## Why it matters

Our world-class corporate governance framework maintains ADCB's compliance with local laws and regulations and enables us to effectively manage compliance risks. This creates a more resilient Bank, better able to manage risks and safeguard the interests of our diverse stakeholders.

## Our approach and progress

ADCB's dedication to robust corporate governance has been the cornerstone of its sustained track record of strong financial and operational achievements. As a leading financial institution in the region, the Bank is committed to adopting best practice in corporate governance and to ensuring compliance with regulatory requirements, while meeting its fiduciary responsibilities.

The Bank's approach to corporate governance is guided by its core values of integrity, care, ambition, respect, and discipline. ADCB expects its employees, customers, and suppliers to respect human rights, and the Bank prohibits the use of child and forced labour in its value chain.

Further information on our approach to corporate governance can be found in our [2023 Corporate Governance Report](#) ↗

For the full list of ADCB's Corporate Governance policies, please visit our website: [www.adcb.com](http://www.adcb.com) ↗

The Board oversees the Bank's operations and acts in the best interests of its various stakeholders, while meeting regulatory expectations. It approves the Group's goals, strategies, and policies. The Board also monitors the performance of the Group's businesses and guides and supervises the Bank's senior management.

The Board comprises 11 members. All 11 members are Non-Executive Directors, in compliance with UAE Central Bank Corporate Governance Regulations.

### Board Committees

The Board operates four standing committees:

- Board Executive Committee (BEC)
- Board Nomination, Compensation, HR and Governance Committee (NCHRG)
- Board Risk Committee (BRC)
- Board Audit Committee (BAC)

The composition of each committee is reviewed regularly. Membership is rotated as required to ensure the suitability and adequacy of the collective skills, experience and knowledge to ensure duties are discharged effectively. Each Director, with the exception of H.E. Khaldoon Khalifa Al Mubarak (Chairman) and Sheikh Zayed Bin Suroor Al Nahyan, serves on at least one standing Board committee.

## Board independence

Board independence is vital for Directors to be able to serve in the best interests of ADCB and its stakeholders. The Central Bank of the UAE has defined criteria for the independence of Board members of banks in the UAE, as set out in the UAE Corporate Governance Regulation.

As a listed entity that is regulated by the Central Bank of the UAE, the independence status of ADCB's Board Members is determined in accordance with the criteria set out in the Corporate Governance Regulation.

As at 31 December 2023, ADCB's Board Members satisfied the independence criteria as prescribed by the Regulations, with the exception of Khalid Deemas Alsuwaidi, who has served on the Board for more than 12 years and is therefore deemed as non-independent.

(1) The ADCB Board has no executive directors



# Corporate governance, compliance, and code of conduct (continued)

## Conflicts of interest

ADCB is committed to the highest standards of transparency and regularly enhances its disclosures to reflect local and international best practice. The Board maintains awareness of other external interests and commitments of its Directors and Management Executive Committee (MEC) and adheres to the [Directors' Code of Conduct](#), which includes a duty of confidentiality and integrity. ADCB has also implemented a [Directors' Conflict of Interest Policy](#) to ensure the Board appropriately deals with actual, potential and perceived conflicts of interest and that all decisions are made in the best interests of the Group.

Directors are expected to avoid any activities that could create a conflict of interest, and they should disclose any such matters promptly to the Board and the Group Company Secretary. Directors are required to disclose their interests and relationships on appointment and on a quarterly basis thereafter. Transactions in which a Director or related party may have potential interests are reviewed and approved by the Board. If Directors have an interest in a transaction, they are not allowed to participate or vote on it.

The Board Secretariat function has established, and maintains, a Register of Interests, which contains relevant details of all declarations of interests made by the Directors. The Board Nomination, Compensation, HR, and Governance Committee reviews the Register of Interests on a quarterly basis.

More details on related party transactions can be found in the [2023 Corporate Governance Report – page 42](#)



## Board remuneration

The Board remuneration strategy of the Bank aligns with the responsibilities and time commitment of non-executive Directors, considering industry standards. The remuneration structure aims to achieve a balance, providing adequate compensation without incentivising behaviours that may hinder the Bank's long-term sustainability and success.

The NCHRG proposes Directors' remuneration to the Board for approval by the Bank's shareholders. Any proposals for changes in Board remuneration are considered by the NCHRG prior to obtaining the necessary approvals from the Board and/or shareholders. According to applicable laws and ADCB's articles of association, Directors may not receive any remuneration for financial years where the Bank is not profitable.

The Board's total remuneration paid in 2024 for the year ended 31 December 2023 was AED 31 million.

More details on Board remuneration can be found in the [2023 Corporate Governance Report – page 48](#)



## Executive remuneration

The NCHRG oversees the design, operation and effectiveness of the remuneration framework and allocation of awards, including overall amounts, distribution among business groups and actual awards to senior management.

ADCB uses a balanced scorecard approach to measure employee performance, including the following KPI categories:

- Financial performance
- Non-financial performance, including service excellence and people (OHI and Emiratisation scores are included as key KPIs)
- Compliance, Audit and Risk

The Committee also ensures that regular reviews and assessments are conducted by independent third party consultants on the quantum, design and effectiveness of ADCB's variable pay framework and awards. Last review was done in the second quarter of 2022 by Mercer.

More details on executive remuneration can be found in the [2023 Corporate Governance Report – page 71](#)



## Executive management remuneration, incentives and KPIs

Sustainability is embedded in the heart of ADCB's performance management framework, with Management Executive Committee's remuneration linked to ESG KPIs. These include:

- ✓ Sustainability strategy milestones (included in the Group CEO and Group CFO's KPIs)
- ✓ Compliance and risk metrics
- ✓ Emiratisation targets
- ✓ Digital index
- ✓ Customer net promoter score (NPS)
- ✓ Organisational Health Index (OHI)

# Corporate governance, compliance, and code of conduct (continued)

## Board nomination and evaluation

The process of selection and appointment of the Board of Directors is detailed in ADCB's [Directors' Selection Policy](#). The policy sets out the fit and proper criteria and prerequisites for the selection and appointment of a director, as required by applicable regulations. In accordance with the applicable regulations, the Director shall, at all times, be approved by the Central Bank of the UAE as a proposed candidate prior to the appointment or election at the Annual General Assembly.

## Board skills and training

The Bank assesses the expertise and competencies of its Board members through a mapping exercise that is continually updated to ensure the skills and experience of Directors remain relevant to the Bank's strategy and operating environment. The procedure for the suitability, assessment, and appointment of Board members, who must be vetted by the Central Bank of the UAE, is a key element of the Group's governance system.

The Board brings a wealth of experience, including in the areas of finance, audit, accounting, risk management, governance, strategic planning, and information technology.

The Board dedicates sufficient time, budget and other resources to an ongoing training and development programme and draws on external expertise, as and when required. An annual review of training is conducted to ensure that Board members acquire, maintain, and enhance their knowledge and skills relevant to their responsibilities.

The Board also regularly engages with Executive Management on specialised topics, as and when required. The Board has direct access to the advice and expertise of the Group Company Secretary, who supports the Directors in meeting their fiduciary duties. To carry out their duties, Directors may also, at the Bank's expense, obtain independent external professional advice in relation to any matter they see necessary.

In 2023, Board members participated in a number of training and deep-dive sessions, including:

- Cost management and efficiencies
- Retail banking
- Wealth management and private banking
- Anti-money laundering and countering finance of terrorism
- Compliance
- Strategy
- Performance management
- Sustainability
- Digitisation

## Training sessions

- Islamic banking
- Anti-money laundering and combatting financing of terrorism
- Sanctions development – overview and impact
- ESG
- Corporate governance
- Digitisation
- Anti-bribery and corruption
- Conduct risk
- Corporate tax

## Deep dives

- Cost management and efficiencies
- Retail Banking
- Wealth Management and Private Banking
- Treasury business and future priorities
- Strategy
- Performance management versus budget and business plans

## Industry experience of the Board





# Corporate governance, compliance, and code of conduct (continued)

## Board effectiveness and evaluation

The Board conducts a formal and rigorous annual performance evaluation of its collective performance, the individual Directors contributions, and Board committees’ performance against their respective mandates, to constructively identify achievements and areas for improvement.

In line with the **Director's Performance Evaluation Policy**, the Board considers the evaluation process to be an essential tool for its development, participating in its structuring and a full review of conclusions. The Board believes that a full, fair, and well-managed evaluation process builds mutual trust between the Board and Executive Management, and between the Bank and its stakeholders.

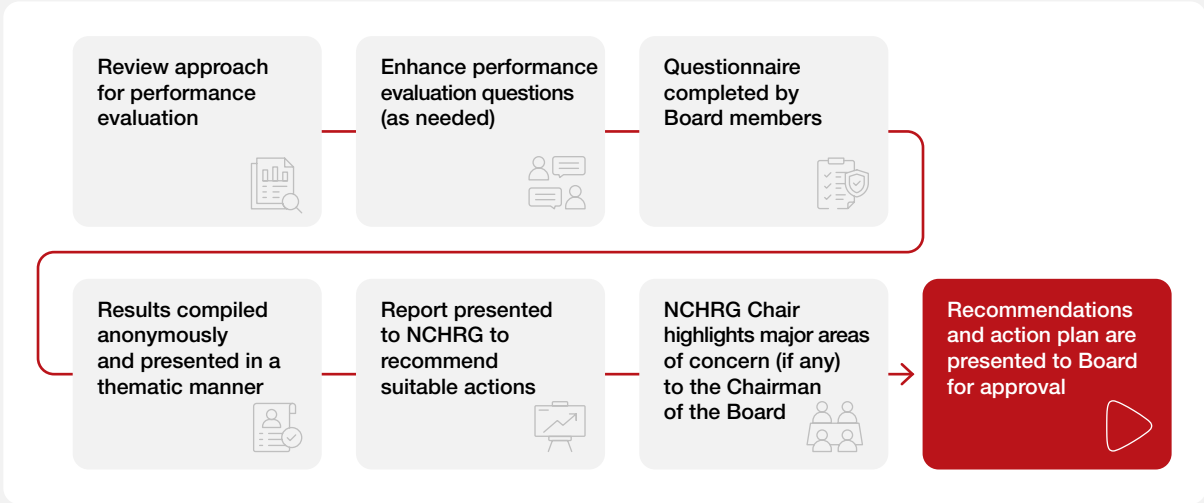
The specific responsibilities of the Chairman and the Chairs of each Board committee form part of the evaluation. The evaluation process assesses thoroughness and efficiency in the conduct of meetings, facilitation of appropriate debate, discussion, and decision-making, as well as representation of the Bank externally to the public, regulators, and other counterparties.

Board committees are evaluated on effectiveness in discharging their responsibilities, diligence, and responsiveness to the Board. The committees also conduct a self-evaluation of their abilities to carry out their responsibilities as defined by their Terms of Reference (ToR).

In addition, an external consultant is appointed to independently conduct a performance evaluation exercise at least once every three years. The outcome of the evaluation is presented to the NCHRG in the form of an action list, which is actively monitored for effective implementation. The Chair of the NCHRG subsequently briefs the Board of Directors. The Board Secretariat function supports Board members and the NCHRG Committee in carrying out this exercise.

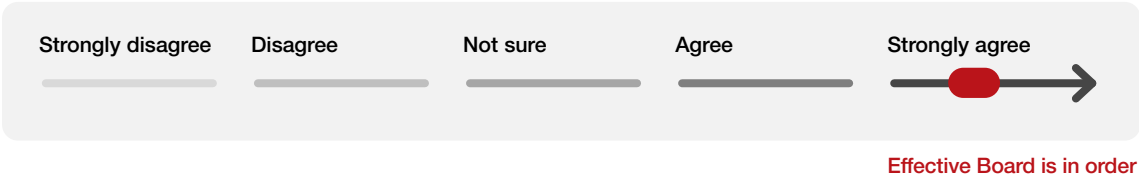
During 2023, an independent external Board evaluation was conducted and a report was issued in accordance with the Central Bank of the UAE and the Securities and Commodities Authority's corporate governance regulations. The Board was satisfied with the results of the evaluation and the NCHRG approved an action plan to address the recommendations that were adopted.

## Internal evaluation process



## External evaluation process<sup>(1)</sup>

The Board performed very well in the overall evaluation based on responses received from the questionnaires for evaluating Board effectiveness.



(1) Abu Dhabi Commercial Bank, Independent Assessment – Board Performance Evaluation’, Grant Thornton, September 2023

# Corporate governance, compliance, and code of conduct (continued)

## Code of conduct

The Bank periodically reviews its Board-approved Conduct Compliance Framework and related policies, including ADCB's [Code of Conduct](#). The Framework includes the development of methodologies for identifying, assessing, reporting, and mitigating conduct risks. The Bank takes a zero-tolerance approach to behaviour that breaches its Code of Conduct, Conflict of Interest Policy, Anti-bribery and Corruption Policy, Insider Trading Policy, Personal Account Dealing Policy, or Outside Business Interest Policy.

The Code of Conduct applies to all employees. It outlines the standards of ethics and professional behaviour expected of Bank employees and representatives when dealing with customers, colleagues, shareholders, communities, and each other. It also provides an overview of key legal and regulatory requirements and policies.

Employees must confirm they have read and understood the Bank's Code of Conduct when they commence their employment. Any violations may result in disciplinary action, including termination of employment.

The Bank also has a [Directors' Code of Conduct](#) that covers the relevant policies and procedures that Directors must abide by.

## Compliance monitoring and reporting

Group Compliance is an independent function with a formal status within the Bank that identifies, assesses, advises on, monitors and reports on the Bank's compliance risks.

It monitors the risk of regulatory sanctions the Bank may suffer as a result of a potential failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities.

ADCB's Group Chief Compliance Officer (GCCO) has a primary functional reporting line to the Group Chief Executive Officer (GCEO) and has direct access to the Board and the Board Audit Committee to report on compliance matters.

Group Compliance is tasked with the monitoring and effective implementation of the compliance programme, as well as managing financial crime risks, executing the compliance plan, coordinating on relevant compliance issues, and assisting the GCCO in executing their duties.

3,300 + 

Hours of compliance training delivered in 2023

More details on our approach to compliance can be found in the [2023 Annual Report – pages 158–161](#)



## Human rights

ADCB is committed to upholding universal human rights for all people. It respects and supports international principles aimed at protecting and promoting human rights, as enshrined in the [United Nations Universal Declaration on Human Rights](#).

The Bank complies with the [UAE's labour law](#) and actively promotes human rights, including protecting the rights of its employees to be free from discrimination based on race, nationality, colour, ethnic origin, gender, disability, or religion.

ADCB's Code of Conduct promotes equality and justice and seeks to provide just, favourable, and safe working conditions. It has zero tolerance for harassment and bullying, the exploitation of children, and human trafficking. It also has a [Vendor Code of Conduct](#) that applies to all suppliers and is formally communicated to them upon engagement.

In addition to ADCB's Code of Conduct, the Bank is developing a standalone Human Rights Charter. In 2023, ADCB commissioned an external law firm to undertake a full review of international laws and regulations as well as evolving UAE legislations and regulations regarding human rights to inform the development of the Charter and ensure compliance with all applicable laws on human rights.



## Whistleblowing policy

ADCB encourages its employees and outsourced staff including contract employees to raise and report, in good faith, any concerns related to misconduct, illegal, unethical, or fraudulent acts. All cases are investigated by Internal Audit, with support from other departments where necessary.

The Bank's Whistleblowing Policy applies to both existing and ex-employees, outsourced staff including contract employees and third-party vendors. It applies to all ADCB operations and subsidiaries as a minimum standard. If a local regulation exceeds the standard set in the policy, the stricter local code is applied.

The Bank operates two main whistleblowing channels for complaints and any reports of policy breaches: a designated email address and a PO Box. Both platforms are continually monitored, and cases are immediately acknowledged.

The majority of cases reported in 2023 were customer complaints relating to specific transactions or services and are not regarded as whistleblowing cases.

# Risk management and cybersecurity

## Why it matters

ADCB is a systemically important domestic bank in the UAE. Our consistent and sustainable performance depends on our ability to successfully mitigate and manage risk at every level. A strong culture of risk awareness, including cybersecurity, is embedded across the organisation.

## Our approach and progress

The regulatory landscape and the Bank's scale and complexity have undergone considerable changes over the last three years, and this trend continued in 2023 in line with the significant growth of ADCB's core businesses. To adapt to the dynamic environment, Group Risk Management (GRM) established new functions and verticals.

These included setting up a new Environmental and Social Risk Management team, following the introduction of an Environmental and Social Risk Management Policy in 2022, enhancing model risk coverage, updating data privacy and compliance risk management policies, procedures and frameworks.

To ensure responsibility and accountability for managing potential risks, quantifiable, measurable risk and compliance Key Risk Indicators (KRIs) are embedded in the performance management scorecards of all our employees.

### 2023 risk management enhancements

New operational risk management system

Launch of an operational risk and control library

Upgrade of business continuity management

Development of comprehensive outsourcing governance and third-party risk assessment framework

Enhanced compliance risk management with policy updates

'Digital assets' risk assessment added to principal risks



## Cybersecurity

Safeguarding customers and protecting their information is at the core of the Bank's corporate strategy. A robust approach to data security and privacy protection standards ensure that the Group remains compliant with applicable privacy and data protection laws and regulations. As the number and complexity of new digital enhancements increase, it is important the Bank delivers these services without compromising security.

Our cybersecurity resilience is tested using specialist third-party security providers to conduct regular penetration and 'Red Team' tests, including on our subsidiaries. In 2023, we conducted a maturity assessment of our systems and processes. This involved a team of specialists calibrating our cybersecurity activities to ensure they are optimised and security is aligned across the Group.

ADCB conducts regular scans to identify system vulnerabilities. Critical issues that pose a threat to data are immediately addressed, while appointed third-party vendors also conduct penetration testing. Advisories on emerging threats from various sources such as the UAE's Computer Emergency Response Team (CERT)<sup>(1)</sup> are reviewed and the Bank implements the recommended actions to mitigate any risks to data security.

The Bank has engaged a specialist cyber security company to provide technical and incident management support across the Group in the event of any breach. We have also carried out technical and management tabletop exercises and scenario testing to improve our responses.

As part of the Bank's ongoing digitisation initiatives, we conducted Application Programming Interface (API) security training for IT developers in 2023 to enhance their knowledge in secure coding. We continuously validate and certify our security practices with global security standards.

ADCB also has cyber insurance coverage, which covers the risks of remote working, digital transformation, cloud, third parties, and ever-increasing malware threats.

Staff are key assets in our defence against cyberattacks, so we provide ongoing cyber risk awareness campaigns across the Bank. Our team of dedicated professionals continually calibrates our cybersecurity activities with respect to discovered threats and vulnerabilities, as well as optimising security improvements across the Group.

98%

Employees formally trained on cybersecurity/information security<sup>(2)</sup>

(1) In the UAE, the Computer Emergency Response Team (CERT) is known as aeCERT and it is a part of the UAE Telecommunications and Digital Regulatory Authority (TDRA)  
(2) Reported for total employees including new joiners, trainees, employees on maternity and other long-term leave



# Risk management and cybersecurity (continued)

## Compliance with the UAE Information Assurance Standard

The Central Bank of the UAE mandates all Banks to be fully compliant with the UAE Information Assurance Standard (IAS), which comprises 698 information security related controls. Partnering with a leading global consultancy firm, ADCB has conducted a comprehensive gap assessment on the applicable controls.

ADCB is 100% compliant with the IAS and the Bank ranked above the financial sector median in the gap assessment conducted.

### ADCB's Sustainalytics ESG risk rating on data privacy and security

In 2023, improvements in our approach to cybersecurity and data privacy made a significant contribution to the upgrade of the Bank's ESG risk score from Sustainalytics, one of the world's leading ESG rating agencies.

**2<sup>nd</sup>** out of 134 global banks<sup>(1)</sup>

**4<sup>th</sup>** percentile among 2,000+ global entities rated by Sustainalytics<sup>(1)</sup>

## Information security third-party ratings



**875 out of a maximum score of 950  
Security Rated at 'Advanced Level'<sup>(1)</sup>**

UpGuard<sup>(2)</sup>, a leading global cyber risk rating agency, provides ratings based on an organisation's cybersecurity posture, with a rating scale of 0–950.

ADCB was rated at 'Advanced Level' with a score of 875, up from of 847 in the previous year. The higher score reflects the Bank's robust approach to managing the ever-changing threat landscape and attack management. Cybersecurity posture refers to the strength of cybersecurity controls and protocols for predicting and preventing cyber threats, and the ability to act and respond during and after an attack.



**6.7 out of 10**

MSCI ESG ratings rank ADCB above the industry average on 'Privacy and Data Security'. This assessment of companies is based on evaluation of the amount of personal data collected, exposure to evolving or increasing privacy regulations, vulnerability to potential data breaches, and systems for protecting personal data.

## Information security certifications



### Payment Card Industry Data Security Standard

The Payment Card Industry Data Security Standard is an information security standard for organisations that handle branded credit cards.

The PCI Standard is mandated by the card brands and is administered by the Payment Card Industry Security Standards Council. The standard was created to increase controls around cardholder data to reduce credit card fraud.



### VISA Card PIN Security Standard

The Visa PIN Security Standard ensures that customer card PIN data is handled with highest level of security. It outlines the security, compliance and procedural requirements to ensure protection of the Visa payment system and the sensitive data that flows through the network, including Visa cardholder PIN data.



### ISO 27001 Information Security Management System<sup>(3)</sup>

ISO 27001 is the global standard for the protection of information security. It details the requirements for establishing, implementing, maintaining and continually improving the information security management system. The standard helps organisations make information assets more secure. The scope of the certification covers the information security of the Bank's digital channels.



### SWIFT Customer Security Programme

SWIFT's Customer Security Programme helps financial institutions ensure their defences against cyberattacks are up to date and effective. Security measures implemented by the Bank are compared against the Customer Security Controls Framework annually through an independent external assessment to verify compliance.

(1) As at 11 January 2024

(2) <https://help.upguard.com/en/articles/3765184-how-are-upguard-s-security-ratings-calculated>

(3) ADCB UAE is certified to ISO 27001. The scope of this certification covers the information security management of the Bank's digital customer channels

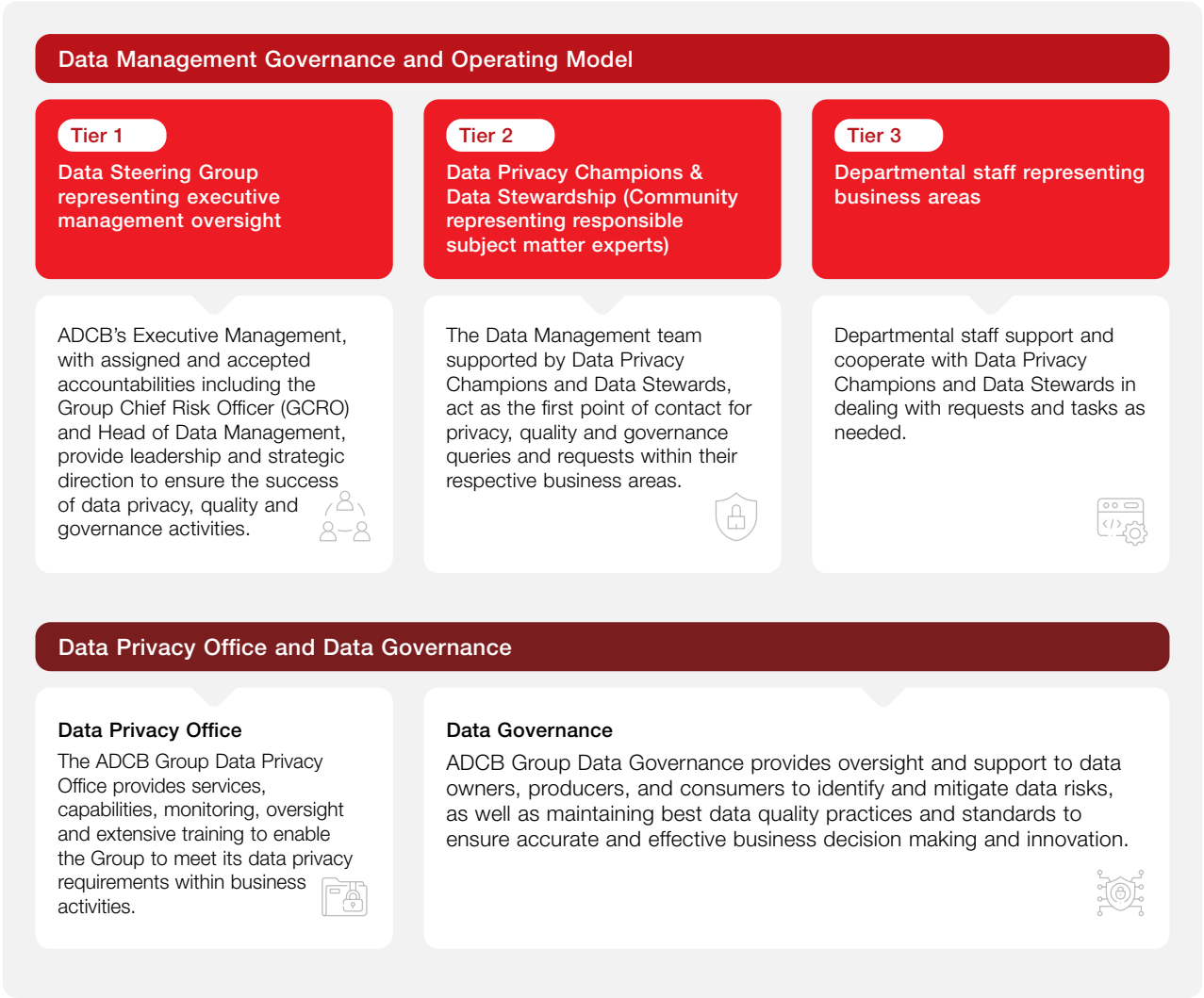
# Risk management and cybersecurity (continued)

## Data management

The Bank is committed to managing customer and other sensitive data with care and respect. Treating data as an asset similar to any other asset is the guiding data principle for ADCB. Protecting the rights of our customers, and the confidentiality, quality and accuracy of their data, is not just a regulatory requirement, but also an ethical responsibility.

One of the key responsibilities of ADCB's Data Privacy Office is to ensure that privacy is embedded within the Bank's operations. It is responsible for reporting to regulators in line with the requirements of the various jurisdictions in which we operate. The Data Privacy Office includes a dedicated Data Protection Officer who is accountable for the Bank's compliance with data privacy regulations.

In 2022, the Management Executive Committee (MEC) approved a Group Data Strategy and three year roadmap built on core principles of data federation, data efficiencies, data producer & consumer collaboration, data ownership & stewardship, and continuous data quality monitoring & improvement.



## Vendor due diligence for robust data protection

Vendors pose a risk to data protection in a data-driven world due to the access they have to sensitive information, increasing the potential for breaches or mishandling.

As part of our commitment to data protection, we rigorously assess vendors who handle our data, ensuring that robust safeguards are in place to mitigate data risks effectively.

In 2023, we made significant strides in fortifying our vendor due diligence to include all forms of data.

76



Vendor risk assessments in 2023  
(up from 29 in 2022)

# Leveraging technology to reduce fraud risk

## Case study



### Fraud monitoring – introducing FacePass

The Bank operates fraud monitoring solutions to screen all transactions in real-time against multiple data points and risk scores. The Bank deploys risk-based authentication for card-based transactions (3DS) to strengthen its fraud risk control environment, while simultaneously reducing potential customer issues during the card-based transaction process.

ADCB's card fraud prevention strategy is dynamic and continually adjusted to reflect changes in fraud trends and new threats as they arise. The Bank operates a multichannel fraud awareness campaign to educate customers about the most prevalent fraud risks. Additionally, warnings are included within each One Time Password (OTP) message, stating not to share the code with anyone.

The Bank is optimising technology to reinforce data protection as part of its strong risk management culture, with data increasingly being sourced and validated to help prevent fraud and identity theft. We have introduced rigorous identity checks for customer authentication, which supports efficient onboarding and enhances fraud prevention.

ADCB FacePass, the Bank's facial recognition feature piloted in 2022, was fully implemented into its digital banking platforms in 2023. The technology, facilitated by the Ministry of Interior, verifies and instantly authenticates a customer's identity with a single scan, providing complete assurance for digital banking transactions. Over time, this feature will replace one-time passwords for digital banking transactions, further reducing the risk of fraudulent activities via phishing and other social engineering scams.



# Financial crime, anti-bribery and corruption

## Why it matters

Financial crime, corruption and bribery are recognised as growing risks in the global economy, particularly for financial institutions. ADCB seeks to manage and mitigate these risks to reduce the potential consequences for businesses, communities, and people.

## Our approach and progress

ADCB Group continues to maintain the highest ethical standards and compliance with all applicable laws and regulations. The Bank advocates the prevention of all forms of financial crime including but not limited to money laundering, terrorist financing, bribery and corruption, the intentional evasion of sanctions, proliferation financing, and recognises risk management as a fundamental pillar of its business. As a result, the Bank recognises that the implementation and maintenance of a robust financial crime risk management framework is of primary importance to its success.

ADCB's Money Laundering Reporting Officer leads a team of experienced compliance analysts and specialists who manage financial crime risks.

ADCB enforces an effective Financial Crime Compliance (FCC) Framework. This includes policies, processes, measures, systems, and training to combat money laundering, corruption, financing of terrorism, financing of criminal activity or illegal organisation and proliferation financing.

All employees must confirm their acceptance of the Bank's Code of Conduct every year. The Bank takes a zero tolerance approach to all breaches of the Code of Conduct, incidences of fraud, or corrupt practices perpetrated by staff or suppliers.

## Financial Crime Compliance Framework

ADCB maintains a robust Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT) and Sanctions Control Framework that complies with all applicable laws and has established a Group Know Your Customer (KYC) and AML/CFT and Sanctions Policy to ensure that:

- All employees are made aware of the minimum AML/CFT control standards that apply across the Bank
- Any AML/CFT risks are mitigated appropriately
- Any prohibitions which fall outside the Bank's risk appetite are clearly stipulated

In 2023, the Bank enhanced its measures related to AML, CFT and sanctions screening, in line with regulatory expectations and global best practice. Among its new projects, ADCB introduced AI-based solutions to monitor transactions and improve the prioritisation of AML alerts. The Bank also launched machine learning models for better detection of money laundering and terrorist financing risks associated with complex correspondent banking and cross-border transactions, as well as trade-based typologies.

## Technology to enhance AML transaction monitoring and sanctions screening capabilities

ADCB has implemented multiple advanced technologies for sanctions screening and transaction monitoring. The solutions use over 40 sets of distinct algorithms to detect designated persons and those that have been classified as a 'politically exposed person' (PEP). These solutions augment the Bank's ability to detect attempts to conceal the identity of customers exposed to sanctions risk, while at the same time increasing efficiency, by decreasing unnecessary false positive alerts, reducing delays and improving customer experience.

Additionally, ADCB has made a significant uplift to its customer risk classification and transaction monitoring platforms by implementing machine learning based behavioural segmentation, alert prioritisation, as well as dynamic customer risk assessment models.



The adoption of the risk-based approach and enhanced transaction monitoring has led to increased efficiency and effectiveness for the analysis and management of alerts as well as higher conversion rates of Suspicious Transaction Reporting (STR).

For the ADCB Financial Crime Policy Statements, please visit [our website](#) ↓



# Financial crime, anti-bribery and corruption (continued)

## Managing sanctions and proliferation risk

ADCB has a robust sanctions and counter proliferation financing policy to ensure the Bank complies with all applicable sanctions regulations, restrictions, embargoes and export controls. This supports the Bank's commitment to managing financial crime risks by ensuring that ADCB:

- Does not participate in transactions that could expose the Bank, our customers, employees and counterparties, to sanctions risk
- Does not participate in any transactions designed or intended to evade sanctions
- Will not facilitate the proliferation of goods that can or will be used for the purpose of (amongst others) developing or producing chemical, biological or nuclear weapons


ADCB aims to comply with all legal and regulatory requirements to avoid any regulatory exposure and/or reputation damage.

## Anti-bribery and corruption

ADCB Group does not tolerate or condone any form of bribery and corruption.

The Group's Anti-Bribery and Corruption (ABC) Policy prohibits employees and associated persons from engaging in bribery and corruption. Employees must ensure that any hospitality, gifts or business courtesies provided or received do not violate any applicable law, regulation, or policies of ADCB Group.

Employees are required to report any suspected or actual violations of applicable laws, regulations, or the ABC Policy to the designated Anti-Bribery and Corruption Officer, or via one of the Bank's whistleblowing channels.

To read our Anti-Bribery and Corruption Policy Statement, please visit [our website](#) 



All employees receive training on the Bank's ABC Policy, along with regular refresher sessions to keep their knowledge up to date. This helps to ensure they have the skills and understanding to promptly identify and report incidents of corrupt and unethical practices.

ADCB's Vendor Code of Conduct aims to maintain the Banks' high standards across its supply chain. The Vendor Code of Conduct includes a dedicated section about business ethics, covering anti-corruption, bribery, confidentiality, and the Bank's right to audit.

## Robust Board oversight

The Board Audit Committee oversees the activities and performance of the Bank in line with all Group Compliance Policies and Frameworks.

This includes compliance with ADCB's Know Your Customer (KYC), Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Anti-Bribery and Corruption (ABC), Sanctions and Counter-Proliferation Financing policies to ensure the resilience of ADCB's compliance framework.

## Compliance assurance review

Compliance Assurance department issued a report covering Anti-Bribery and Corruption (ABC) in 2023, identifying a number of improvements to ADCB's control environment. The improvements were largely in line with previous findings in the ABC Enterprise-Wide Risk Assessment (EWRA) and related to:

- Policy and procedure improvements
- Treatment of associated persons;
- Updates to the Third Party Risk Assessment (TPRA) process to consider ABC risks;
- Refresh of mandatory training and awareness messages; and
- Inclusion of required ABC clauses in all required ADCB third party contracts.

All actions have since been closed and verified by the Compliance Assurance department.

# Tax transparency

## Why it matters

As a corporate leader in the region, the ADCB Group adheres to the highest standards of corporate behaviour and values, including its approach to taxation.

The Bank makes a significant contribution to the UAE economy, business landscape and to the offshore economies in which it operates. The Bank's corporate behaviour not only affects its own operations, it also affects its diverse stakeholder base, including customers, shareholders, employees and governments.

We believe greater transparency leads to greater trust and makes the Bank a more responsible business. As regulators around the world increase their scrutiny and enhance their requirements for tax transparency, it is vital that ADCB Group maintains its reputation as a transparent, ethical and trustworthy institution, helping to reduce both its financial and reputational risks.

## Our approach and progress

We comply with all applicable tax laws, rules and regulations, without exception. ADCB does not enter into artificial arrangements to minimise or avoid taxation.

The Bank maintains its transparent approach to tax by ensuring it has a strong tax governance framework, risk management process, and controls in place to manage tax risk.

## Governance

ADCB's Tax Control Framework is an important means of managing our tax affairs. The Tax Control Framework outlines all tax policies and procedures across the Group. The Tax Control Framework also comprises of all processes and controls for each tax obligation, with continuous monitoring and review to ensure they are fit for purpose.

## ADCB's Tax Control Framework

### 1. ADCB Group Tax Policy

Central to the Tax Control Framework is the ADCB Group Tax Policy. The policy sets out how ADCB Group identifies and manages tax risk to ensure compliance with all relevant tax legislation.

The Tax Policy applies to the entire Group, including all executive and non-executive directors, employees, contractors and consultants. It applies to all worldwide taxes, including indirect taxes, such as VAT, and direct taxes, such as corporate tax and withholding tax.

ADCB's approach to tax risk management is founded on the following key principles:

1. ADCB will be in full compliance with the tax laws
2. ADCB will maintain a robust Tax Control Framework
3. ADCB will not engage in unacceptable tax planning
4. ADCB will use the arm's length tax transfer pricing principles to set transactions between related parties
5. ADCB will maintain a constructive working relationship with tax authorities

### 2. ADCB Group tax standard operating procedures

ADCB's tax standard operating procedures support the Group Tax Policy. The tax standard operating procedures provide additional detail on the various processes and actions required to enable compliance with the key principles outlined in the Tax Policy. In addition, the tax standard operating procedures set out the roles and responsibilities of the various business units across ADCB Group to assist in managing tax risk across the Bank.

### 3. ADCB Group tax procedures

The ADCB Group tax procedures comprise of a number of independent procedures which assist in complying with the key principles outlined in the ADCB Group Tax Policy. The procedures include:

- Tax Transfer Pricing Procedure
- Tax Regulatory Change Procedure
- Tax Advice Procedure
- Tax Compliance Procedures (which consists of)
  - Tax Obligation Process Maps
  - Tax Obligation Procedures and Controls
  - RACI<sup>(1)</sup> matrix per tax obligation
- Internal Review Process

### 4. ADCB Group Tax Team procedures

There are several tax procedures that support the Group Tax Team in adhering to the key principles of the ADCB Group Tax Policy. These include:

- Tax Position Paper Procedure
- Peer Review Procedure
- Knowledge and Records Management
- Tax Authority Engagement Procedure
- External Tax Advisor Engagement Procedure
- ADCB Group Board Engagement Procedure
- ADCB Management Engagement Procedure
- Tax Training Procedures

(1) RACI stands for responsible, accountable, consulted and informed



# Tax transparency

## Further details on key principles of Group Tax Policy

### 1. Full compliance with tax laws

ADCB seeks to be fully compliant with tax obligations in all the jurisdictions in which it operates by providing tax authorities with complete, accurate and reliable information that is provided on time as set out in legislation or as agreed with tax authorities. ADCB will not adopt a tax position which is clearly contrary to tax laws or administrative practices of the relevant jurisdictions.

ADCB continually monitors the potential impact of new legislation, judicial pronouncements and administrative practices in assessing the impact on its operations and transactions.

Day-to-day management of each subsidiaries' tax obligations is delegated to the Head of Tax. The Group Tax department is centralised and works directly with internal stakeholders to identify, assess, monitor and avoid/mitigate any tax risk, submit tax returns to tax authorities in a timely manner and to report the correct tax liabilities and entitlements.

The Group Tax department ensures that material risks are reported to senior management. This includes an overview of the potential tax liabilities and advice on how to mitigate and control these tax risks.

### 2. Maintenance of a robust Tax Control Framework

ADCB exercises strong governance over its tax affairs and maintains a robust Tax Control Framework which is subject to regular testing and assurance.

Tax risk is managed in the context of ADCB Group's framework on risk management accountabilities. The Bank enforces strict protocols to control the type of transactions that it engages in and the tax risks associated with these transactions.

### 3. Tax planning

As part of the prudent management and organisation of its affairs, the Bank does not engage in transactions that are not in accordance with, or in line with the spirit of, the applicable tax legislation and regulations.

ADCB does not tolerate tax evasion and will take appropriate action against any employee who is found to have facilitated tax evasion. The Bank does not give any tax advice to third parties and does not promote tax avoidance to its customers.

Further, ADCB does not:

- Transfer value to operations in low tax jurisdictions to obtain a tax benefit or without genuine commercial reasons and substance

- Participate in, or promote, complex arrangements or tax structures that could be considered aggressive or viewed as contrived or serve no other genuine economic or business purposes
- Use structures, including structures situated in tax havens or jurisdictions that are uncooperative with tax authorities, that are designed to obtain a tax benefit or avoid disclosures of activities
- Provide tax advice or planning to customers, or promote tax structures of any kind to its customers

ADCB has developed policies and procedures to detect and report on financial crimes, including tax evasion. There are strict internal policies in place to prevent tax evasion or other forms of financial crimes.

### 4. Use of arm's length tax transfer pricing principles

ADCB's guiding principle in all intra-Group transactions is that the dealings must be in accordance with the arm's length standard for transfer pricing.

ADCB will not participate in arrangements where transfer pricing outcomes are not consistent with value creation. ADCB will not use transfer pricing as a means to artificially shift and/or accumulate profits in low tax jurisdictions. Tax havens are not used for tax avoidance purposes but only for legitimate Group funding and liquidity purposes.

The Bank does not use the secrecy rules of jurisdictions to hide assets or income and pays taxes where the underlying economic activity occurs.

The Bank seeks to comply with the domestic transfer pricing rules which apply in each of the regions in which it operates. These rules, while predominantly based on the Organisation for Economic Co-operation and Development (OECD) Guidelines, do differ by country, which can result in different requirements depending on the region.

To address this matter, the following principles will apply:

- OECD Guidelines will form the basis of ADCB's approach to transfer pricing
- ADCB will apply the arm's length standard for its transfer pricing arrangements

Transfer pricing outcomes must be consistent with the functional activities undertaken, risks assumed, and assets utilised in each jurisdiction.

### 5. Maintaining a constructive working relationship with tax authorities

ADCB proactively works with tax authorities in each of the jurisdictions in which it operates to establish a constructive working relationship based on transparency, mutual trust, respect and cooperation.

# Tax transparency (continued)

ADCB Group Tax department is responsible for managing relationships with local tax authorities and external tax advisors in all jurisdictions. To this end, ADCB:

- Is fully transparent in disclosing and discussing significant uncertainties in relation to tax matters
- Provides all relevant information to tax authority questions and enquiries in a timely manner
- Works openly and collaboratively to resolve any tax issues
- Engages in a cooperative, supportive and professional manner

Since 1 January 2018, the ADCB Group has applied for 20 tax rulings to the UAE tax authorities. Responses received have been applied by ADCB accordingly in order to ensure the Group's tax applications are fully compliant with local tax laws.

ADCB also proactively engages with local tax authorities to disclose any significant inaccuracies which may arise, via voluntary disclosure to the relevant tax authorities.

## Roles and responsibilities

ADCB's Tax Policy applies across the Group and is approved by the Board Risk Committee. The Board's role on tax matters is to provide oversight and monitor the Tax Policy and ADCB's Tax Control Framework. This includes ensuring that adequate tax risk management policies are in place.

Executive Management is responsible for ensuring the effective operation of ADCB's Tax Control Framework. The ADCB Group Chief Financial Officer (GCFO) bears the accountability of tax risk management. The GCFO delegates responsibility for tax risk management to the Head of Tax. This includes ensuring that a robust tax control framework is maintained.

The Head of Tax provides regular risk reporting to the GCFO. The GCFO and the Head of Tax also report to the Board on a semi-annual basis on key tax risks and metrics and provide assurance to the Board around the ongoing effectiveness of the tax control framework. On relevant tax matters, the Group Chief Risk Officer is also consulted. The Head of Tax has responsibility for the day-to-day management of ADCB's Tax Control Framework.

## Controls

The Head of Tax is responsible for implementing robust internal controls, relevant policies and procedures, to ensure:

- The timely preparation, review and submission of tax returns and payment of taxes as they fall due globally

- Appropriate and periodic tax risk assessments are undertaken
- Compliant record keeping is maintained
- Changes in tax laws are updated into Group Tax policies, procedures and training

All tax compliance and advisory related work must be prepared by dedicated tax specialist staff with an appropriate level of experience and technical understanding of local tax legislation.

There are a number of controls in place to ensure tax risk is managed across ADCB Group.

The key controls include:

- A qualified, experienced and well-resourced in-house tax team to manage and oversee the day-to-day tax compliance and advisory affairs of the Group
- External tax advice is sought for material, uncertain or complex issues or transactions, to ensure accuracy in our tax reporting obligations
- Engagement with tax authorities to obtain tax private rulings on products and transactions
- Maintaining robust accounting systems and strong internal controls to support our tax compliance and reporting obligations
- ADCB Group Internal Audit performing periodic reviews of tax financials, processes and documentation.


## UAE Corporate Tax

In December 2022, the UAE Government introduced a federal corporate tax law which applies to the ADCB Group from 1 January 2024. The UAE corporate tax regime has been designed to incorporate best practices globally and minimise the compliance burden on businesses.

UAE corporate tax will apply at a rate of 9% on taxable profit in excess of AED 375,000.

ADCB Group commenced a formal enterprise-wide project to implement corporate tax into its systems and processes. The Bank commenced calculating its UAE corporate tax contribution on and from 1 January 2024.

ADCB's first UAE corporate tax return and payment is due by 30 September 2025, nine months after the end of the financial year.

For further information on ADCB's total corporate tax paid during the financial year 2023, please refer to the 'Data and assurance section', page 103 .



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# DATA AND ASSURANCE





# ADCB ESG KPIs

## Scope of reporting

The KPIs included cover our activities undertaken during the 2023 fiscal year (1 January – 31 December 2023), along with historical data on the previous fiscal years (2020–2022), subject to the availability of data. The data presented in this section covers Abu Dhabi Commercial Bank PJSC (referred to as ‘ADCB Group’), its subsidiaries, branches within and outside of the UAE, unless stated otherwise.

The entities covered include the following:

- Abu Dhabi Commercial Bank, UAE (ADCB UAE)
- Al Hilal Bank PJSC, UAE (AHB UAE)
- Al Hilal Bank, Kazakhstan (AHB Kazakhstan)
- Abu Dhabi Commercial Bank – Egypt SAE (ADCB Egypt)
- ADCB Securities LLC (ADCB Securities)
- ADCB Asset Management Limited (ADCB Asset Management)
- ITMAM Services LLC and ITMAM Services FZ LLC (ITMAM)
- Abu Dhabi Commercial Properties LLC (ADCP)
- Abu Dhabi Commercial Engineering Services LLC (ADCE)

Our reporting approach on Greenhouse Gases (GHG) and selected Human Resources (HR) metrics is detailed in the Basis of Reporting, on [pages 89 – 92](#).

## Restatements of prior reporting

The measurement and reporting of ESG metrics involves a degree of variability in the data due to changes in the data collection process and calculation methodologies. We have highlighted instances of restatements of prior year data (2020–2022), as footnotes to the disclosures within this ‘Data and assurance’ section.

## Basis of reporting for GHG metrics

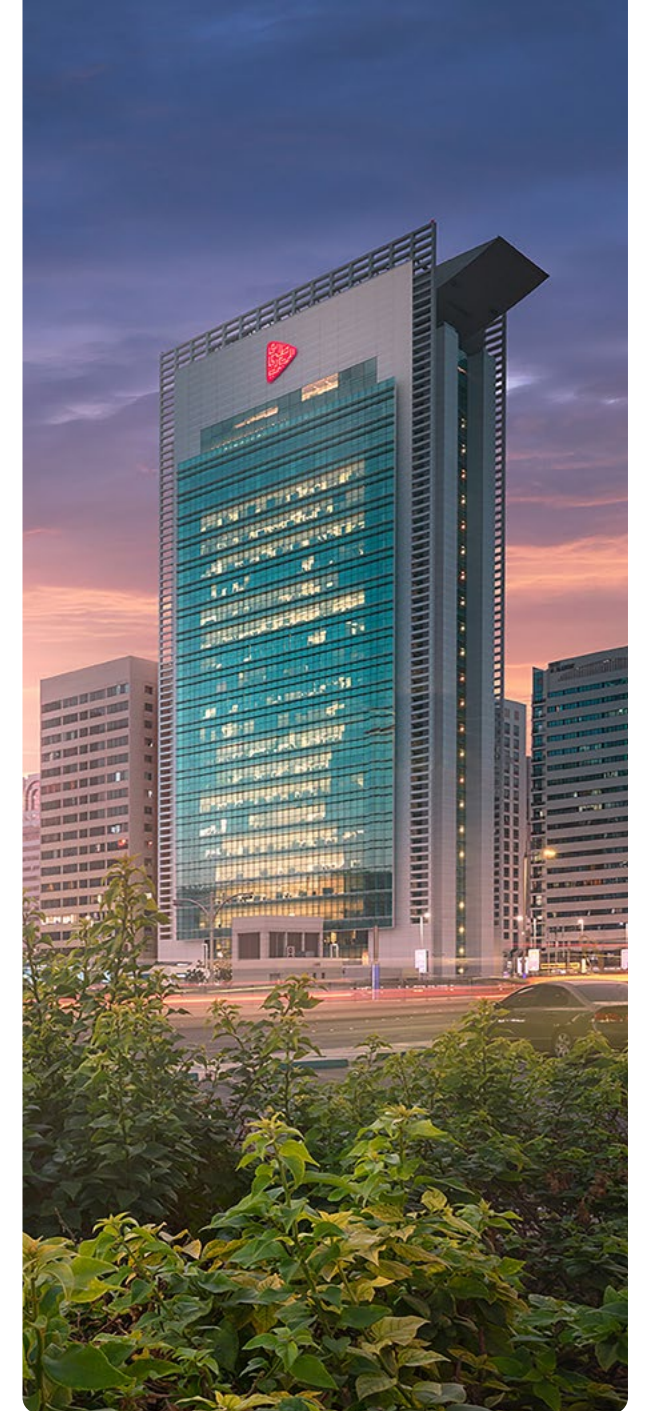
Our reporting methodology for the GHG emissions reported for 2023 (1 January – 31 December 2023) along with historical data on the previous years (2020–2022) is aligned with the guidance in The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard<sup>(1)</sup>. We report GHG emissions in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), a universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide.

## Organisational boundary:

For 2022-2023, our reporting covers ADCB Group including all our subsidiaries operating in the UAE, Egypt and Kazakhstan. For 2020–2021, our reporting covered ADCB and its subsidiaries in the UAE only. The measurement and reporting of GHG emissions data involves a degree of estimation due to variability in the data and the data collection process.

## Reporting boundary:

We report emissions arising from activities for which we are responsible. Our GHG reporting excludes financed emissions, emissions from employee commute, and third-party sources other than suppliers managing our data centres.



# ADCB ESG KPIs (continued)

## Scope 1 GHG emissions

### Scope

Emissions from company-owned vehicles used for business and from the use of backup generators by the Bank.

### Method

#### Fuel consumption by Bank's own vehicles

Fuel consumption (in litres) recorded as per the invoices paid to the supplier is converted to CO<sub>2</sub>e using the emission factors from the GHG Conversion Factors for Company Reporting (2022)<sup>(1)</sup> by the UK's Department for Environment, Food and Rural Affairs (DEFRA).

#### Diesel consumption by Bank's power backup generators

Our backup generators are currently used for monthly performance and load testing as part of generator maintenance activities. The volume of diesel consumed (in litres) is an estimated value and converted to CO<sub>2</sub>e using emission factors from the GHG Conversion Factors for Company Reporting (2022)<sup>(1)</sup> by the UK's Department for Environment, Food and Rural Affairs (DEFRA).

#### Natural gas consumption – ADCB Egypt

Fuel consumption (in m<sup>3</sup>) recorded as per the invoices paid to the supplier is converted to CO<sub>2</sub>e using the emission factors from the GHG Conversion Factors for Company Reporting (2022)<sup>(1)</sup> by the UK's Department for Environment, Food and Rural Affairs (DEFRA).



## Scope 2 GHG emissions

### Scope

Emissions from electricity consumed by the Bank at the premises it operates from. Our reporting comprises of emissions generated from the use of electricity in the Bank's owned or rented properties where we hold the supply contract directly with the local utility providers in the UAE, Egypt and Kazakhstan. As a significant location of our operations, we have also included electricity usage from the Head Office building of AHB UAE, although we do not hold the supply contract directly with the local utility provider. This excludes properties owned by the Bank but leased to third parties. ADCB Egypt's electricity consumption covers their head office building only

### Method

Electricity consumption was recorded using billed invoices (in kWh) from the utility provider. For the UAE, separate grid emission factors were used for Abu Dhabi and all other Emirates.

For Abu Dhabi, we used emission factors (2020–2023) from Emirates Water and Electricity Company (EWEC)<sup>(2)</sup>. For all other Emirates, emission factors (2020–2022) from Dubai Electricity and Water Authority (DEWA)<sup>(3)</sup> was used to calculate emissions from the electricity consumed, as per the GHG Protocol's location-based reporting guidance.



(1) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls)  
(2) <https://www.ewec.ae/en/media/statistical-reports>  
(3) <https://www.dewa.gov.ae/-/media/Files/Customer/Sustainability-Reports/Sustainability-report-22---EN.ashx>  
(4) <https://unfccc.int/documents/437880>

# ADCB ESG KPIs (continued)

## Scope 3 GHG emissions

Scope	Method		
<p>Emissions from the following sources have been included,</p> <ul style="list-style-type: none"><li>Emissions from the use of electricity in Bank's owned properties leased to third parties (for facilities where we hold the supply contract directly with the local utility providers in the UAE and Kazakhstan. ADCB Egypt does not have property leased to third parties).</li><li>Emissions from the use of electricity by suppliers or vendors providing shared services (ADCB primary data centre and AHB disaster recovery data centre).</li><li>Business travel undertaken by our employees in the UAE, Egypt and Kazakhstan (by air).</li><li>Business travel undertaken by our employees in the UAE and Egypt (by road).</li></ul>	<p><b>Properties leased to third parties – ADCB UAE and AHB Kazakhstan</b></p> <p>For facilities where we hold the supply contract directly with the utility provider, electricity consumption was recorded using billed invoices (in kWh).</p> <p>For properties in Abu Dhabi, we used emission factors (2020–2023) from Emirates Water and Electricity Company (EWEC)<sup>(1)</sup>. For all other Emirates, emission factors (2020–2022) from Dubai Electricity and Water Authority (DEWA)<sup>(2)</sup> was used to calculate emissions from the electricity consumed, as per the GHG Protocol's location-based reporting guidance. For Kazakhstan, a location specific grid emission factor was used as per the UNFCCC's 'IFI Default Grid Emission Factors' (2021)<sup>(3)</sup>.</p>	<p><b>ADCB UAE primary data centre (outsourced)</b></p> <p>Total electricity consumption (covering rack load, lighting and cooling) estimated based on the rack load allocated to ADCB within the outsourced data centre.</p> <p><b>AHB UAE disaster recovery data centre (outsourced)</b></p> <p>Electricity consumption estimated based on the agreed IT infrastructure electric power usage as per the contract with the vendor, considering 24/7 annual operations.</p> <p>Grid emission factors (2020–2022) from Dubai Electricity and Water Authority (DEWA) (2022)<sup>(2)</sup> was used to calculate emissions from the electricity consumed for our data centres listed above.</p>	<p><b>Employee business travel (road)</b></p> <p>The distance travelled (in km) for business travel by privately-owned or hired vehicles was calculated from our expense systems which reimburses our employees on a cost per km travelled basis. The CO<sub>2</sub>e from road travel was calculated using emission factors from the GHG Conversion Factors for Company Reporting (2022)<sup>(4)</sup> by the UK's Department for Environment, Food and Rural Affairs (DEFRA). Only AHB Kazakhstan did not have any business travel by road in 2023.</p> <p><b>Employee business travel (air)</b></p> <p>Flight details (based on origin of travel and destination, including stopovers and connections availed) for business air travel was obtained from our expense systems and the emissions calculated using the Carbon Emissions Calculator from the International Civil Aviation Organisation (ICAO)<sup>(5)</sup>.</p>

(1) <https://www.ewec.ae/en/media/statistical-reports>  
(2) <https://www.dewa.gov.ae/-/media/Files/Customer/Sustainability-Reports/Sustainability-report-22---EN.ashx>  
(3) <https://unfccc.int/documents/437880>

(4) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083854/ghg-conversion-factors-2022-condensed-set.xls)  
(5) <https://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>



# ADCB ESG KPIs (continued)

## Basis of reporting for HR metrics

### Emiratization rate

Scope	The metric represents the employment of UAE nationals by the Bank.
Reporting boundary	ADCB UAE and its subsidiaries in the UAE excluding non-financial entities such as ITMAM, ADCP, ADCE and outsourced employees.
Method	Emiratization rate is calculated as the percentage of Emirati nationals (with a family book) within the total full time employees in ADCB UAE and AHB UAE.



### Gender pay ratio

Scope	Ratio of salary and remuneration by gender for our full time employees.
Reporting boundary	ADCB UAE and all its subsidiaries in the UAE, excluding outsourced employees.
Method	Gender pay ratio is calculated as the ratio of median male to median female gross salary. Salary is considered as the monthly total pay in AED (including fixed pay, social allowance, job-based allowances as applicable) as calculated for the month of December.



# ADCB ESG KPIs (continued)

## 1. Strategic Priority: Climate

### 1.1. Sustainable Finance Portfolio

Sustainable finance portfolio category (AED bn)	Existing to date 2021-2023 <sup>(1)</sup>	Total liabilities (AED bn)	Existing to date 2021-2023 <sup>(1)</sup>
Lending <sup>(2)</sup>	21.8	Green bonds issued <sup>(5)</sup>	4.2
Investments <sup>(3)</sup>	4.7	Sustainable call account	0.3
Facilitation <sup>(4)</sup>	3.8		
<b>Total sustainable financing - assets</b>	<b>30.3</b>		

Eligible green loan portfolio breakdown – funded outstanding (as per ADCB Green Bond Framework ‘use of proceeds’) – (AED mn)	2023 <sup>(1)</sup>
Green buildings	4,315
Renewable energy	2,606
Green Hydrogen	165
Solar	2,441
Clean transportation	679
Energy efficiency	815
Sustainable water and wastewater management	761
Pollution prevention and control	399
<b>Total green lending</b>	<b>9,575</b>

(1) The value of the portfolio as a total monetary value based on ‘on-balance sheet’ assets as at 31 December 2023

(2) For Corporate and Investment Banking Group (CIBG)/Private Banking Group (PBG) - Limit booked at execution of new facilities provided (and any incremental increase in limits in case of refinancing). For Retail Banking Group (RBG) – Total disbursements

(3) Total invested

### 1.2. Environmental and Social Risk Management

Exposure concentration in sectors with material E&S risks as per ADCB ESRM Policy <sup>(1)(6)</sup>	2023
Excluded sectors	0.0%
Restricted sectors	0.1%
High-risk sectors	12.2%

Portfolio exposure to economic sectors with material E&S risks (AED mn) <sup>(1)(7)</sup>	As at 31 Dec 2023	Portfolio weight
<b>Energy</b>		
Oil & gas extraction	10,174	3.4%
Power - conventional	3,953	1.3%
Power - renewables	0.4	0.0%
<b>Real estate investment</b>	53,505	17.8%
<b>Transport &amp; communication</b>		
Aviation	2,217	0.7%
Shipping	299	0.1%
<b>Government &amp; public sector entities</b>		
Oil & gas extraction	5,351	1.8%
Aviation	1,766	0.6%
Power - conventional	6,079	2.0%
Power - renewables	2,061	0.7%
<b>Manufacturing</b>	9,545	3.2%

(4) For CIBG: Apportioned value of ADCB's participation in the transaction. For Asset Management: Net inflows

(5) Reported as total invested

(6) For further details please refer to [ADCB's ESRM Policy](#)

(7) Total lending to Oil and Gas extraction is AED 15.5 billion, representing 5.2% of ADCB UAE loans and advances

# ADCB ESG KPIs

## 1.3. Net Zero Operations

	UAE operations			ADCB Group <sup>(1)</sup>	
	2020	2021	2022	2022	2023
<b>Energy consumption</b>					
Within the organisation					
Energy intensity (GJ/FTE) <sup>(2)</sup>	30.95	30.15	28.68	25.70	24.15
Total energy consumption (GJ)	209,472	203,863	204,674	217,364	218,012
Total electricity consumption (kWh)	57,091,551	55,434,691	55,531,048	57,514,169	57,680,404
Fuel consumption					
Total petrol consumption (liters)	117,237	127,773	141,322	163,033	164,638
Total diesel consumption (liters)	497	569	823	1,068	2,478
Natural gas consumption (m <sup>3</sup> )	N/A	N/A	N/A	124,276	123,022
Outside the organisation <sup>(3)</sup>					
Total energy consumption (GJ)	103,765	79,448	90,756	96,408	94,523
Total electricity consumption (kWh)	23,118,127	18,746,604	18,986,103	19,079,260	15,765,341
Bank's properties leased to third parties	17,698,627	13,351,204	13,485,842	13,578,999	10,232,206
ADCB UAE primary data centre (outsourced)	4,541,100	4,519,400	4,732,000	4,732,000	4,763,000
AHB UAE disaster recovery data centre (outsourced)	878,400	876,000	768,261	768,261	770,135
Total fuel consumption for employee business travel by road (litres)	612,967	356,956	668,631	827,290	1,127,037

	UAE operations			ADCB Group <sup>(1)</sup>	
	2020	2021	2022	2023	2023
<b>Greenhouse Gas (GHG) emissions<sup>(4)</sup></b>					
GHG emissions intensity (tCO <sub>2</sub> e/FTE) <sup>(5)</sup>	3.34	2.76	2.96	2.73	2.30
Total GHG emissions (tCO <sub>2</sub> e)	28,168	22,143	24,845	26,868	22,987
Scope 1 (tCO <sub>2</sub> e)	274	299	331	633	644
Scope 2 (tCO <sub>2</sub> e)	18,696	15,378	16,742	17,980	15,048
Scope 3 (tCO <sub>2</sub> e)	9,198	6,467	7,772	8,254	7,294
Bank's properties leased to third parties	5,537	3,450	3,739	3,813	2,189
ADCB UAE primary data centre (outsourced)	1,835	1,826	2,031	2,031	1,922
AHB UAE disaster recovery data centre (outsourced)	355	354	330	330	311
Employee business travel (road)	1,427	831	1,557	1,926	2,649
Employee business travel (air)	44	5	115	153	223
	ADCB Group (excl. ADCB Egypt and AHB Kazakhstan)				
	2020	2021	2022	2023	
Water consumption within the organisation (Megalitres)	113.19	80.28	96.62	148.32	
Water intensity (m <sup>3</sup> /FTE)	16,726	11,872	13,540	19,327	

(1) Reporting on environmental data for prior years (2020–2021) was limited to UAE only. For 2022–2023, our reporting boundary covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan)

(2) Energy intensity covers electricity and fuel consumption within the organisation

(3) Total energy consumption outside the organisation is limited to electricity consumption by the Bank's properties leased to third parties, electricity consumption by outsourced data centres and fuel consumption from employees' business travel by road

(4) Our disclosure on GHG emissions intensity excludes Scope 3 emissions from properties leased to third parties.

(5) The following disclosures have been verified by a third-party assurance provider,

- Scope 1 GHG emissions (tCO<sub>2</sub>e)
- Scope 2 GHG emissions (tCO<sub>2</sub>e)
- Scope 3 GHG emissions (tCO<sub>2</sub>e)



# ADCB ESG KPIs (continued)

	ADCB Group (excl. ADCB Egypt and AHB Kazakhstan) <sup>(1)</sup>			
Material waste generated	2020	2021	2022	2023
Total waste generated (kg)	177,006	226,205	388,093	402,006
Total waste broken down by composition (kg):				
Paper	16,301	27,831	54,985	21,157
Plastic	0	40	301	543
Cardboard	664	1,956	865	6,350
Food waste	160,041	196,378	322,542	373,956
Total amount of waste disposed, broken down by disposal method (kg):				
Landfilling	160,041	196,378	322,542	373,956
Recycling	16,965	29,827	56,151	28,050

	ADCB Group (excl. ADCB Egypt and AHB Kazakhstan)		ADCB UAE only
Electronic waste	2023	Printed paper usage	2023
Total electronic waste generated (kg)	35,537	Total paper printed for office use (kg)	180,323
Total electronic waste recycled (kg)	35,537		

## 1.4. Green procurement and supply chain

Spent on local suppliers	2020	2021	2022	2023
Percentage of the procurement budget spent on local suppliers (%)	90%	94%	93%	96%

(1) Waste data reported covers select facilities in the UAE including head office buildings (ADCB UAE and AHB UAE) and our warehouse in Abu Dhabi  
 (2) NPS scores recorded excludes subsidiaries  
 (3) Refers to Fast Feedback Loop (FFL) NPS Score

## 2. Strategic Priority: Customers and Communities

### 2.1. Customer satisfaction

Customer experience	2020	2021	2022	2023
NPS scores recorded by ADCB UAE <sup>(2)(3)</sup>	52	66	69	73
Retail Banking NPS <sup>(3)</sup>	52	63	63	70
Private Banking NPS <sup>(4)</sup>	76	75	84	88
Corporate & Investment Banking NPS <sup>(4)</sup>	64	64	68	78
Treasury NPS <sup>(4)</sup>	77	90	91	91
NPS score recorded by AHB UAE <sup>(4)</sup>	43	54	50	42

	ADCB Group <sup>(5)</sup>			
Customer complaints	2020	2021	2022	2023
Total number of customer complaints recorded (#)	19,787	16,130	25,047	25,148
Total number of complaints recorded per 1,000 customers (#)	14	10	13	10

### 2.2. Financial inclusion

	ADCB UAE			
Accounts to unbanked or underbanked customers	2020	2021	2022	2023
Total number of no-cost retail checking accounts provided to previously unbanked or underbanked customers (#) <sup>(6)</sup>	75,020	112,754	185,886	280,000

(4) Refers to Strategic NPS Score  
 (5) Reported for ADCB (UAE and Egypt), AHB (UAE and Kazakhstan)  
 (6) Includes number of accounts opened for individuals through 'Hayyak' with salary < AED 5K/month in ADCB UAE

## ADCB ESG KPIs (continued)

	ADCB UAE			
Financial literacy	2021	2022	2023	
Number of participants in financial literacy initiatives ('000) <sup>(1)</sup>	1,591	2,579	1,395	
	ADCB Group <sup>(3)</sup>			
Loans to promote small business (microenterprise and SME) <sup>(2)</sup>	2020	2021	2022	2023
Number of loans – Small Business (#)	14,343	13,136	13,082	16,115
Value of net loans – Small Business (AED mn)	4,025	3,868	3,411	3,431
Percentage of total lending to small business (%) <sup>(4)</sup>	1.7%	1.58%	1.32%	1.14%
Percentage of revenues from lending to small business (%) <sup>(5)</sup>	-	5%	5%	6%

### 2.3. Digital and innovation

	ADCB Group <sup>(3)</sup>			
	2020	2021	2022	2023
<b>Digital channels for customer engagement</b>				
Number of internet banking subscribers (#)	594,483	619,835	678,177	762,224
Number of mobile banking app subscribers (#)	753,249	985,965	1,382,360	1,993,025

(1) Reported based on email open rates for 2021-2022. For 2023, we have updated our methodology and have reported the unique number of participants

(2) Small business: Non-subsidiary, independent firms with turnover not exceeding AED 250 million

(3) Reported for ADCB (UAE and Egypt), AHB (UAE and Kazakhstan)

(4) Percentage of total book as at 31 December of the respective reporting year

(5) Reported as percentage of net interest income

(6) Transactions through ProCash

(7) We have enhanced the scope of our reporting and therefore data reported in 2022-2023 is not comparable to previous years reporting

		ADCB UAE			
		2020	2021	2022	2023
Digital transactions					
Percentage of digital transactions (%)	Retail customers	94%	95%	96%	97%
	Corporate customers <sup>(6)</sup>	96%	96%	96%	97%
Total number of transactions by channel (# mn)					
Online transactions	Retail customers	12.0	11.2	10.5	8.1
Mobile transactions		44.1	63.4	86.3	118.5
SMS banking transactions		0.9	1.0	1.4	1.6
WhatsApp transactions		0	0.1	0.6	0.5
ATM transactions		24.3	29.4	36.9	38.7
Branch transactions		3.3	3.8	3.8	3.7

### 2.4. Community investments

	ADCB Group <sup>(7)</sup>			
	2020	2021	2022	2023
<b>Direct community investments</b>				
Total direct community investments (AED '000)	19,333	16,341	3,993	10,273
Donations (AED '000)	15,288	12,721	2,056	1,683
Sponsorships (AED '000)	4,045	3,620	1,937	8,590
Community investments as a percentage of revenues (%)	0.16%	0.13%	0.03%	0.06%

# ADCB ESG KPIs (continued)

## 3. Strategic Priority: Employees

### 3.1. Employee engagement and wellbeing

Employees breakdown by contract	ADCB Group			
	2020	2021	2022	2023
Total number of employees	7,979	7,987	8,460	9,031
Full-time employees <sup>(1)</sup>	7,965	7,982	8,459	9,026
Part-time employees	11	3	0	0
Contractors/consultants	3	2	1	5
Workers who are not employees and whose work is controlled by the organization <sup>(2)</sup>	715	649	900	1,208

Full time employees breakdown by gender	ADCB Group			
	2020	2021	2022	2023
Male	4,882	4,624	4,881	5,136
Female	3,094	3,361	3,578	3,890
Percentage of female employees (%)	39%	42%	42%	43%

New employee hires		ADCB Group			
		2020	2021	2022	2023
Total new hires (#)		452	1,046	1,316	1,400
New hires by age (#)	Under 25 years	79	209	198	171
	25–34 years	256	618	646	766
	35–45 years	102	188	401	387
	Over 45 years	15	31	71	76
New hires by gender (#)	Male	262	433	748	791
	Female	190	613	568	609
New hires by nationality: Emirati nationals (#)	Male	21	91	82	92
	Female	74	386	170	224
New hires by nationality: Local employees (#) <sup>(3)</sup>	Male	132	240	251	259
	Female	127	478	286	313

(1) Includes temporary employees on a full time basis. Total full time employees disclosed includes 11 temporary employees who are replacements for employees on maternity leave, as maternity leave in Kazakhstan is 3 years for each child and can be extended

(2) These workers include outsourced staff with yearly contract deployed on the following: direct sales of loans and credit cards, collections, sales support (Coordination and MIS) and operational activities (credit administration, MIS, marketing, document verification, property officers, maintenance officers)

(3) Local employees are the nationals (citizens) employed within our respective group locations in UAE, Egypt and Kazakhstan



## ADCB ESG KPIs (continued)

		ADCB Group							
		2020		2021		2022		2023	
Employee turnover		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Total employee turnover (voluntary and involuntary)		687	8.6%	768	9.6%	821	9.7%	861	10%
Employee turnover (voluntary and involuntary) breakdown:									
Turnover by age	Under 25 years	24	12%	27	11%	35	12%	34	12%
	25–34 years	255	8%	333	12%	345	13%	324	11%
	35–45 years	299	8%	303	9%	339	9%	340	9%
	Over 45 years	109	9%	105	8%	102	6%	163	9%
Turnover by gender	Male	478	10%	478	10%	492	10%	563	11%
	Female	209	7%	290	9%	329	9%	298	8%
Turnover by nationality	Emirati nationals	77	5%	107	6%	171	9%	135	6%
	Local employees <sup>(1)</sup>	176	7%	221	7%	176	5%	214	6%

ADCB UAE and its subsidiaries in the UAE (excl. AHB UAE)				
Employee engagement	2020 <sup>(2)</sup>	2021	2022	2023
Organisational Health Index (OHI) survey score	-	80	80	79
Employee response rate (%)	-	88%	88%	96%

(1) Local employees are the nationals (citizens) employed within our respective group locations in UAE, Egypt and Kazakhstan

(2) Employee engagement through OHI survey not conducted in 2020

# ADCB ESG KPIs (continued)

## 3.2. Emiratisation

		ADCB Group (excl. ADCB Egypt and AHB Kazakhstan)			
Emiratisation level		2020	2021	2022	2023
UAE national employees (#)		1,482	1,854	1,910	2,096
Emiratisation rate (%) <sup>(1)(2)</sup>		32%	38%	38%	40%
UAE national employees by gender	Male (#)	318	376	410	454
	Female (#)	1,164	1,478	1,500	1,642

## 3.3 Learning and development

		ADCB Group							
		2020		2021		2022		2023	
Training hours (breakdown)		Total training hours	Average hours per employee	Total training hours	Average hours per employee	Total training hours	Average hours per employee	Total training hours	Average hours per employee
Total training hours (#)		172,747	22	336,463	42	381,516	45	391,133	43
By gender	Male	70,723	15	163,431	35	164,544	34	184,166	36
	Female	102,024	33	173,032	52	216,972	61	206,968	53
By employee category	Senior and Executive management	964	7	3,312	22	2,665	15	4,925	23
	Middle management	28,177	14	57,721	29	59,198	28	85,379	34
	Non-management	143,607	25	275,430	47	319,653	52	300,830	48
For Nationals	UAE nationals	87,030	59	121,917	66	182,284	95	182,126	87
	Local employees <sup>(3)</sup>	109,061	41	182,583	59	244,979	76	257,431	75

(1) As percentage of total ADCB UAE and AHB UAE staff. Refer to the basis of reporting for more details

(2) For 2022-2023, this disclosure has been verified by a third-party assurance provider: Emiratisation rate

(3) Local employees are the nationals (citizens) employed within our respective group locations in UAE, Egypt and Kazakhstan

## ADCB ESG KPIs (continued)

		ADCB Group			
<b>eLearning hours for staff</b>		2020	2021	2022	2023
Total eLearning hours provided for all staff (number)		30,054	122,578	128,879	120,047

		ADCB Group			
<b>Training expenditure</b>		2020	2021	2022 <sup>(1)</sup>	2023
Total training expenditure (AED '000)		4,367	9,101	23,986	22,148
Training expenditure per employee (AED '000/FTE)		0.5	1.1	2.84	2.45

		ADCB Group			
<b>Performance reviews<sup>(2)</sup></b>		2020	2021	2022	2023
Total employees who received a regular performance and career development review during the reporting period (%)		100%	100%	100%	100%
Employee category (%)	Senior and Executive management	100%	100%	100%	100%
	Middle management	100%	100%	100%	100%
	Non-management	100%	100%	100%	100%
By gender (%)	Male	100%	100%	100%	100%
	Female	100%	100%	100%	100%

- (1) We have enhanced the scope of our reporting and therefore data reported in 2022 is not comparable to previous years reporting  
(2) Reported for employees eligible for a performance and career development review  
(3) Female employees who returned to work after parental leave ended  
(4) Female employees who returned from parental leave and were still employed twelve months after returning to work

### 3.4. Equality, diversity and inclusion

		ADCB Group			
<b>Employee diversity</b>		2020	2021	2022	2023
Employees by age (%)	Under 25 years	2.5%	3.2%	3.6%	3.3%
	25-34 years	37.7%	35.0%	32.2%	33.5%
	35-45 years	44.1%	44.4%	44.3%	42.8%
	Over 45 years	15.6%	17.4%	19.9%	20.4%
Employee by gender (%)	Male	61%	58%	58%	57%
	Female	39%	42%	42%	43%
Employee by category and gender: Entry and mid-level positions (%)	Male	61%	57%	57%	56%
	Female	39%	43%	43%	44%
Employee by category and gender: Senior and executive level (%)	Male	82%	84%	86%	85%
	Female	18%	16%	14%	15%

		ADCB Group			
<b>Parental leave</b>		2020	2021	2022	2023
Female employees that took maternity leave (#)		190	204	193	213
Female employees who returned to work after maternity leave ended (#)		190	201	190	212
Female employees returned from maternity leave who were still employed twelve months after returning to work (retention) (#)		159	132	170	181
Return to work rate (%) <sup>(3)</sup>		100%	99%	98%	99.5%
Retention rate (%) <sup>(4)</sup>		90%	89%	91%	95.3%



# ADCB ESG KPIs (continued)

	ADCB Group (excl. ADCB Egypt and AHB Kazakhstan)			
Gender pay ratio (median male to median female salary) <sup>(1)</sup>	2020	2021	2022	2023
Overall (ratio)	1.06	0.99	0.98	0.94
Senior and Executive management	1.10	1.13	1.00	1.06
Middle management	1.01	1.03	1.03	0.97
Non-management	0.82	0.71	0.72	0.77

	ADCB Group			
Wages and benefits	2020	2021	2022	2023
Total salaries and benefits paid to employees (AED '000)	2,552,018	2,437,165	2,767,876	3,064,387

	ADCB Group			
Employee nationalities	2020	2021	2022	2023
Total number of employee nationalities (#)	82	81	81	84

	ADCB Group			
People of determination	2020	2021	2022	2023
Total number of people of determination employed (#)	10	16	17	18

(1) This disclosure has been verified by a third-party assurance provider for the data reported for 2022-2023: Gender Pay Ratio. Refer to basis of reporting for more details

## 4. Strategic Priority: Governance

### 4.1. Corporate governance, compliance and code of conduct

	ADCB Group			
Composition of the Board of Directors	2020	2021	2022	2023
Total number of Board of Directors (#)	11	10	11	11
Total number of independent Board members (#)	9	9	10	10
Total number of executive members of the Board (#)	1	0	0	0
Percentage of independent board members (%)	82%	90%	91%	91%

Board composition by gender (%)				
Male	91%	90%	82%	82%
Female	9%	10%	18%	18%

Board composition by age group (%)				
Less than 25 years	0%	0%	0%	0%
25-34 years	0%	10%	18%	18%
35-45 years	36%	30%	36%	27%
Above 45 years	64%	60%	46%	55%

## ADCB ESG KPIs (continued)

	ADCB Group			
Monetary losses as a result of non-ethical business practices	2020	2021	2022	2023
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations (AED)	0	0	0	0

	ADCB UAE			
Whistleblowing cases	2020	2021	2022	2023
Total number of whistleblowing cases filed in the reporting period (#)	18	35	121	131
Total number of whistleblowing cases addressed or resolved in the reporting period (#)	18	35	121	131
Percentage of whistleblowing cases that were substantiated (%)	28%	23%	17%	15%

### 4.2. Risk management and cybersecurity

	ADCB Group			
Training on data privacy and protection	2020	2021	2022	2023
Percentage of employees formally trained on data privacy and protection (%) <sup>(1)</sup>	–	52%	97%	94%

	ADCB UAE			
Card-related fraud	2020	2021	2022	2023
Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) (AED)		Not material		

### 4.3. Financial crime, anti-bribery and corruption

	ADCB Group			
Legal cases regarding corruption	2020	2021	2022	2023
Number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period (#)	0	0	0	0

	ADCB Group			
Employee acknowledgement on Code of Conduct	2020	2021	2022	2023
Percentage of workforce who have formally acknowledged compliance with the Employee Code of Conduct (%)	100%	100%	100%	100%

	ADCB Group			
Employee training on anti-corruption <sup>(2)</sup>	2020	2021	2022	2023
Percentage of workforce formally trained on the anti-corruption/bribery policy (%)	100%	100%	100%	100%

	ADCB Group			
Communication on anti-corruption policy to the Board	2020	2021	2022	2023
Percentage of Board of Directors that the organisation's anti-corruption policies and procedures have been communicated to (%)	100%	100%	100%	100%

	ADCB Group (excl. ADCB Egypt and AHB Kazakhstan)			
Anti-corruption policies and procedures in the supply chain	2019	2020	2021	2023
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to (%)	100%	100%	100%	100%

(1) The data privacy and protection training for all staff of ADCB Group was rolled out in October 2021

(2) Reported as anti-bribery and corruption training for new hires as part of the induction program, and code of conduct training for all employees

# ADCB ESG KPIs (continued)

## 4.4. Tax transparency

Tax disclosures	ADCB Group			
	2020	2021	2022	2023
Corporate income tax paid on cash basis split by jurisdiction <sup>(1)</sup>				
<b>Total income tax expense (AED mn)</b>	<b>67.86</b>	<b>63.35</b>	<b>77.58</b>	<b>116.0</b>
<i>UAE</i>	-	-	-	-
<i>Kazakhstan</i>	1.5	1.4	7.8	10.4
<i>Egypt</i>	53.6	59.4	68.6	112.1
<i>Jersey</i>	1.7	0.7	-	-
<i>UK</i>	-	1.0	-	-
<i>India</i>	11.2	0.8	1.2	(6.5)
<i>Cayman Islands</i>	-	-	-	-
<i>Isle of Man</i>	-	-	-	-
<i>Bahrain</i>	-	-	-	-
<i>Others<sup>(2)</sup></i>	-	-	-	3.06

### Notes on ADCB Group’s tax disclosures

- UAE:** Corporate Tax in the UAE was not applicable during financial year ending 31 December 2023, and previous reporting years. The UAE Corporate Tax will apply to the ADCB Group on and from 1 January 2024
- Kazakhstan:** ADCB Group has operations in Kazakhstan. To this end, corporate tax and other taxes are payable to the Kazakhstan tax authorities
- Egypt:** ADCB Group has operations in Egypt. To this end, corporate tax and other taxes are payable to the Egyptian tax authorities
- Jersey:** ADCB Group does not have any operations in Jersey and therefore no corporate tax is payable in this jurisdiction
- UK:** ADCB Group’s operations in the UK ceased in 2020. The UK entity is still in the process of being liquidated. ADCB does not undertake any business activity in the UK
- India:** ADCB India Branch ceased operations from 2021. Corporate tax in India continues to apply post 2021 with regard to matters in wind down phase
- Cayman Islands:** ADCB Group has subsidiaries in the Cayman Islands. These subsidiaries are only used for legitimate funding and derivative transactions. From 1 January 2024, UAE Corporate Tax will apply to these entities
- Isle of Man:** ADCB Group does not have any active business operations in Isle of Man. ADCB Group has a controlling interest in a trust. No corporate taxes are due and payable by ADCB Group
- Bahrain:** ADCB Group acts as a trustee for a trust established in Bahrain. This trust is in rundown and there are no other operations in Bahrain. To this end, no corporate taxes are applicable in Bahrain

(1) For more information, please refer to the Consolidated Financial Statements (Cash Flow Statement) as reported in [2023 ADCB annual report](#)

(2) Withholding tax expense paid in international jurisdictions



# GRI context index

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 1: Foundation 2021		
General disclosures		
GRI 2: General Disclosures 2021		
1. The organisation and its reporting practices	2-1 Organisational details	4–6
	2-2 Entities included in the organization's sustainability reporting	89
	2-3 Reporting period, frequency and contact point	3
	2-4 Restatements of information	89
	2-5 External assurance	121
2. Activities and workers	2-6 Activities, value chain and other business relationship	4–6 (see ref. 1)
	2-7 Employees	97
	2-8 Workers who are not employees	97
3. Governance	2-9 Governance structure and composition	16, 74 (see ref. 2)
	2-10 Nomination and selection of the highest governance body	76 (see ref. 2)
	2-11 Chair of the highest governance body	16, 74 (see ref. 2)
	2-12 Role of the highest governance body in overseeing the management of impacts	16
	2-13 Delegation of responsibility for managing impacts	16
	2-14 Role of the highest governance body in sustainability reporting	16, 21
	2-15 Conflicts of interest	75
	2-16 Communication of critical concerns	66, 78
	2-17 Collective knowledge of the highest governance body	76
	2-18 Evaluation of the performance of the highest governance body	77
	2-19 Remuneration policies	75 (see ref. 2)
	2-20 Process to determine remuneration	75 (see ref. 2)
	2-21 Annual total compensation ratio	(see ref. 3)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	10, 14
	2-23 Policy commitments	18
	2-24 Embedding policy commitments	16–19
	2-25 Processes to remediate negative impacts	66, 78
	2-26 Mechanisms for seeking advice and raising concerns	20, 78
	2-27 Compliance with laws and regulations	(see ref. 12)
5. Stakeholder Engagement	2-28 Membership associations	18
	2-29 Approach to stakeholder engagement	20
5. Stakeholder Engagement	2-30 Collective bargaining agreements	(see ref. 4)
GRI 3: Material Topics 2021		
Disclosures on material topics	3-1 Process to determine material topics	21–22
	3-2 List of material topics	22
Material topics		
Environmental topics		
Aligning portfolios and reducing financed emissions		
GRI 103: Material Topics 2021	3-3 Management of material topics	30
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	31
Sustainable finance		
GRI 103: Material Topics 2021	3-3 Management of material topics	33
Non GRI Topic-Specific Disclosure	Sustainable finance portfolio	93

## GRI context index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
<b>Environmental and social risk management</b>		
GRI 103: Management Approach 2016	3-3 Management of material topics	39
Non GRI Topic-Specific Disclosure	Commercial and industrial credit exposure, by industry	93
<b>Operations and supply chain</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	44–47
GRI 302: Energy 2016	302-1 Energy consumption within the organization	94
	302-2 Energy consumption outside of the organization	94
	302-3 Energy intensity	94
	302-4 Reduction of energy consumption	44
	302-5 Reductions in energy requirements of products and services	33, 35–38 (see ref. 5)
GRI 303: Water and Effluents 2018 (Management approach disclosures)	303-1 Interactions with water as a shared resource	45
	303-2 Management of water discharge-related impacts	45
GRI 303: Water and Effluents 2018 (Topic specific disclosure)	303-3 Water withdrawal	94
	303-4 Water discharge	(see ref. 6)
	303-5 Water consumption	94
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	94
	305-2 Energy indirect (Scope 2) GHG emissions	94
	305-3 Other indirect (Scope 3) GHG emissions	31, 94
	305-4 GHG emissions intensity	94
	305-5 Reduction of GHG emissions	44 (see ref. 5)
	305-6 Emissions of ozone-depleting substances (ODS)	(see ref. 7)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	(see ref. 7)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 306: Waste 2020 (Management approach disclosures)	306-1 Waste generation and significant waste-related impacts	45
	306-2 Management of significant waste-related impacts	45
GRI 306: Waste 2020 (Topic specific disclosure)	306-3 Waste generated	95
	306-4 Waste diverted from disposal	95
	306-5 Waste directed to disposal	95
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	95
<b>Social Indicators</b>		
<b>Customer satisfaction</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	49–52
Non GRI Topic-Specific Disclosures	NPS scores recorded by the bank	95
	Total number of customer complaints recorded	95
	Total number of complaints recorded per 1,000 customers	95
<b>Financial inclusion</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	53–57
Non GRI Topic-Specific Disclosures	Total number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	95
	Number of participants in financial literacy initiatives	96
	Total number and value of loans outstanding qualified to programmes designed to promote small business and community development	110
	Total number and value of past due and non-accrual loans qualified to programmes designed to promote small business and community development	110
	Total number and value of loans to small business	96
	Percentage of total lending to small business	96
	Percentage of revenues from lending to small business	96

## GRI context index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
<b>Digital &amp; Innovation</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	58–60
Non GRI Topic-Specific Disclosures	Total number of internet banking subscribers	96
	Total number of mobile banking app subscribers	96
	Percentage digital transactions by customers (Retail and Corporate)	96
	Total number of transactions by channel	96
<b>Community investments</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	61–62
GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure and services supported	61, 96 (see ref. 8)
	203-2 Significant indirect economic impacts	61 (see ref.8)
<b>Employee engagement and well-being</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	64–66
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	97–98
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66
	401-3 Parental leave	72, 100
GRI 403: Occupational health and safety 2018 (Management approach disclosures)	403-1 Occupational health and safety management system	66
	403-2 Hazard identification, risk assessment, and incident investigation	66
	403-3 Occupational health services	66
	403-4 Worker participation, consultation, and communication on occupational health and safety	66
	403-5 Worker training on occupational health and safety	66
	403-6 Promotion of worker health	66
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 403: Occupational health and safety 2018 (Topic-specific disclosure)	403-8 Workers covered by an occupational health and safety management system	66 (see ref. 9)
	403-9 Work-related injuries	66
	403-10 Work-related ill health	66
<b>Emiratisation</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	67–68
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	(see ref. 10)
	202-2 Proportion of senior management hired from the local community	67
<b>Learning and development</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	69–70
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	99
	404-2 Programs for upgrading employee skills and transition assistance programs	67–69
	404-3 Percentage of employees receiving regular performance and career development reviews	100
<b>Equality, diversity and inclusion</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	71–72
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of Governance bodies and employees	100–101
	405-2 Ratio of basic salary and remuneration of women to men	101
<b>Governance topics</b>		
<b>Corporate governance, compliance and Code of Conduct</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	74–78



## GRI context index (continued)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	102
Non GRI Topic-Specific Disclosures	Total number of Board of Directors	101
	Total number of independent Board members	101
	Total number of executive members of the Board	101
	Composition of the Board of Directors broken down by gender and age	101
	Total hours of training for Board members	101
	Total number of whistleblowing cases (filed, addressed or resolved) in the reporting period	102
	Percentage of whistleblowing cases that were substantiated	102
Risk management and cybersecurity		
GRI 3: Material Topics 2021	3-3 Management of material topics	79–82
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	(see ref. 3)
Non GRI Topic-Specific Disclosures	% of employees formally trained on Data Protection & Privacy	102
	Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud)	102
Financial crime, anti-bribery and corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	83–84
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	84
	205-2 Communication and training about anti-corruption policies and procedures	102
	205-3 Confirmed incidents of corruption and actions taken	(see ref. 11)

GRI Standard	Indicator and disclosure	Disclosure/reference to report page numbers
Tax transparency		
GRI 3: Material Topics 2021	3-3 Management of material topics	85–87
GRI 207: Tax 2019 (Management approach disclosures)	207-1 Approach to tax	85–87
	207-2 Tax governance, control, and risk management	85–87
	207-3 Stakeholder engagement and management of concerns related to tax	86–87
GRI 207: Tax 2019 (Topic specific disclosure)	207-4 Country-by-country reporting	103

# GRI context index (continued)

Ref #	Description
1	Our suppliers consist of third-party service providers, contractors, logistics providers, and others. Many of our suppliers are local to our areas of operations and include small and medium enterprises
2	For further details, please refer to <a href="#">2023 Corporate Governance Report</a>
3	Not reported due to confidentiality constraints
4	Collective bargaining is prohibited as per UAE law and therefore not reported for ADCB Group
5	As a bank, ADCB is committed to supporting our customers in their transition to a low carbon economy through our financing. We are currently in the process of baselining the impacts of our financing and will disclose our impacts in the future
6	All water that is used by ADCB is discharged back through the local sewerage services companies
7	Information unavailable as data is currently not monitored. We will continue to enhance our data collection and reporting methodology in the future
8	ADCB supports the development of the community through infrastructure projects that we finance
9	ADCB's Health & Safety policy covers all full time employees
10	Our HR practices comply with the requirements of the UAE Labour Law which promotes equal pay for female employees undertaking the same work as their male colleagues
11	ADCB has zero tolerance towards bribery and corruption. We adhere to the reporting requirements as mandated by the Central Bank of the UAE
12	No material incidents of non-compliance with laws and regulations in 2023

# SASB context index

## SASB content index – 2023

SASB topic	SASB sub-topic	Accounting metric	Code	ADCB material topic	Reference to report page number
Commercial Banks	Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	Risk Management & Cybersecurity	79–81
		% of employees formally trained on Data Protection & Privacy	NA		102
	Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	Community Investment	110
		(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2		110
		Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	Financial Inclusion	95
		Number of participants in financial literacy initiatives	NA		53, 96
	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	ESRM	93
		Description of approach to incorporation of ESG factors in credit analysis	FN-CB-410a.2		39–41
	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	Corporate Governance, Compliance and Code of Conduct	102
		Description of whistleblower policies and procedures	FN-CB-510a.2		78
Consumer Finance	Data Security	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	FN-CF-230a.2	Customer privacy and data security	102
		Description of approach to identifying and addressing data security risk	FN-CF-230a.3		79–82



# SASB context index (continued)

## SASB data table – 2023

SASB topic	Accounting metric	Unit of measure	Reporting boundary <sup>(1)</sup>	2020	2021	2022	2023
Commercial Banks	Percentage of employees formally trained on Data Protection & Privacy	%	Group	–	52% <sup>(2)</sup>	97%	94% <sup>(3)</sup>
	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development <sup>(4)</sup>	#	Group	2,899	2,881	2,129	2,493
		AED mn		2,043	1,959	1,980	2,266
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development <sup>(4)</sup>	#	Group	107	133	159	137
		AED mn		75	87	100	103
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers <sup>(5)</sup>	# ('000)	ADCB UAE	75	113	186	280
	Number of participants in financial literacy initiatives <sup>(6)</sup>	# ('000)	ADCB UAE	–	1,591	2,579	1,395
	Commercial and industrial credit exposure, by industry	AED	Group	See table on portfolio exposure on pages 40 and 93			
	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	AED	Group	0	0	0	0
Consumer Finance	Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud)	AED	Group	← Not material →			

(1) Reported for ADCB (UAE and Egypt), AHB (UAE and Kazakhstan) unless otherwise stated

(2) The data privacy and protection training for all staff of ADCB Group was rolled out in October 2021

(3) Reported for total employees including new joiners, trainees, employees on maternity and other long-term leave

(4) Loans qualified are extended to SMEs with annual sales turnover ≤ to AED 20 million under the following programmes; Khalifa fund, Sanadkum, Department of Finance (Government of UAE), Kazakhstan State 'Damu' Fund Programme

(5) Includes number of accounts opened for individuals through 'Hayyak' with salary < AED 5K/month in ADCB UAE

(6) Reported based on email open rates for 2021-2022. For 2023, we have updated our methodology and have reported the unique number of participants

# SASB context index (continued)

## SASB data table – 2023

SASB topic	Activity metric	Unit of measure	Reporting boundary <sup>(1)</sup>	2020	2021	2022	2023
Commercial Banks	Number of checking & savings accounts: Small Business	# ('000)	ADCB UAE	46.3	50.7	55.8	58.9
	Value of checking & savings accounts: Small Business	AED mn	ADCB UAE	11,194	14,556	16,719	19,351
	Number of loans: Small Business	# ('000)	Group	14.3	13.1	13.1	16.1
	Value of loans: Small Business	AED mn	Group	4,025	3,868	3,411	3,431
Consumer Finance	Numbers of unique customers with active credit card accounts	# ('000)	ADCB UAE	402	407	450	519
	Number of credit card accounts	# ('000)		474	481	538	650
Mortgage Finance	Number and value of residential mortgages originated <sup>(2)</sup>	#	Group	1,126	1,579	2,311	3,353
		AED mn		1,469	2,228	3,756	5,903
	Number and value of commercial mortgages originated <sup>(3)</sup>	#	Group	2	1	4	7
		AED mn		2.7	5.3	4.9	18
	Number and value of residential mortgages purchased	#	Group	0	569	0	0
		AED mn		0	619	0	0
	Number and value of commercial mortgages purchased <sup>(3)</sup>	#	Group	0	85	0	0
		AED mn		0	244	0	0

(1) Reported for ADCB (UAE and Egypt), AHB (UAE and Kazakhstan) unless otherwise stated

(2) Prior year adjustments: We have restated prior year data (2020–2022) as a result of changes in our data collection and calculation methodology

(3) Our commercial mortgages relate to the SME segment

# ADX ESG disclosures

## Environmental

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2023 <sup>(1)</sup>	2020	2021	2022	2023
<b>E1. GHG emissions</b> <sup>(2)(3)</sup>	Total amount in CO <sub>2</sub> equivalents, for Scope 1	tCO <sub>2</sub> e	ADCB Group	274	299	633	644
	Total amount in CO <sub>2</sub> equivalents, for Scope 2	tCO <sub>2</sub> e	ADCB Group	18,696	15,378	17,980	15,048
	Total amount, in CO <sub>2</sub> equivalents, for Scope 3	tCO <sub>2</sub> e	ADCB Group	9,198	6,467	8,254	7,294
<b>E2. Emissions intensity</b> <sup>(3)</sup>	Total GHG emissions per output scaling factor <sup>(4)</sup>	tCO <sub>2</sub> e/FTE	ADCB Group	3.34	2.76	2.73	2.30
	Total non-GHG emissions per output scaling factor	kg/FTE		N/A	N/A	N/A	N/A
<b>E3. Energy usage</b> <sup>(3)</sup>	Total amount of energy directly consumed <sup>(4)</sup>	MWh	ADCB Group	57,092	55,435	57,514	57,680
	Total amount of energy indirectly consumed	MWh	ADCB Group	23,118	18,747	19,079	15,765
<b>E4. Energy intensity</b> <sup>(3)</sup>	Total direct energy usage per output scaling factor	GJ/FTE	ADCB Group	31.0	30.2	25.7	24.15
<b>E5. Energy mix</b>	Percentage: Energy usage by generation type:						
	Electricity	%	ADCB Group	N/A	N/A	95.26	95.25
	Natural Gas	%	ADCB Group	N/A	N/A	2.21	2.18
	Petrol	%	ADCB Group	N/A	N/A	2.51	2.53
	Diesel	%	ADCB Group	N/A	N/A	0.02	0.04
<b>E6. Water usage</b>	Total amount of water consumed	Mega litres	UAE	113.2	80.3	96.6	148.3
	Total amount of water reclaimed	Mega litres		N/A	N/A	N/A	N/A
<b>E7. Environmental operations</b>	Does your company follow a formal Environmental Policy?	Yes/No	ADCB Group	No	Yes	Yes	Yes
	Does your company follow specific waste, water, energy and/or recycling policies?	Yes/No	ADCB Group	No	No	Yes	Yes
	Does your company use a recognized energy management system?	Yes/No	ADCB Group	No	No	No	No
<b>E8. Environmental oversight</b>	Does your Management Team oversee and/or manage sustainability issues?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>E9. Environmental oversight</b>	Does your Board oversee and/or manage sustainability issues?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>E10. Climate risk mitigation</b> <sup>(5)</sup>	Total amount invested, annually, in climate-related infrastructure, resilience and product development	AED mn	UAE	N/A	7,738	8,725	10,031

(1) UAE refers to: ADCB UAE, AHB UAE, ADCB Securities, ADCB Asset Management, ITMAM, ADCP, ADCE, and excludes ADCB Egypt, AHB Kazakhstan. ADCB Group refers to all the entities as detailed in the Scope of reporting on [page 89](#) 89

(2) Disclosure on ADX topic E1 (for 2020-2023) was verified by a third party assurance provider

(3) Reporting on environmental data for ADX topics E1, E2, E3, and E4 for prior years (2020-2021) was limited to UAE only. For 2022-2023, our reporting boundary covers ADCB Group (including our subsidiaries in Egypt and Kazakhstan)

(4) Our disclosure on ADX topic E2 excludes Scope 3 emissions from properties leased to third parties

(5) Disclosure on ADX topic E10 relates to ADCB's green loan portfolio as at 31 December for each reported year



# ADX ESG disclosures (continued)

## Social

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2023 <sup>(1)</sup>	2020	2021	2022	2023
<b>S1. CEO pay ratio</b>	Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	X:1		N/A	N/A	N/A	N/A
	Does your company report this metric in regulatory filings?	Yes/No		N/A	N/A	N/A	N/A
<b>S2. Gender pay ratio<sup>(2)(3)</sup></b>	Ratio: Median male compensation to median female compensation	X:1	UAE	1.06	0.99	0.98	0.94
<b>S3. Employee turnover<sup>(4)</sup></b>	Percentage: Year-over-year change for full-time employees	%	ADCB Group	8.6	9.5	9.9	9.5
	Percentage: Year-over-year change for part-time employees	%	ADCB Group	27.3	70.0	0	0
<b>S4. Gender diversity</b>	Percentage: Total enterprise headcount held by men and women:						
	Men	%	ADCB Group	61.2	57.9	57.7	56.9
	Women	%	ADCB Group	38.8	42.1	42.3	43.1
	Percentage: Entry- and mid-level positions held by men and women:						
	Men	%	ADCB Group	60.8	57.4	57.1	56.2
	Women	%	ADCB Group	39.2	42.6	42.9	43.8
	Percentage: Senior-and executive-level positions held by men and women:						
	Men	%	ADCB Group	82.5	83.9	85.5	84.6
	Women	%	ADCB Group	17.5	16.1	14.5	15.4
<b>S5. Temporary worker ratio</b>	Percentage: Total enterprise headcount held by part-time employees	%	ADCB Group	0.14	0.04	0	0
	Percentage: Total enterprise headcount held by contractors and/or consultants	%	ADCB Group	0.04	0.03	0.01	0.06
<b>S6. Non-discrimination</b>	Does your company follow non-discrimination policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>S7. Injury rate</b>	Percentage: Frequency of injury events relative to total workforce time	%	UAE	0	0	0	0
<b>S8. Global health &amp; safety</b>	Does your company follow an occupational health and/or global health & safety policy?	Yes/No	UAE	Yes	Yes	Yes	Yes
<b>S9. Child &amp; forced labor</b>	Does your company follow a child and/or forced labor policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	If yes, does your child and/or forced labor policy also cover suppliers and vendors?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>S10. Human rights</b>	Does your company follow a human rights policy?	Yes/No	UAE	← ADCB complies with the UAE labour law →			
	If yes, does your human rights policy also cover suppliers and vendors?	Yes/No					
<b>S11. Nationalisation<sup>(3)</sup></b>	Percentage of national employees (Emiratization rate)	%	UAE	31.6	38.0	38	40
<b>S12. Community investment</b>	Amount invested in the community, as a percentage of company revenues	%	ADCB Group	0.16	0.13	0.03	0.06

(1) UAE refers to: ADCB UAE, AHB UAE, ADCB Securities, ADCB Asset Management, ITMAM, ADCP, ADCE, and excludes ADCB Egypt, AHB Kazakhstan. ADCB Group refers to all the entities as detailed in the Scope of reporting on [page 89](#) 89

(2) For 2023, disclosure on ADX topic S2 includes CEO compensation

(3) Disclosure on ADX topics S2 & S11 for (2022-2023) verified by third-party assurance provider

(4) Reported as employee turnover (%)

# ADX ESG disclosures (continued)

## Governance

ADX topic and sub-topic	ADX reporting metric	Unit of measure	Reporting boundary for 2023 <sup>(1)</sup>	2020	2021	2022	2023
<b>G1. Board diversity</b>	Percentage: Total board seats occupied by:						
	Men	%	ADCB Group	91	90	82	82
	Women	%	ADCB Group	9	10	18	18
<b>G2. Board independence</b>	Does company prohibit CEO from serving as board chair?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	Percentage: Total board seats occupied by independent board members	%	ADCB Group	82	90	91	91
<b>G3. Incentivised pay</b>	Are executives formally incentivised to perform on sustainability?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>G4. Supplier code of conduct</b>	Are your vendors or suppliers required to follow a Code of Conduct?	Yes/No	UAE	No	Yes	Yes	Yes
	If yes, what percentage of your suppliers have formally certified their compliance with the code?	%		N/A	N/A	N/A	N/A
<b>G5. Ethics &amp; prevention of corruption</b>	Does your company follow an Ethics and/or Prevention of Corruption policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	ADCB Group	100	100	100	100
<b>G6. Data privacy</b>	Does your company follow a Data Privacy policy?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	Has your company taken steps to comply with GDPR rules?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
<b>G7. Sustainability reporting</b>	Does your company publish a sustainability report?	Yes/No	ADCB Group	Yes <sup>(2)</sup>	Yes	Yes	Yes
<b>G8. Disclosure practices</b>	Does your company provide sustainability data to sustainability reporting frameworks?	Yes/No	ADCB Group	Yes	Yes	Yes	Yes
	Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes/No	ADCB Group	N/A	Yes	Yes	Yes
	Does your company set targets and report progress on the UN SDGs?	Yes/No	ADCB Group	No	No	No	No
<b>G9. External assurance</b>	Are your sustainability disclosures assured or verified by a third-party audit firm?	Yes/No	ADCB Group	No	Yes	Yes	Yes <sup>(3)</sup>

(1) UAE refers to: ADCB UAE, AHB UAE, ADCB Securities, ADCB Asset Management, ITMAM, ADCP, ADCE, and excludes ADCB Egypt, AHB Kazakhstan. ADCB Group refers to all the entities as detailed in the Scope of reporting on [page 89](#) ☞

(2) Sustainability Report as part of the Annual Report

(3) For 2022-2023, disclosures on ADX topics E1, S2 and S11 were verified by a third party assurance provider. Please refer to the limited assurance report on [page 120](#) ☞, For 2021 ADX topic E1 was verified by a third party assurance provider

# Task Force on Climate-Related Financial Disclosures (TCFD)

As a leading bank within the UAE, ADCB is able to play a critical role in helping to mitigate the impact of climate change by supporting projects and initiatives that support emissions reductions in the transition to a net zero economy. In doing so, it is important that the Bank demonstrates its progress in a transparent and consistent manner so that stakeholders can effectively measure and compare ADCB’s sustainability journey. As a result, the Bank’s climate-related disclosures are aligned with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB). Its aim is to develop consistent, clear, and transparent climate-related financial risk disclosures for all stakeholders.

The data used in this report, and actions summarised in the tables below, provide a snapshot of the Bank’s progress. ADCB is still in the early stages of this important journey and the availability and reliability of required climate data from our counterparties is expected to improve over time as regulations and reporting standards continue to evolve.

The following table outlines the TCFD recommendations for effective climate disclosures and ADCB’s progress against each recommendation:

TCFD recommendation	Progress so far		Future priorities	Page reference
<b>Governance</b>  Describe the Board’s oversight of climate-related risks and opportunities	<p>ADCB has set a robust governance framework to manage the climate related financial risks across the bank.</p> <p><b>Board Executive Committee (BEC)</b> is the supervisory Board level committee, responsible for supervising our direction as well as endorsing and monitoring progress on climate-related initiatives.</p> <p>The BEC is responsible for reviewing and approving the recommendations to the board on the ESG strategy, business plan and targets. Within the approved strategy by the board, BEC is periodically updated on the implementation of the strategy, any budget approvals, progress against the targets and any other activity as clearly defined in the terms of reference of the committee.</p> <p><b>Board Risk Committee (BRC)</b> ensures a robust Environmental &amp; Social Risk Management (ESRM) culture within the Group by delegating responsibilities for decision making and controls to appropriate personnel, units and committees. BRC approves the Group’s ESRM policy, including E&amp;S risk appetite.</p>	<p><b>2023 Developments</b></p> <p>The ADCB Group’s Board and Board Committees oversaw and approved a number of significant achievements during the year including:</p> <ul style="list-style-type: none"><li>• Becoming signatory to UAE Climate Responsible Companies Pledge</li><li>• Development &amp; launch of green auto and home loan products</li><li>• Second green bond issuance of \$650 mn</li><li>• Results of bank-wide first climate risk stress test</li><li>• Updated Climate Risk Appetite Statements</li><li>• ESRM Policy and sector guides/position statements</li><li>• Financed emissions baseline for corporate lending book</li><li>• Signing up to the Net Zero Banking Alliance (NZBA)</li><li>• Sustainable finance framework and enhanced sustainable finance target</li></ul>	<p>The Board will continue to keep an active oversight on the management of climate-related financial risks through the BEC.</p> <p><b>2024 planned developments</b></p> <p>Apart from the ongoing workstreams, the Board will keep a continuing oversight on following new initiatives:</p> <ul style="list-style-type: none"><li>• Expand on financed emissions to include more sectors and asset classes</li><li>• Data quality improvement for financed emissions</li><li>• Emissions reduction target setting for priority sectors as part of NZBA commitment</li><li>• Transition plan development following the sectoral target setting</li><li>• Wider integration of E&amp;S risk management into the credit decision making</li><li>• Development of new sustainable products and services</li><li>• Expand the coverage of climate risk stress test</li></ul>	16



# TCFD (continued)

TCFD recommendation	Progress so far		Future priorities	Page reference
<p><b>Governance (continued)</b></p> <p>Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p><b>Risk Management Committee (RMC)</b> is responsible for endorsing the Group's ESRM policy including E&amp;S risk appetite prior to approval by the BRC. The committee is responsible for approving E&amp;S risk assessment methodology, models and frameworks. The committee also approves E&amp;S scenario analysis and stress testing results and E&amp;S risk as part of Internal Capital Adequacy Assessment Process (ICAAP).</p> <p><b>Group Sustainability Committee (GSC)</b> manages the sustainability strategy and works in close coordination with the RMC to receive updates on E&amp;S risks and opportunities impacting the Bank's business resilience and long-term value creation.</p>	<p><b>2023 Developments</b></p> <p>The Bank carried out two sets of climate stress tests for the first time: Top-down portfolio level and bottom- up customer level (regulatory prescribed exercise). The details of these two exercises can be found in the ESRM section of this report.</p> <p>Climate risk strategy has been embedded into the key business units with the respective business heads included in various ESG/ climate risk related working groups such as ESRM, sustainable finance and the ESG Data, Reporting and Ratings working groups.</p> <p>In addition, regular convening of cross-bank climate-related forums such as GSC continue to provide strategic insight and expertise, supporting collaboration for bank-wide climate risk governance.</p>	<p>One of the key priority agenda for the RMC and GSC is to monitor the evolving regulatory landscape of climate risk management for the banks and report to the Board on any new regulation with recommendations on clear action plans to remain compliant.</p> <p>A NZBA steering committee (NZBA SteerCo) has been formed comprising of heads from relevant business units to oversee the implementation of NZBA related commitments and activities.</p> <p>The NZBA SteerCo will update the GSC on a regular basis about the progress for their overview and endorsement.</p> <p>Business heads have started including ESG strategy into their annual account planning exercise. This will help them in setting direction for their business development executives to develop business in new emerging technologies, sectors or business activities that support the bank's transition to net zero.</p>	39-43
<p><b>Strategy</b></p> <p>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</p>	<p><b>Risks</b></p> <p>The transition and physical risks emanating from the climate change can manifest into our principal risk types particularly Credit, Treasury and Liquidity.</p> <p>Apart from this the bank believes that the climate related risks can have a second order impact on our reputation and litigation risk types.</p> <p>The bank analyses the impact of climate related risks on our credit exposure and our capital through climate scenario analysis.</p>	<p><b>Opportunities</b></p> <p>ADCB recognises Sustainable Finance as one of the biggest opportunities emanating from climate change. Our ambition is to support our clients' transition to net zero by providing them with sustainable financing products and services.</p>	<p>We will continue to embed the Group sustainability strategy into the business activities. We will re-calibrate, if required, our short-term strategy to align to the evolving regulatory landscape.</p> <p>The bank also continuously monitors the new opportunities arising due to climate change. Carbon markets has been identified as one such opportunity and ADCB is currently assessing the role it can play in the carbon markets.</p>	26-43

# TCFD (continued)

TCFD recommendation	Progress so far	Future priorities	Page reference
<p><b>Strategy (continued)</b></p> <p>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</p>	<p>Our sustainability strategy has been developed in accordance with international frameworks, industry best practice, such as the GRI reporting standard and consists of four strategic priorities: <b>Climate, Customers and Communities, Employees, and Governance</b>. Each of these pillars consists of four work streams to clearly pinpoint the initiatives we are seeking to address.</p> <p>The Group sustainability strategy is now integrated as a key pillar of the overarching corporate strategy and sustainability KPIs are linked to executive remuneration for the Management Executive Committee members (with sustainability strategy milestones linked to GCEO &amp; GCFO's KPIs). To drive the implementation of the strategy, ADCB has established a sustainability team, reporting to the GCFO.</p>	<p><b>2023 Developments</b></p> <p>We have developed and published our sustainable finance framework to harness the climate-related opportunities and mitigate the related risk.</p> <p>We have measured the financed emissions related to the corporate lending book of the carbon intensive sectors we lend to. This will allow us to assess the transition risk in our portfolio and will inform our long-term transition plan to achieve net zero.</p> <p>The Group became signatory to NZBA as part of our climate commitment to align our lending and investment portfolios with the aim of net zero emissions by 2050.</p> <p>We are currently working on developing a sustainable finance tracker that will help in tracking the eligible deals as per our framework across the bank. The tracker will be aligned to the sustainable finance reporting requirements of the UAE Banking Federation to track the progress against the Central Bank of UAE's AED 1 trillion sustainable finance target by 2030.</p> <p>Our preliminary financed emissions baseline has allowed us to identify the emissions hotspots within our portfolios. This will allow us to focus on these priority portfolios or clients in reducing emissions and bringing larger impact on our financed emissions profile. We will engage with these priority sector clients in improving the data collection thereby improving the overall data quality and accuracy of our financed emissions estimation.</p> <p>As part of the commitment to NZBA, the bank is putting together a roadmap aligned to the NZBA calendar to set and disclose sectoral emissions reduction targets. This will also involve development of transition plans through policy interventions and client engagement to achieve those targets.</p>	17-18
<p>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios,including a 2°C or lower scenario</p>	<p>The Bank carried out two sets of climate stress tests for the first time: Top-down portfolio level and bottom- up customer level (regulatory prescribed exercise). The observations and lessons learned from this exercise will support in shaping the Bank's future climate analytics framework.</p> <p>For more details, please refer to the Climate Stress testing section of the report.</p>	<p>The first climate stress test and its associated methodology is a significant starting step for the Bank to quantify the potential impact of the Climate Risk. However, the Bank recognizes that this area is still evolving; enhancing internal infrastructure and methodologies as well as gathering more relevant granular customer data will be the core of ADCB Climate Capability building.</p> <p>The Bank acknowledges it is critical to assess portfolio sensitivities to high risk sectors, particularly sensitivity of commercial real estate sector (shopping complexes and mall, hotels, commercial buildings, etc.) and residential real estate to physical risk (i.e. impact on asset value, loan-to-value and Loss Given Default (LGD)). Ultimately the Bank will consider the results of these assessments in future Group-wide ESG strategy as well as lending and credit policies.</p>	40-43

# TCFD (continued)

TCFD recommendation	Progress so far		Future priorities	Page reference
<b>Risk management</b>  Describe the organisation's processes for identifying and assessing	The Group's Sustainability and climate risk framework governs our risk identification and assessment process. Our climate risk management is also guided by the CBUAE's Principles for the effective management of climate-related financial risks and TCFD recommendations in general.  Please refer to the climate section of this report for more details.		The Bank will also enhance its capability of identifying and assessing the impact of physical risk on its operations and its portfolio (particularly the commercial and residential real estate portfolio).  In addition, another key priority will be to improve upon the availability of climate risk related data for the borrowers such as emissions and production details through increased client engagement and exploring third-party supplied databases.	26-44
Describe the organisation's processes for managing climate-related risks	<b>ESG self-assessment</b>  The Bank undertakes a self-assessment on ESG maturity scorecard at least on an annual basis or earlier if required. There are 10 key pillars considered in this evaluation and the overall result is reported to the regulator through ICAAP.	<b>Materiality assessment and Climate Risk Appetite Statements (CRAS)</b>  The Bank measures and reports exposure to high risk sectors as well as restricted and excluded sectors through materiality assessment and governed CRAS process.  The Bank conducted the first set of climate risk stress testing using NGFS scenarios using both Top-down and bottom-up approaches.  The results of our stress testing exercise were submitted to the CBUAE.	Enhancing internal infrastructure and methodologies as well as gathering more relevant granular customer data will be the core of ADCB Climate Capability building.	21, 40, 42-43
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Integration of E&S risk into our credit risk assessment process is governed by the Group's ESRM policy and is operationalised though the ESG scorecard.  The Bank has also developed an initial baseline of its financed emissions from its corporate lending book for the net zero relevant sectors.		We will continue to improve the integration of the ESRM policy across the Bank and its subsidiaries by expanding its scope to new client categories, asset classes etc.  Going forward the Bank will refine the current climate risk assessment in line with industry practices in the region and move towards higher levels of sophistication both for quantifying transition risk as well as physical risk.	41



## TCFD (continued)

TCFD recommendation	Progress so far		Future priorities	Page reference
<b>Metrics and targets</b>  Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<b>Metrics used to assess climate-related risks</b> <ul style="list-style-type: none"> <li>Exposures to heightened climate-related risk counter-parties through our internal ESG scorecard and methodology</li> <li>Group's own operational emissions footprint from scope 1,2 and 3 (business travel)</li> <li>Estimates of financed emissions based on absolute emissions</li> </ul>	<b>Metrics used to assess climate-related opportunities</b> <ul style="list-style-type: none"> <li>Group's sustainable finance portfolio progress against the 2030 target</li> <li>Group's green bond issuance and tracking of deals under the green bond framework</li> </ul>	Continue to further develop metrics and measurement capabilities to monitor and manage climate-related risks and opportunities.  As part of our NZBA commitment, the Bank is currently working on setting sector based emission reduction targets. Once these targets are set and formally approved through our internal governance processes, the Bank will start measuring and monitoring the progress against these targets as one of the key KPIs under portfolio management.	<b>31, 35-38, 93-94</b>
Disclose scope 1, scope 2, and, if appropriate scope 3 GHG emissions, and the related risks	The Group measures and discloses on its GHG emissions footprint including scopes 1,2 and 3 (business travel and financed emissions).  For more details, please refer to the ' <b>Net Zero Operations</b> ' and ' <b>Aligning portfolios and reducing financed emissions</b> '.		The Bank continuously reviews its position with respect to the mechanism of climate risk assessment from its operations and financing activities.  As a key strategic priority, the Bank will look to improve the disclosure of its carbon footprint from operations by including additional relevant categories under scope 3. The Bank will conduct a significance and relevance assessment of the additional scope 3 categories to understand the materiality of their contribution to our overall GHG emissions footprint.  The Bank considers the preliminary financed emissions baselining as a learning experience. We will endeavour to build further on that to include more asset categories, sectors etc. to the baseline while working on improving the overall data quality and accuracy of the exercise.	<b>30-32, 44-45</b>
Describe the targets used by the organisation to manage the climate-related risks and opportunities and performance against targets	The Bank has a tiered approach towards setting the targets to manage the climate related risks and opportunities. At a high level, the bank is committed to the nation's ambition to become an inclusive, net zero economy by 2050. This commitment is then operationalised into activity based targets as defined below: <ul style="list-style-type: none"> <li>Year-on-year reduction in our operational GHG emissions</li> <li>Aligning our lending and investment portfolios to net zero by 2050</li> <li>Sustainable finance commitment of AED 125 billion (USD 34 billion) by 2030 with a shorter term target of AED 50 billion (USD 14 billion) by 2025</li> </ul>	For more details, please refer to the risk appetite section of our report.	The Bank will develop more granular, sector-wise financed emissions reduction targets in line with the UAE's Net Zero Strategic Initiative and Long Term Strategy and industry best practises. These targets will then inform the Bank's lending policies.  A net zero transition framework will be developed informed by our client's transition plans and the Bank's net zero plan from operations. This framework will help to monitor and disclose the progress against such targets in a transparent and effective manner.  The Bank will also continue to review its position against its Sustainable Finance target and will re-calibrate such target as deemed appropriate and duly approved by the Board.	<b>33, 40</b>

# Assurance report



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Independent limited assurance report to Abu Dhabi Commercial Bank PJSC (“ADCB” or “Company”) on the computation of selected sustainability metrics (“Selected Information”) prepared in accordance with ADCB’s Basis of Reporting (“Basis of Reporting”) and presented within the ADCB Group 2023 ESG Report (the “Report”).

**What we looked at: scope of our assurance work**

ADCB has engaged Deloitte & Touche (M.E.) (“Deloitte”) to perform limited assurance procedures on the computation of selected sustainability metrics (“Selected Information”) presented in the table below (“Table 1”) for the year ended 31 December 2023, presented within the ADCB Group 2023 ESG Report (the “Report”).

**Selected subject matter for assurance**

ADCB’s reported performance during the given reporting period for the Selected Information presented in Table 1 below:

Table 1: Selected Information	Assured figure for the year ended 31 December 2023	Report page
GHG Scope 1 emissions	644 (tCO <sub>2</sub> e)	Page 94
GHG Scope 2 emissions	15,048 (tCO <sub>2</sub> e)	Page 94
GHG Scope 3 emissions	7,294 (tCO <sub>2</sub> e)	Page 94
Emiratisation rate	40%	Page 99
Gender pay ratio	0.94	Page 101

The above Selected Information has been assessed against the Basis for Reporting shown on pages 89–92 (“Basis of Reporting for GHG metrics” and “Basis of Reporting for HR metrics”) (collectively the “Basis of Reporting”).

**What standards we used: basis of our assurance work and level of assurance**

We carried out limited assurance procedures over ADCB’s Selected Information in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”) and with the International Standard on Assurance Engagements 3410 “Assurance Engagements on Greenhouse Gas Statements” (“ISAE 3410”). To achieve limited assurance, ISAE 3000 and ISAE 3410 require that we review the processes, systems and competencies used to compile the Selected Information presented in the Report, on which we provide limited assurance. It does not include detailed testing for each of the selected sustainability metrics reported, or of the operating effectiveness of processes and internal controls.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Consequently, our conclusion is not expressed as an audit opinion. Consequently, our conclusion is not expressed as an audit opinion.

**What we did: key limited assurance procedures**

To form our conclusion, we undertook the following procedures:

- Understood the roles and responsibilities of the preparation, governance and oversight arrangements of the Selected Information and assess its preparation against the Basis of Reporting included in the Report;
- Performed enquiries with management to understand how the Basis of Reporting has been applied in the preparation of the Selected Information;
- Assessed the compilation of the Basis of Reporting against market practice;
- Reviewed and evaluated the Basis of Reporting for measurement and reporting for each of the selected sustainability metrics against the actual calculation performed by the Company to support the Selected Information shown in Table 1; and,
- Assessed the availability and quality of evidence provided to support the Selected Information;

# Assurance report (continued)

## Inherent limitations

The process an organisation adopts to define, gather, and report information on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology, often with no consistent, accepted external standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. To support clarity in this process, ADCB has developed a Basis of Reporting document for the year 2023 (“Basis of Reporting for GHG metrics” and “Basis of Reporting for HR metrics”), which defines the scope of each assured sustainability metric and the method of calculation. This Basis of Reporting is available on pages 89–92 of the Report and should be read together with this report.

In relation to our work performed on the Selected Information, we note the following specific limitations:

- Our assurance procedures did not include detailed testing of General information technology controls of the underlying systems used by ADCB to collate and report data for the Selected Information.

- With the exception of the Selected Information shown in the table above, our testing did not include assurance of, or detailed testing of the underlying data for any other sustainability metrics than those reported in Table 1, or of published assertions. As such, our work does not involve procedures to verify the accuracy of the performance data or assertions published.

## Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in the UAE. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

In performing our work, we applied International Standard on Quality Management (“ISQM”) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Roles and responsibilities

### ADCB

ADCB's Group Sustainability Team is responsible for the preparation of the calculation for the Selected Information in accordance with the Basis of Reporting. Specifically, ADCB is responsible for ensuring that the information provided under the Selected Information is properly prepared in accordance with the Basis of Reporting and confirming the measurement or evaluation of the Selected Information against the applicable Basis of Reporting. The Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

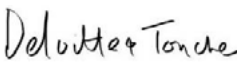
### Deloitte

Our responsibility is to provide a limited level of assurance on the Selected Information as defined within the scope of work above to ADCB in accordance with our letter of engagement, and report thereon. In conducting our limited assurance engagement, we have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code).

Our work has been undertaken so that we might state to ADCB those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ADCB for our work, for this report, or for the conclusion we have formed.

## Conclusions

Based on our limited assurance procedures performed and evidence obtained, subject to the limitations mentioned above, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with ADCB's Basis for Reporting as appropriate.



Deloitte & Touche (M.E.)

Abu Dhabi – United Arab Emirates  
24 April 2024



**Abu Dhabi Commercial Bank**

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