

Promoting ESG through Islamic Finance

Environment, Social,
and Governance Report

2023



At Emirates Islamic, our Environmental, Social, and Governance (“ESG”) vision is rooted in the broader aim of achieving a balanced integration of sustainable practices across our operational and strategic fronts. We are committed to ESG practices, policies, and performance that are aligned not just to the national and regional development goals but also international targets as the UN Sustainable Development Goals (“UN SDGs”).



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About this report

As the flagship Islamic Bank of the Emirates NBD Group, we share a vision for a more sustainable future and comprehensive ESG strategy, we understand and embrace our role in shaping a brighter future for all our stakeholders, including our shareholders, our communities, and the environment.

The Emirates Islamic ESG Report 2023 outlines our ESG-related ambitions and achievements as a bank and a trusted partner to our stakeholders, including our alignment to the Emirates NBD Group with references made accordingly.



Scope of the Report

The Emirates Islamic ESG Report 2023 covers the calendar year 2023 across our three business segments, namely Retail Banking & Wealth Management ("RBWM"), Corporate & Institutional Banking ("C&IB"), and Treasury & Markets ("TRY").

ESG Framework

This report is aligned with the UAE's Vision and the highest international reporting standards to ensure quality, consistency, and comparability. This includes adherence to the Global Reporting Initiative ("GRI") standards for global best practices in sustainability reporting, guided by the United Nations Global Compact ("UNGC") reporting principles, as well as the UN Sustainable Development Goals ("SDGs") and the Dubai Financial Market ("DFM") ESG Reporting Guidelines.

[Find out more in the Emirates NBD Group ESG Report 2023.](#)

Disclosure Alignment

We disclose information for Emirates Islamic and the use of "Emirates Islamic" (or EI, the Bank, organisation) refers to Emirates Islamic Bank P.J.S.C. The report also includes Emirates NBD Group (also referred to as the Group) collected performance indicators.

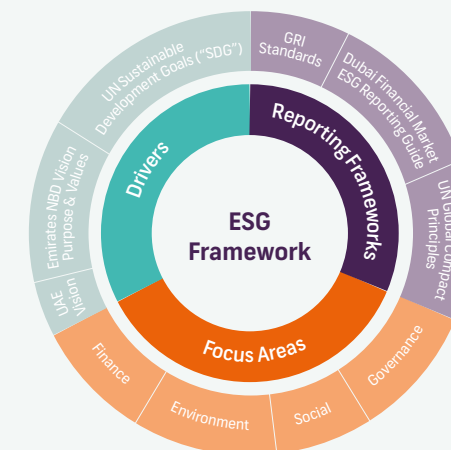
Predicated on high-quality assurance to guarantee the accuracy and reliability of the information disclosed, this report covers all our activities for financial reporting purposes and our operations in the United Arab Emirates ("UAE") only. Unless stated, all data and Key Performance Indicators ("KPIs") are as of 31 December 2023, with historic trends shown where possible.

[For more information on data in this report, please refer to the detailed data section.](#)

[For Emirates NBD Group data, please refer to the Emirates NBD Group ESG Report 2023.](#)

More Information

- Find out more about [Emirates Islamic Bank](#).
- The Emirates Islamic ESG Report is updated and published annually, with this report available in English and Arabic on the following link [Emirates Islamic ESG Report 2023](#).
- For any enquiries on this report, please contact: Ms. Huda Sabil Abdulla, CFO at hudaab@emiratesislamic.ae.
- For more information on the [Emirates NBD Group ESG Report 2023](#), please visit the [Emirates NBD website](#).



“ This report is aligned with the UAE’s Vision and the highest international reporting standards to ensure quality, consistency, and comparability.”



Chief Executive Officer's Message



Our Sustainability Journey Continues to Advance

Emirates Islamic, the flagship Islamic Bank of the Group, is pleased to present our ESG Report 2023, reflecting our ESG performance.

We continue to deliver on our commitment in embedding ESG in our core culture, operations, and strategy, which can be seen, not only in the achievements and initiatives outlined in this report, but also along those of the Group, led by our Chief Sustainability Officer and Group Head of ESG, Vijay Bains.

Our sustainability journey continued to advance in 2023 with progress made both as Emirates Islamic and as part of the Group. The Group made significant progress in aligning and driving adherence to ESG principles and practices and developing our ESG framework over 2023, including the launch of the new Sustainable Finance Framework enabling us to issue green

“Our sustainability journey continued to advance in 2023, with significant progress made both as Emirates Islamic and as part of the Group.”

and sustainable debt instruments in support of projects promoting a low-carbon and climate-resilient economy. Progress was also made in reducing our environmental footprint across the Group.

Emirates Islamic was also honoured to be present at COP28, as part of the Group, where we delivered discussions on ESG and Islamic Finance. We continue to promote diversity and gender parity as part of creating a progressive culture. We currently have over 27 nationalities employed, a 36% female workforce and 25% females in senior leadership roles against our 2027 target of 25%. ESG awareness and education across the organisation also remains a key priority for us that we continue to drive.

There are many synergies between ESG principles and Islamic finance. Emirates Islamic remains committed to fostering its sustainability journeys and those of its customers, and stakeholders. We pledge our support to the UAE's sustainability agenda promoting and building on Islamic fundamentals, which helps us strive to contribute towards society in promoting equitable creation of wealth and a prosperous economy.

Farid Al Mulla
Emirates Islamic, CEO



Nationalities Employed

>27

Female Workforce

36%

Females in Leadership

25%

Chief Sustainability Officer and Group Head of ESG's Message

Building a Prosperous and Sustainable Legacy



At the Group, we are proud to be a part of the UAE's growth story, helping it to develop and prosper as a country with one of the world's strongest financial and banking sectors, contributing to the UAE's sustainability vision.

Emirates Islamic illustrated its commitment towards leading sustainability within the Islamic Banking sector, in support of the UAE's sustainability visions, such as the UAE's Green Agenda 2030 and 2050 Net Zero goal.

Emirates Islamic participated at COP28 along with Emirates NBD, Principal Banking Partner for COP28, taking the spotlight as the only Islamic Bank on the COP28 Climate Finance presidency stage to discuss the role of Islamic finance in leading the sustainable finance market. Emirates Islamic was also a part of the Group's launch of its Sustainable Finance Framework which allows for the issuance of green and sustainable debt instruments to finance projects that enable the transition to a low-carbon and climate-resilient economy.

As part of our commitment to promote gender equality and representation of women in leadership roles, we aim to achieve over 25% representation of women in senior roles by 2027, reflecting our belief in fostering an inclusive and equitable workplace, promoting diversity in leadership, and ensuring equal opportunities.

As we execute our ESG strategy, we are confident that we can achieve our collective mission to a fairer, lower carbon economy where sustainability and prosperity is shared by all. The 2023 report

outlines Emirates Islamic ESG strategy, aligned to the Group ESG Strategy, progress made and the way forward, including results delivered that benefit our customers, employees, society, and the environment.

Vijay Bains
Chief Sustainability Officer
and Group Head of ESG

“We remain committed to promoting gender equality and representation of women in leadership roles, aiming to achieve over 25% representation of women in senior roles by 2027.”



Our Approach to Sustainability



The Year of Sustainability in the UAE

2023 was announced as the “Year of Sustainability” in the UAE, under the theme “Today for Tomorrow”, as part of inspiring collective action and commitment towards sustainable practices and fostering global collaboration to address environmental challenges.

Over the past few years, the UAE has emerged as a leader of sustainability in the region and around the world. In 2022, it became the first country in the Middle East to set a Net Zero goal for 2050. The target of 100% emissions reductions is bolstered by its comprehensive strategy covering a range of public and private sector activities and organisations, including the UAE Net Zero by 2050 Strategic Initiative and the National Net Zero by 2050 Pathway.

Emirates Islamic is committed to the UAE’s visions for sustainability, with the Group’s pledge to implement carbon emission reduction goals and follow more sustainable methods in managing their operations, according to a timeline compatible with the UAE’s 2050 Pathway.

In line with our pledge some highlights included reduced electricity consumption, reduced Scope 2 greenhouse gas (“GHG”) equivalent emissions, improved waste management such as the SayNoToPlastic Initiative, and improved sustainable procurement methods.



Emirates Islamic at COP28

Emirates Islamic was proud to be part of United Nations 28th Conference of the Parties, COP28, hosted in Dubai between the 30 November 2023 to 12 December 2023, along with Emirates NBD Principal Banking Partner for COP28. Emirates Islamic stood out as the only Islamic Bank on the COP28 Climate Finance presidency stage to

“
Emirates Islamic stood out as the only Islamic Bank on the COP28 Climate Finance presidency stage.”

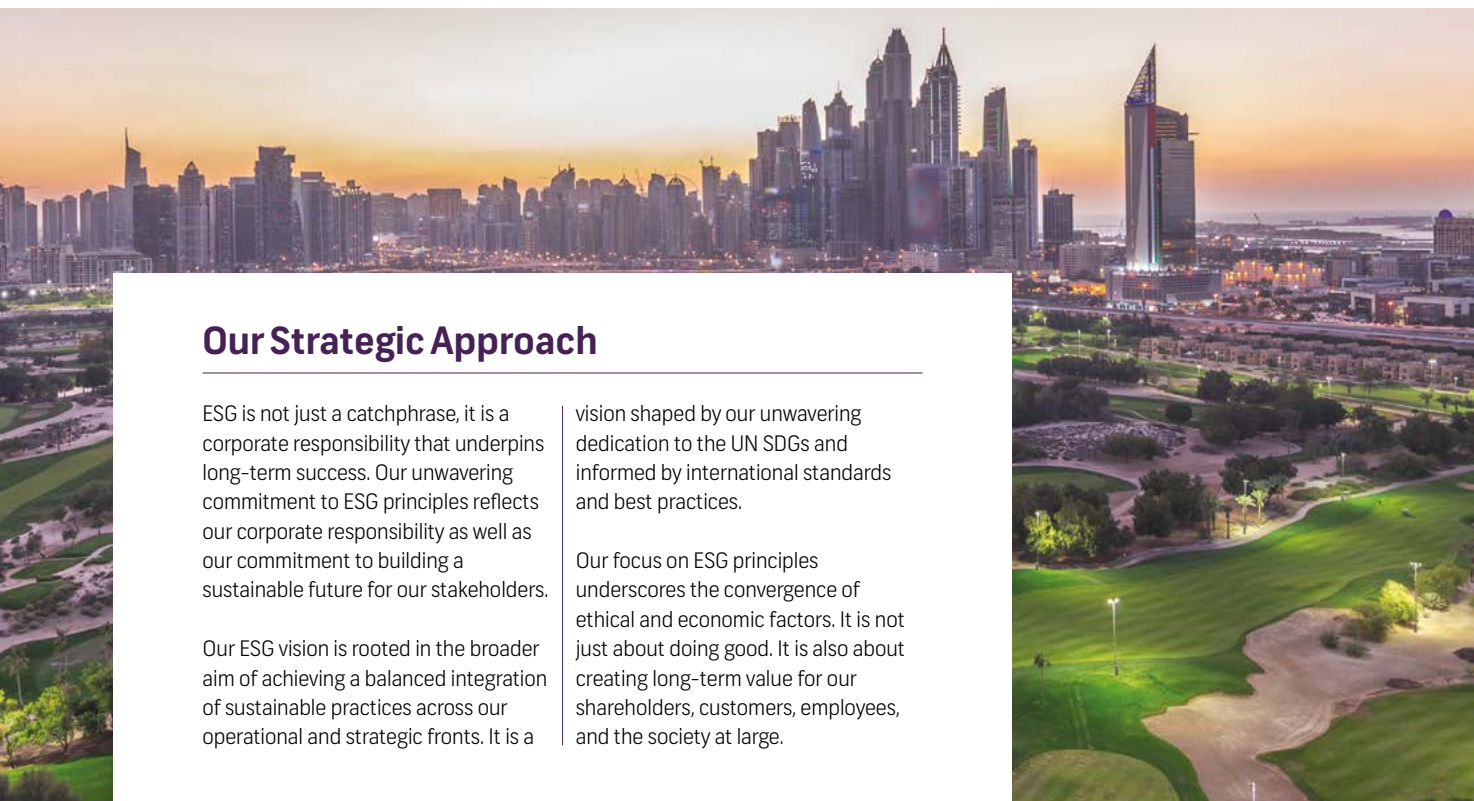
discuss the role of Islamic finance in leading the sustainable finance market.

To show our support in leveraging Islamic Finance to drive climate action and support the UAE’s sustainability agenda, over the event a series of engagements took place with event attendees to share insights on Islamic Finance and its alignment to the UN SDGs and ESG principles, funded projects and assets that carry environmental and social benefits, and sustainable finance instruments such as green sukuk and other debt instruments.

Some of our key presentation topics included Enabling a Sustainability Financing Environment, Sustainability – a part of life for retail industry, Sustainable packaging solutions for a greener future, Unlocking investment opportunities for a sustainable future, Unique Positioning of Islamic Finance on the ESG front, and Unlocking Middle East capital to power Sustainable Finance.



Our Approach to Sustainability



Our Strategic Approach

ESG is not just a catchphrase, it is a corporate responsibility that underpins long-term success. Our unwavering commitment to ESG principles reflects our corporate responsibility as well as our commitment to building a sustainable future for our stakeholders.

Our ESG vision is rooted in the broader aim of achieving a balanced integration of sustainable practices across our operational and strategic fronts. It is a

vision shaped by our unwavering dedication to the UN SDGs and informed by international standards and best practices.

Our focus on ESG principles underscores the convergence of ethical and economic factors. It is not just about doing good. It is also about creating long-term value for our shareholders, customers, employees, and the society at large.

A Purpose Driven Bank

Established in 2004 as Emirates Islamic Bank, today we are a major player in a highly competitive financial services sector in the UAE. We offer a comprehensive range of Shariah-compliant products and services across the Personal, Business and Corporate banking spectrums through our distribution network across the UAE.

As an Islamic Bank, we strive to contribute to society in promoting equitable creation of wealth and a prosperous economy. Furthermore, our charity fund provides financial aid to those in need, with a focus on food, shelter, health, education, and social welfare contributions.



Vision

Be the most innovative Shariah-compliant bank for our customers, people, and communities.

We put people at the centre of our innovation by understanding their needs and challenges, looking beyond the surface to identify what's next. We constantly iterate and invent to improve the lives of our customers, employees, or communities.



Purpose

Create opportunities to prosper.

We are driven by finding new opportunities – all to improve our processes, our products, and most importantly, our place. Together, these inspire our actions beyond banking services and solutions, to create a positive and sustainable impact for each of our stakeholders and the communities in which we operate.



Values

Collaboration, Ownership, Drive, and Enterprise.

Our values guide us in all our actions, from strategic decisions to interaction with our customers and each other. Our culture also ensures that the community is at the heart of our values and principles.

By embracing the Vision, Purpose, and Values, we strengthen our position as an innovation-driven financial services provider epitomising a new way of banking, matching the energy, ambition, and enterprising drive of our great nation.

Our Focus Areas



Sustainable Finance

We are dedicated to supporting the long-term health and stability of the marketplace.



Positive Environmental Impact

We are committed to enhancing the environmental management of our operations.



Responsible Social Impact

We prioritise the well-being of our employees, customers, and communities.



Governance and Ethics

We uphold the highest standards of governance and ethics.



For more information, please refer to later sections in this report and the [Emirates NBD Group ESG Report 2023](#).

Our Goals and Objectives



Net Zero by 2050

We are committed to align with the UAE's goal of Net Zero by 2050.



Emissions Reduction

We intend to support the Third Update of the Second Nationally Determined Contribution ("NDC").



Waste Diversion

We aim to improve the ratio of diverted waste to general waste by at least 10% in 2024.



Water Conservation

Our goal is to become water efficient by 5% per year in the UAE.



Diversity and Inclusion

To ensure representation of women in over 25% of senior leadership roles by 2027.

For more information, please refer to later sections in this report and the [Emirates NBD Group ESG Report 2023](#).

Highlights of the Year

Emirates Islamic continued to make steady progress against our financial and non-financial targets in 2023, embracing our corporate purpose to ‘Create opportunities to prosper.’

Emirates Islamic’s Key Sustainability Achievements in 2023



Incorporated into the newly launched Group Sustainable Finance Framework

Part of the Group’s commitment to the UAE Climate-Responsible Companies Pledge

Participated at COP28 and the only Islamic bank on the COP28 Climate Finance presidency stage

Over AED 800mn of sustainable financings with international and local corporate clients, as well as financial institutions

Partnering with Mohammed Bin Rashid Housing Establishment (“MBRHE”) and Sharjah Housing Program to offer home finance

Sponsorship’s for MBRHE events at government entities and schools for awareness on housing and financial literacy

Partnered with Emirates Development Bank on a joint credit guarantee scheme supporting SME financial inclusion

Launched our enhanced mobile banking app, EI+, with over 100 features

Notable Awards and Recognition in 2023



Global Business Outlook

Best New Business Banking Product for Women Entrepreneurs – Businesswomen Account UAE, Best Islamic SME Bank UAE



International Finance Awards

Most Innovative Islamic Bank, Best Islamic SME Bank



World Finance Islamic Finance Awards

Best Islamic Bank in the UAE, Best Retail Bank in the UAE, Best SME Bank in the UAE






Islamic Finance News Awards

Best Retail Bank in the UAE, Most Innovative Bank in the UAE, Best Digital Offering

We are committed not just to national and regional development goals, but also international targets, such as the UN SDGs, which contributes to our sustainable business strategy and management approach.

Below we have highlighted how our initiatives align with specific SDGs, how they relate to our sustainability agenda and overall business and provide more detail on our recent achievements linked to the SDGs and the Emirates Islamic business goals associated with them.

| UN SDG | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  |
| Contribution to Emirates Islamic Sustainability Agenda | | | |
| Ensure healthy lives and promote well-being for all at all ages. | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. | Achieve gender equality and empower all women and girls. | Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. |
| Relevance for Emirates Islamic Business Strategy and Performance | | | |
| Employee well-being and security and safety at work, avoidance of accidents and injury. | Development of employee skills to better undertake their roles. | Benefit from the skills female employees can bring to the organisation and the positive image this creates for the organisation among all sections of society. | Contribute to staff motivation, retention, and productivity. |
| Emirates Islamic Achievements Linked to the SDGs, our Sustainability Agenda, and our Business Strategies | | | |
| <ul style="list-style-type: none"> Providing life and health insurance plans. Promoting employee health and wellness. | <ul style="list-style-type: none"> Promoting etiquette and training to accommodate PwD. Training and development opportunities. Financial literacy and wellbeing initiatives. | <ul style="list-style-type: none"> 25% females in senior leadership roles. | <ul style="list-style-type: none"> Promoting employment opportunities for PwD. Group Sustainable Finance Framework launched. Enhanced ESG product offerings with the launch of the Absher Business Account for SMEs. Subsidised Housing Program related finance of AED 4.1bn approved as of 31 December 2023, with just over AED 1.6bn approved in 2023. Sponsorship's for MBRHE events at government entities and schools for awareness on housing and financial literacy. Partnered with Emirates Development Bank on a joint credit guarantee scheme supporting SME financial inclusion. Over AED 800mn of sustainable financing with international and local corporate clients, as well as financial institutions. |

| UN SDG | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  |  |  |
| Contribution to Emirates Islamic Sustainability Agenda | | | |
| Reduced inequality within and among countries. | Ensure sustainable consumption and production patterns. | Take urgent action to combat climate change and its impacts. | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. |
| Relevance for Emirates Islamic Business Strategy and Performance | | | |
| Contribute to a prosperous society which helps ensure future commercial opportunities for the organisation and pool of potential employee talent and forward thinking customers. | Foster a culture of innovation, efficiencies linked to sustainability and the creation of reliable and trustworthy products and services. | Reduce associated climate risks for the organisation and the region. | Ensure that the organisation is always on the right path towards good governance and ethical behaviour. |
| Emirates Islamic Achievements Linked to the SDGs, our Sustainability Agenda, and our Business Strategies | | | |
| <ul style="list-style-type: none"> Compliant with the Central Bank of the UAE Consumer Protection Regulation. 36% Emirati workforce. AED 50.5mn of contributions made to uplift the community. Participation in several volunteering initiatives, as part of the Group Exchanger programme, and Emirates Islamic Compliance awarded as "Emirates Islamic's Top Contributor". | <ul style="list-style-type: none"> Prudent use of resources. Initiatives to promote waste management. Sustainable Procurement Policy. | <ul style="list-style-type: none"> Approximately 20% reduction in indirect greenhouse gas emissions (scope 2). Participated at COP28 illustrating commitment to Net Zero by 2050. Participated in the Group 60th Anniversary Mangrove Forest initiative to plant 60,000 mangroves in December 2023. Planted 110 mangrove trees between 2022 – 2023 as part of the Al Zorah Mangrove Planting Drive. Part of the Group's commitment to the UAE Climate-Responsible Companies Pledge. | <ul style="list-style-type: none"> Emirates Islamic Internal Shariah Supervision Committee. Regular review and awareness of policies relating to code of conduct, whistle blowing, cyber security and so forth. One corruption incident reported against zero target. 100% of operations assessed for corruption risk. |

ESG Governance, Oversight and Risk Management



ESG Governance

Our Emirates Islamic ESG Strategy forms a part of and is led by the Group. The Group has a clear governance structure that ensures the alignment of our ESG strategy across all levels of our organisation. Our governance approach ensures integrity, transparency, and accountability at every stage of our operations. It also ensures that ESG principles and practices are embedded into the culture, operations, and activities of the Group, as well as all strategic decision making.

For more information on ESG Governance, please refer to the Emirates Islamic Corporate Governance Report 2023 and the Emirates NBD Group ESG Report 2023.

ESG Oversight and Risk Management

Our ESG strategy is a core part of the Group's vision and operations. The Group has implemented a comprehensive governance framework ("Emirates NBD Governance Framework") based on the principles of accountability, delegation, and oversight to support sound and prudent decision making. This framework identifies the responsibilities and accountabilities of the Board and individual Board Directors, Board Committees, and supporting Management Committees, and applies across the Group.

The Emirates NBD Governance Framework guides the overall governance approach and enables Board and Senior Management to conduct their duties and maintain strong governance. It ensures risks are managed in accordance with the Group's robust risk management framework, while pursuing its business objectives in an entrepreneurial and innovative environment.

The Group complies with the relevant laws and regulations relating to corporate governance issued by the CBUAE, the Securities and Commodities Authority ("SCA"), the DFM and other relevant authorities. All Group entities comply with the governance principles set out in the Emirates NBD Governance Framework, suitably adjusted to comply with any relevant local regulations.

Risk Management

In an ever-evolving global landscape, the Group remains acutely aware of the emerging financial and non-financial risks that have the potential to affect operations, stakeholder relationships, and the communities we serve. The Group proactively identifies, monitors, and mitigates a wide range of risks to the execution of its strategy and business performance.

The Group has comprehensive risk governance and management frameworks, which are regularly reviewed and updated, and implemented at every level of the organisation to ensure that every Group function and employee is aware and contributing to the mitigation of risk factors. The risk management framework defines our approach to management of both financial and non-financial risks, and underpinned by our culture and values, supports effective Group-wide risk management across the risk management lifecycle.

The Group considers environmental and social risk ("ESR") as a major challenge and integrates its management into the comprehensive Group risk management framework. The Group also has a climate risk policy that adapts to changing regulatory demands and the Group's own progress in climate risk management.

Environmental and Social Risk Policy Framework

To foster decision making in alignment with our commitment to delivering responsible financial services, we intend to launch our Environmental and Social Risk Policy Framework ("ESRP") in 2024. The intended outcome is to collaborate with clients in advancing their ESG goals and strategies, while avoiding business activities that fail to meet the highest global standards.

The comprehensive guidelines cover cross-sectoral issues including human rights, modern slavery, and biodiversity. The ESRP acknowledges that certain industry sectors hold the potential for greater environmental and social risks. It outlines targeted guidelines for industries such as utilities, nuclear power, coal, commercial firearms and military equipment, oil and gas, as well as manufacturing, agriculture, fisheries, and forestry sectors.

Implementation of the ESRP is a shared responsibility across the Group, with its stipulations applicable to Corporate, Institutional, and Business Banking. The Board holds the ultimate responsibility for enacting the ESRP. Within the Board, the Board Risk Committee ("BRC") is delegated to oversee governance of environmental and social risks, while the GRC is responsible for operationalising the ESRP within the Group.

The Group is committed to staying ahead of best practices by continually reviewing and updating the ESRP Framework, and proactively embedding appropriate responses within our strategy. We conduct sensitivity analysis and stress testing annually for regulatory processes such as the Internal Capital Adequacy Process ("ICAAP"), as well as for internal risk management decision making. Macroeconomic factors are monitored and reviewed frequently for IFRS 9 ECL calculations.

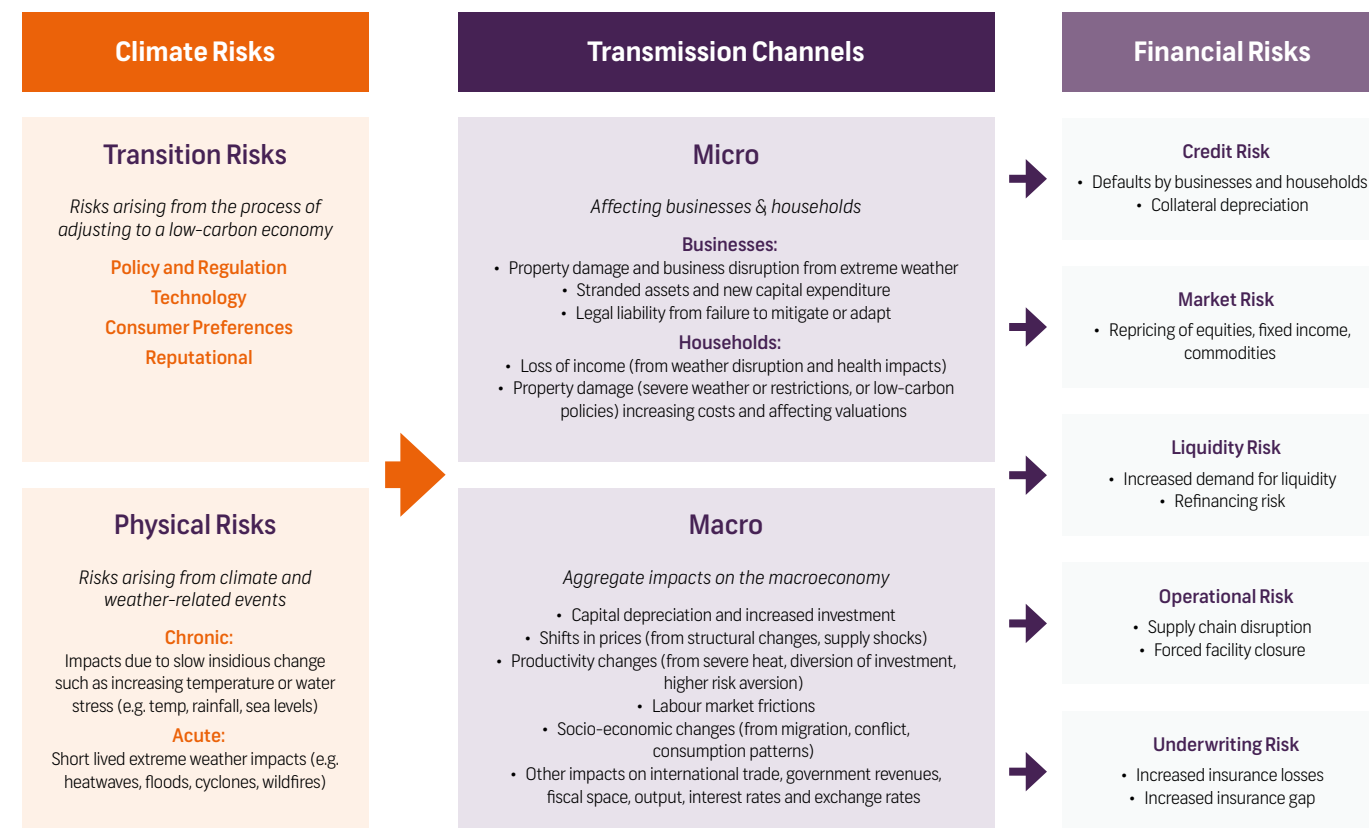
The Group is in the process of designing a holistic climate risk policy which will be integrated within our upcoming ESRP Framework.

More information about climate-related risk management can be found on our website at www.emiratesnbd.com/en/about-emirates-nbd/sustainability/essg-and-integrated-reports.

Addressing Climate-related Risks

The Group considers climate risk within its assessment of the broader environmental and social risks. Climate change risks can manifest themselves in different ways for the Group and its customers, with the ability to affect prices of assets and reduce future cash flows, therefore making them more volatile. They can also affect the value of assets used as security for finance and the potential losses faced if customers can't meet their repayment obligations. Furthermore, changes in physical climate parameters such as an increase in temperature, rising sea levels, changing weather patterns, and more frequent or intense droughts, floods, and storms may disrupt companies, impacting their operations.

Climate-related Risks



Source: NGFS

Our Climate Risk Strategy

The Group's approach to climate change risk is integrated into the multi-disciplinary, Organisation-wide risk management processes and covers the entire value chain of our operations. We have a specific, documented process to address climate risk, with relevant risks and opportunities incorporated to the Group's centralised enterprise risk management programme.

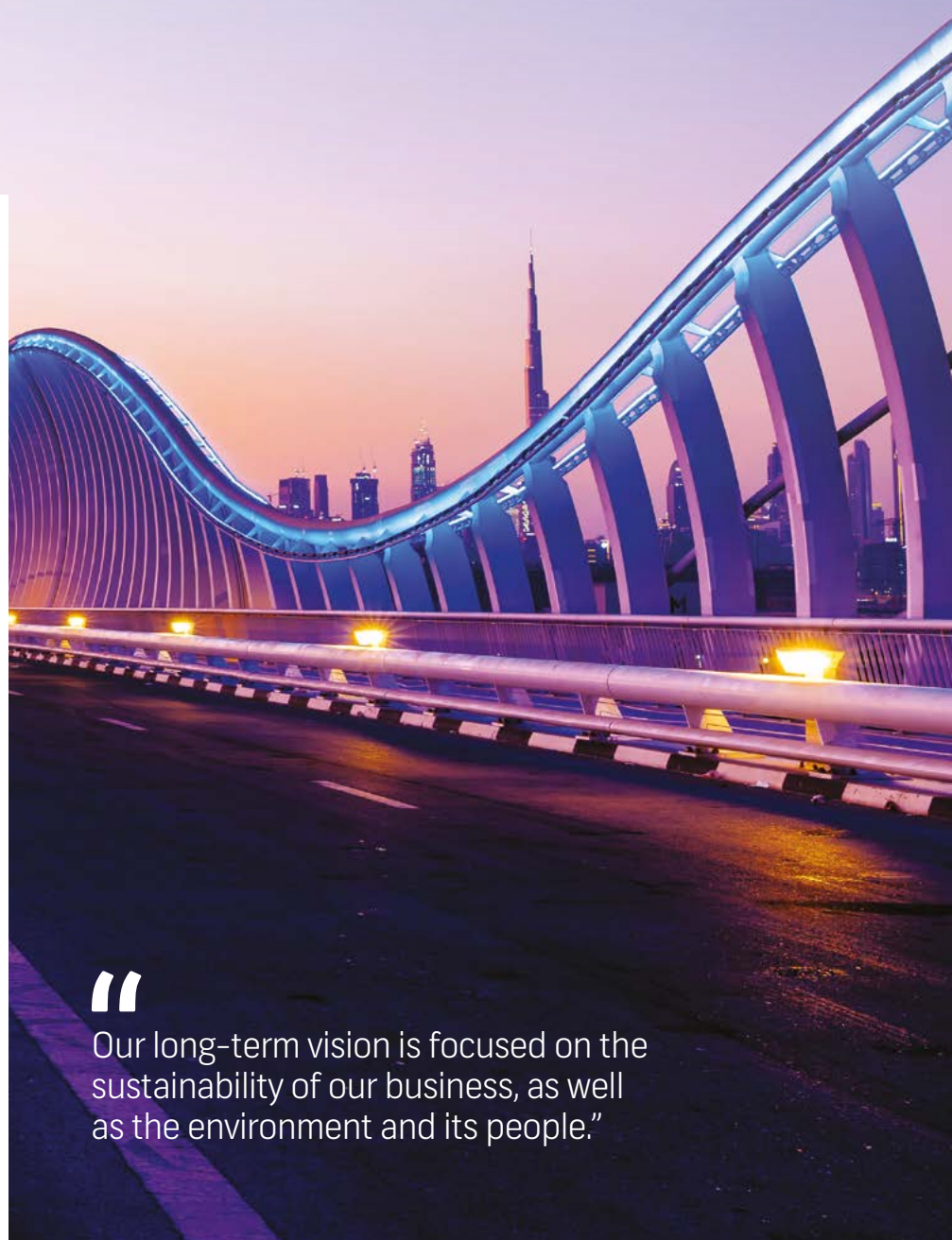
We have currently prioritised the analysis of transition risk in the utilities, manufacturing, transportation and storage, mining and quarrying, and construction sectors. The Group is also preparing to assess physical risks across the real estate and agricultural sectors following the completion of GHG baselining.

The Group takes forward-looking actions to anticipate the strategic and financial impact of evolving emissions-reporting obligations on our business. We run weekly scans of emerging regulations in all the countries of operation and monitor current trends of optional disclosures becoming mandatory and supra-national regulations that will impact the Group. In addition we monitor changes to International Sustainability Standards Board ("ISSB"), as well as guidance notes issued on climate-related regulations issued by central banks.

We monitor CO₂ emissions from our own operations regularly. This helps us to assess our performance, find areas for improvement and take any required actions.

Climate Risk Disclosure

Our disclosures and transparency will guide the market to view financial risks and opportunities related to climate change as a natural component of organisation disclosures. As climate change and its impacts accelerate, the Group is determined to disclose the financial risks arising from climate change and address their impact.



“ Our long-term vision is focused on the sustainability of our business, as well as the environment and its people.”

ESG Stakeholder Engagement and Assessing Material Topics

At Emirates Islamic, our long-term vision is focused on the sustainability of our business, as well as the environment and its people. Our Group-led ESG strategy ensures that all our stakeholders, including our employees, valued clients, and the broader community, play a pivotal role in shaping our approach. In line with this strategy, we engage with an extensive list of stakeholder groups.

The Group conducts a thorough materiality analysis annually, to identify relevant sustainability topics for reporting, in accordance with the latest standards put forth by GRI and the Sustainability Accountability Standards Board. The analysis provides a comprehensive understanding of the attitudes and opinions of our stakeholders on ESG issues that impact or have the potential to impact our operations.

2023 ESG Stakeholder Engagement Overview



Customers

- Engaging constantly with our customers virtually and seeking feedback through customer satisfaction surveys.
- Elevating our customers' virtual banking journeys, such as through our new EI + app.
- Ensuring that our services are inclusive to everyone by expanding our branches that are friendly to persons with disabilities.
- Providing continuous support through our customer contact centre, customer satisfaction surveys, and social media platforms.



Government and Regulators

- Leading the market with our alignment to the UAE's National ambitions and ESG goals, such as the UAE's Net Zero target for 2050.
- By setting short- and long-term ESG goals we are reflecting the UAE's economic values in our operations.
- Ensuring our alignment with the Government and regulators through compliance with the CBUAE and Dubai Financial Services Authority requirements, including public disclosures and regulatory reporting.
- Attending forums and working groups, such as the UAE Sustainable Finance Group.



Local Communities and NGOs

- Supporting and organising various volunteering initiatives such as tree-planting drives, beach clean-ups, and eco-awareness campaigns.
- Our Exchanger Programme supports employees to volunteer in the areas of financial wellness, diversity and inclusion, and community outreach.



Investors

- Continuous communication between ESG and Investor Relations teams.
- Engaging our investors through sustainable finance offerings, investor roadshows, and conferences and presentations.



Employees

- Investing in our employees through annual ESG trainings, learning programmes and volunteering opportunities.
- Using internal communications channels to reach out to our employees on topics such as internal vacancies, referral, and the Service Charter.
- Publishing regular ESG newsletters, covering our latest news, appreciations and upcoming ESG initiatives.



Suppliers

- Investing in and engaging and partnering with local suppliers through tenders and RFPs to build a stable business environment.

The Top Five Material Topics for the Group



Sustainable Finance



Climate Related Risks and Opportunities



Diversity and Inclusion



Data Privacy and Cybersecurity



Corporate Governance and Ethics

The results of our 2023 Materiality Analysis were generally consistent with our previous materiality assessment, undertaken in 2022. They reflect the ongoing importance of issues connected to sustainable finance, climate-related risks and opportunities, diversity and inclusion, data privacy and cybersecurity, and governance and ethics.

For more information on ESG Stakeholder Engagement and Assessing Material Topics, please refer to the [Emirates NBD Group ESG Report 2023](#).

Responsible Social Impact

Our commitment to delivering responsible and innovative products and services to a diverse range of customer segments across the UAE, combined with our investment in regional talent and community development, is testimony to our social responsibility. This stems from our position as one of the UAE’s leading financial institutions supporting socio-economic growth.

Responsible and Sustainable Investing

Sustainable Finance

For Emirates Islamic, providing Shariah-compliant sustainable finance solutions has become a priority. This is due not only to the increasing awareness of the effects investments can have on our environment, but also for its potential for enhanced financial performance and reduced exposure to risks. It also illustrates our

commitment to Net Zero, and provides an opportunity to expand our impact wholesomely, and contribute to our customers’ aspirations.

To date, we have provided several organisations and companies across the UAE with sustainable finance solutions across various categories.

“ Providing Shariah-compliant sustainable finance solutions has become a priority.”

Our Sustainable Finance Solutions include:

- Term Financing
- Working Capital

Financing Categories Currently Funded (not limited to):

- Clean Transportation
- Affordable Housing
- Waste Management
- Energy and Cooling
- Retail and Fashion
- Financial Institutions



Responsible Social Impact

Sustainable Finance Highlights

Apparel Group signs finance deal with Emirates Islamic and Emirates NBD

Apparel Group, a leading fashion and retail conglomerate with a robust global presence, headquartered in the UAE, signed an ESG-linked term facility with Emirates Islamic and Emirates NBD, aligned to their shared strategic focus on advancing sustainability. The financing structure incorporates key performance indicators, aligned with their sustainability strategy. The financing acts as a pioneering model for UAE players in the retail and fashion industries seeking to make a positive impact on the environment and society, directly aligning with the UAE's Net Zero by 2050 Strategic Initiative.

Affordable Housing Partnerships with MBRHE and Sharjah Housing Program

Emirates Islamic also prides itself in partnering extensively with MBRHE and Sharjah Housing Program to offer Shariah-complaint home finance.

Business Banking partnered with Emirates Development Bank

Business Banking partnered with Emirates Development Bank on a joint credit guarantee scheme to support the financial inclusion of SMEs in priority sectors supporting the ESG agenda. This is in line with our plans set in 2023 to pursue collaboration opportunities with entities such as Government and FinTechs to strengthen our ESG propositions.

Transforming from a Sustainable Investment Framework to a Sustainable Finance Framework

As part of transitioning to the Emirates NBD Sustainable Finance Framework we have made efforts including formalising our ESG-linked asset register, establishing a steering committee to drive developments and growth of ESG-linked assets, and incorporated ESG principles into our financing strategy.

The Emirates NBD Sustainable Finance Framework

As part of its long-term commitment to sustainability, the Group launched our Sustainable Finance Framework in 2023, which is backed by Second Party Opinion provided by ISS ESG. The new framework allows for the issuance of green and sustainable financing instruments to finance projects which enable the transition to a low carbon and climate resilient economy. The framework also allows for the issuance of social financing instruments leading to a positive societal impact.

The framework covers the Group entities, including Emirates NBD, Emirates Islamic, and Emirates NBD Asset Management, and will accelerate the Group's efforts when it comes to innovative sustainable finance offerings.

The framework will assist Emirates Islamic in reaching the UAE's ambitious Sustainability Development Goals and targets set forth by the Paris Climate Agreement and the UN SDGs, while also ensuring the necessary due diligence and international best practice are in place to mitigate ESG risks.

Find out more about the Emirates NBD Sustainable Finance Framework in the [Emirates NBD Group ESG Report 2023](#).



Sustainable Innovation at Emirates Islamic

Our vision to be the most innovative Shariah-compliant bank continued throughout 2023 with multiple digital offerings for our customers, people, and communities, by leveraging new technological and innovative capabilities. These innovations meet individual and SME customer demands for digital products, while also delivering positive environmental and social impacts. For example:

Launched our enhanced mobile banking app, EI +, with over 100 features that customers can access at any point of time.

In promoting sustainable products and services, particularly savings with our Kunooz Savings Account, one of the most popular saving schemes in the UAE, a competition was held rewarding winners with Mercedes EQS vehicles.

Account opening has exceeded over 90% digital adoption reducing use of paper forms, similarly Credit Card paperless sourcing's digital adoption reached approximately 80% in 2023.

Promoting the purchase of electric vehicles with special pricing on financing.

Launch of a migration initiative for branches whereby certain key cash-based transactions are to be moved to digital channels, with a digital KPI set and currently in pilot stage for branches.

Subsidised housing finance partner for MBRHE and Sharjah Housing Program.

Continued conversion of manual services with straight through processing ("STP") solutions, with approximately 81 journeys optimised using STP, reducing manual processes and paper usage.

Saving paper with the paperless e-Savings Account available exclusively through online and mobile banking.

Continued double digit growth in the adoption of businessONLINE platform with 97% transactions done digitally, whereby limiting the use of manual transactions.

Launch of the Emirati Absher Business Account to provide banking solutions for Emirati start-ups ("SMEs").

Digital sourcing through Tablet Banking was introduced for Business Banking with 85% of total sourcing now done using this new tool, with an improved customer on-boarding experience that is convenient and paperless.

Improved STP journeys in C&IB across cash and trade, and financing.

Credit Card Business migrated to QR codes based digital welcome packs and schedule of charges for all our cards, saving paper by at least 50% in the process.

Enhanced payments capabilities, within the Middle East with Buna, and to the UK with Lloyd's Bank.

Responsible Social Impact

Promoting SME Development in the UAE

2023 has been a significant year for Emirates Islamic Business Banking, with the launch of various initiatives and setting new milestones under the ambit of ESG and Sustainability. We continue to enhance and strengthen our value proposition with focus on:

- Developing our ESG product suite.
- Sustainable financing.
- Segment based banking.
- Digital acquisition.
- Knowledge series, such as “Going Beyond Banking.”

Strides made on the above in 2023 are illustrated with the launch of the Emirati Absher Business Account.

We solidified our position upon being awarded for our package curated for women entrepreneurs, which supports financial inclusion. Global Business Outlook awarded Emirates Islamic the ‘Best New Business Banking Product for Women Entrepreneurs – Businesswomen Account UAE.’



Launching the Emirati Absher Business Account

In 2023, we launched the Emirati Absher Business Account, designed exclusively to provide a comprehensive suite of premium banking solutions for Emirati start-ups. This innovative account supports small and medium-sized businesses, owned by UAE citizens, through special support programmes and initiatives, and aligns with the UAE’s strategy to develop this important sector.

Key benefits of the account include:

- Dedicated account for Emirati Business owners or signatory.
- No Balance requirement for six months.
- Instant account opening.
- Access to Business Banking Center.
- Exclusive invitations to seminar/workshops featuring industry leaders.

Shariah Compliance

Shariah-compliant financing solutions have been linked to financial stability and provide mutuality and sustainability. ESG risks and opportunities are integrated into financing and investment screening practices compliant with Shariah rules and regulations.



Financial Literacy and Inclusion

We are committed to working towards innovating and expanding the range of financial services, especially for underserved groups such as senior citizens and low-income individuals, People of Determination (“PoD”), and the illiterate.

Our Group engages with external and internal parties as part of our efforts to create a more inclusive finance market in the territories in which we operate and to ensure that vulnerable customers have access to the Bank’s services on the same terms as other customers.

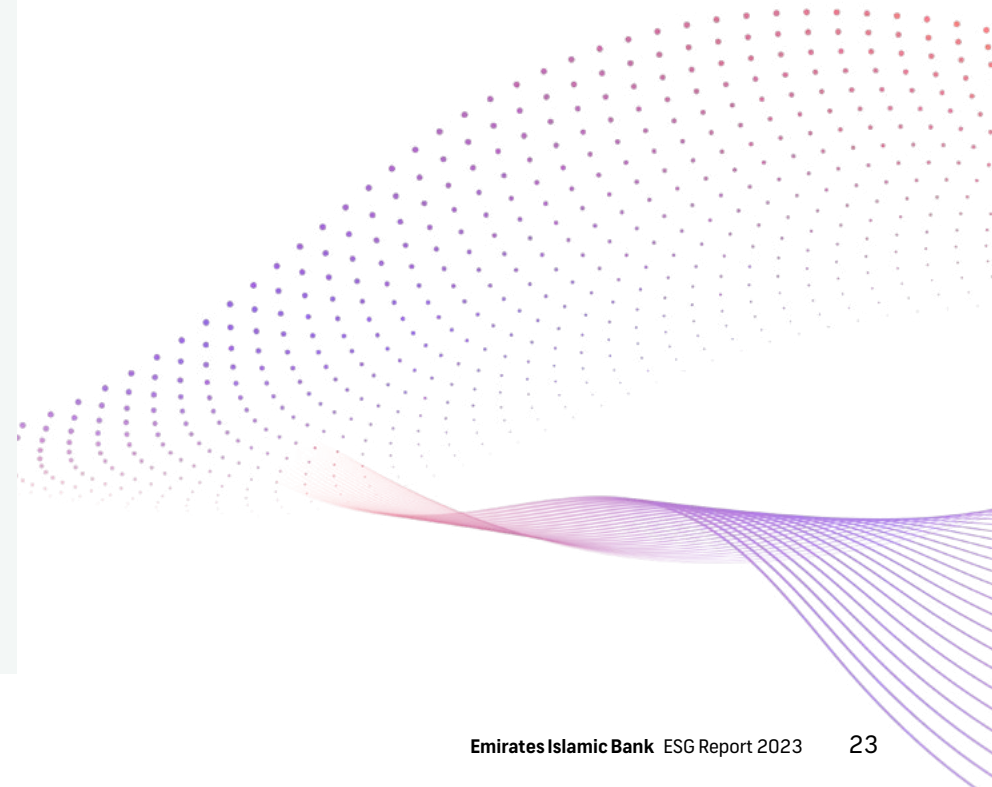
In line with regional and international standards, the design of financial products, services, business operations, premises, ATMs, and processes are universally accessible and appropriate.

The Group deploys resources and efforts in increasing community awareness and providing financial literacy training to underserved groups, including but not limited to young individuals, persons with low incomes and migrants.

Our efforts to promote financial literacy and inclusion include:

- e-learning programmes on vulnerable groups, blue collar workers, older people and those who are illiterate are available for customer-facing employees to undergo.
- Our website has customer education and awareness information such as calculators, articles, and financial tips.
- Under the Group’s #TogetherLimitless programme more than two-thirds of our branches are disability-friendly.
- Emirates Islamic partnered with MBRHE to sponsor several events over 2023 – 2024 across schools, universities, and government departments to create awareness on housing, housing finance and promote financial literacy.
- The Emirates Islamic Business Banking team participated in the “Evolving Business Landscape for Business Women in the UAE” session organised by Dubai Businesswomen Council on 30 May 2023, sharing insightful details around the Group and Emirates Islamic’s journey with regards to Diversity, Equity, Inclusion & Belonging (“DEIB”).
- Regular customer educational events, such as C&IB’s “Partners in Growth” series, and Business Banking’s Knowledge Series “Going Beyond Banking” and Customer Majlis.

For more information on Financial Inclusion and Customer Inclusivity, and Customer Relationships and Management, please refer to the [Emirates NBD Group ESG Report 2023](#).



Responsible Social Impact

Excellence in Customer Experience

Driven by the two core values of 'Customer focus' and 'Service excellence,' our Customer Experience Unit is dedicated to innovations in our engagement methods. From helpful interactions in our branches or through our call centres and relationship managers, to rapid online and mobile support and engaging social or mainstream media campaigns – customers can connect with us anytime, anywhere.

Treating Customers Fairly

The Group's Code of Fair Treatment reflects our daily actions in accordance with our vision, purpose, and values. We promise to make sure that the products and services we offer live up to expectations.

Our Customer Right Document was launched in 2023. It is an educational document that contains guidelines for our customers to enhance their banking knowledge and experience accordingly.

Our Service Promise Charter

- To listen attentively and understand your query.
- To take complete ownership of your query.
- To clearly communicate the outcome of your query.

| | |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Enhanced Training and Engagement</p> | <ul style="list-style-type: none"> • Customer Service Excellence Certification ("CSE") 2023 – 4 Business Functions and over 600 individuals attended the programme. • CPR mandatory training across all Emirates Islamic frontline and back-office teams. • Over 80 sessions Roadshow, CX Connect, workshops, CODE Value, Bottom Quartile for all Emirates Islamic frontline teams. • "Branch Huddle" document to drive staff engagement and information circulation for all branch staff. • Customer experience app (Axonify) to drive learning and knowledge reinforcement for all frontline staff. • Culture Drive Activity Calendar 2023 was launched to drive customers and staff engagement. • Introduce Service Excellence Award for all units on Customer Happiness Score ("CHS") in 2023. • Introduce Customer Happiness Day and CXperience in October 2023. • Introduce Badge of Excellence Award for outstanding staff in 2023. • Rewards & Recognition – 4 Business Functions with over 164 of staff and teams recognised (October 2023). |
|  <p>Governance and Measurement</p> | <ul style="list-style-type: none"> • Customer Experience Committee continued to drive engagement and participation of staff from across the Bank to address service-related concerns. • Doubled the mystery shopping at branches in 2023. • CHS expansion – 16 Business and support functions on CHS and extended to all staff who are under Xceed Incentive Scheme. |
|  <p>Innovation</p> | <ul style="list-style-type: none"> • Expanded Automated surveys to Complaint Closure, Service Request Closure, and Product Onboarding. • CX Academy: a learning platform designed to enhance the "Customer First" culture across all touchpoints. |

Listening to our Customers

Our purpose is to create opportunities for our customers to prosper. This means listening to customer needs and feedback and responding with courtesy, ownership, and clarity. We do this through a number of ways, including:

- **Relationship Surveys:** A quarterly outbound calling exercise executed by IPSOS to measure the overall customer satisfaction and Net Promoter Score ("NPS").
- **Transactional Surveys:** A monthly outbound calling exercise executed by IPSOS to measure the channel satisfaction based on the customer's touchpoint with that channel.
- **Episodic Satisfaction Surveys:** Automated emails designed and managed by the Bank internal campaign management system that measures the customer satisfaction on a service provided by the Bank (ex: service request fulfilment survey, digital onboarding survey).

Over the last two years, we have seen consistently high customer satisfaction NPS scores, as shown in the table.

| KPIs | 2021 | 2022 | 2023 |
|---------------------------------|------|------|------------|
| Customer Satisfaction Score (%) | 81% | 80% | 82% |
| NPS | 35 | 33 | 40 |



“Our purpose is to create opportunities for our customers to prosper. This means listening to our customers needs and feedback and responding with courtesy, ownership, and clarity.”

Responsible Social Impact



A Great Place to Work

Delivering on our Purpose requires us to create opportunities for our people, as well as customers and communities. It is why we invest in creating inclusive workplaces that enable employees to thrive. From excellent training and development opportunities to fair reward, recognition and protecting health and wellbeing – we are committed to building our people at Emirates Islamic in line with our values.

Diversity and Inclusion Growth and Development of Women

Emirates Islamic's Diversity, Empowerment, and Inclusion ("DEI") agenda is strongly focused on enabling and promoting an inclusive culture to build a pathway for the professional growth and development of women and strengthening gender balance in leadership positions. As of December 2023, female employees comprise 36% of Emirates Islamic staff.

In June 2023, the Group pledged further support for the UN SDG 5, and recently signed the UAE Gender Balance Council ("GBC") Pledge. This pledge followed an earlier commitment, made in April 2022 to the GBC, to achieve 25% representation of women in senior leadership roles by 2027, which Emirates Islamic achieved 25% in 2023.

Our key initiatives contributing to the professional growth and development of women include Women in Leadership, LetsLink Women's Club, Career Comeback Programme, Women in Finance.

People of Determination ("PoD")

Emirates Islamic currently employs 9 PoD, who are actively provided support to ensure they are assigned meaningful responsibilities and are successfully performing their roles.

Emirates Islamic is also committed to providing accessible banking services and branches to PoD, including upskilling, and providing insights to our employees to enhance the customer experience. More than two-thirds of our branches are PoD friendly, and we have continued to conduct workshops and train our staff in American sign language, disability etiquette, and in Serving Customers of Vulnerable Groups.

Our #TogetherLimitless programme advocates for the inclusion of PoD and stands as testament to our commitment to diversity. #TogetherLimitless is aligned with the UN SDG 10.2, which seeks to promote socio-economic inclusion of PoD and Dubai's My Community Initiative, which aims to transform Dubai into a disability-friendly emirate.

| | 2021 | 2022 | 2023 |
|-------------------|------|------|------------|
| Emirati Employees | 540 | 622 | 635 |

For more information on Diversity and Inclusion, please refer to the Emirates NBD Group ESG Report 2023.

Emiratisation

We continue to recognise the importance of Emiratisation to our business and the nation and are guided by the UAE national vision to empower Emirati youth, which supports UN SDG 8: Decent Work and Economic Growth. In 2023, we employed 635 UAE National employees – 36% of our workforce.

We also work with external organisations such as colleges and universities to attract and employ Emirati talent, establish bespoke training programmes to upskill recent graduates, and create succession planning and career progression mapping for our employees. The Bank's flagship initiatives include the 24-month leadership development programme Ruwad and Bedaya, a 12-month programme for recent Emirati graduates.

Learning and Development

Emirates Islamic is committed to creating an environment that encourages career-long learning and enables our employees to thrive and develop new skills. Our Talent Development strategy aligns with our objective to prepare for tomorrow's challenges and opportunities and the UAE Government's vision of building skills to enable citizens to become future leaders and future-proof the economy.

Ready for the Future

In the near future, work and employment will change profoundly as technology transforms the world as we know it. This demands that we re-skill and up-skill our employees to prepare them and the Bank for the challenges and opportunities that lie ahead. We are achieving this by cultivating a culture of continuous training and development while embedding a learning mindset that emphasises agility and adaptability. In this strategy, three skillsets are of particular importance: data literacy, digital literacy, and future skills.

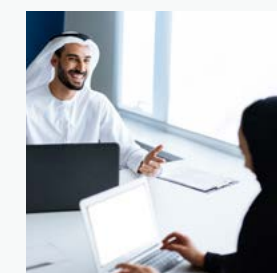
For more information on Learning and Development, please refer to the Emirates NBD Group ESG Report 2023.

“Emirates Islamic is committed to creating an environment that encourages career-long learning and enables our employees to thrive and develop new skills.”

Three Focus Areas of Our Strategy for Making Emirates Islamic 'Future Ready'



Self-learning: Emirates Islamic is committed to creating a culture of self-learning where employees can stay up to date with the latest training and development opportunities through convenient, 24/7 access to digital content that delivers structured learning experiences.



Feedback and Coaching: Embedding a coaching approach in our employees' mindsets and strengthening the overall coaching culture within the Bank improves the quality of our employees' interactions with each other, customers, and potential clients. By building conversational and coaching skills throughout our workforce, the Group can also deliver the profound organisational transformation that is part of its ready-for-the-future strategy.



Performance Improvement: Emirates Islamic is committed to supporting the learning needs that emerge from the Bank's strategies while developing the required capabilities in our people to execute those strategies and deliver value to the business. By acting as a business enabler and performance consultant, the Bank identifies learning opportunities proactively while embracing innovation and change to design state-of-the-art solutions and delivery channels to meet the diverse learning needs of our employees, managers, and businesses.

Employee Training

We have deployed a wide array of training and development programmes aimed at upgrading and improving the skills, effectiveness, and performance of our employees. Emirates Islamic also offers full support with training as well as certifications from recognised global bodies.

Our annual mandatory training programmes include training in ethical standards that is applicable for all employees and specialised training for those occupying specific roles within the Bank that cover data science, risk, ESG strategy, integration and material assessment, green investment, and sustainable finance.

ESG Training for Employees

The Group fosters a sustainability-based culture and passionately believe that ESG literacy can be the backbone to mitigate climate related risks. Emirates NBD has launched a Group-wide mandatory ESG training programme to enhance knowledge across the Group. The intent is to bring about a cultural transformation which links to sustainability and the role each one can play to contribute positively to climate change.

| | 2021 | 2022 | 2023 |
|----------------------------------|--------|---------|----------------|
| Total training delivered (hours) | 85,447 | 113,670 | 88,889* |

*In line with our L&D strategy overall hours show a marginal decline due to higher focus on digital learning and number of unique learnings per user as against overall training hours during the year.

Responsible Social Impact

Employee Engagement

At Emirates Islamic, understanding and addressing the ambitions, needs, and concerns of our people is a top priority. As part of our commitment to foster a conducive work environment and ensure employee well-being, we conduct an annual employee survey that reaches every member of the Group. In 2023, we launched a new employee engagement survey platform with a response rate of 80% which is a good indicator to gauge the engagement levels at Emirates Islamic, and in the Group. The bank is currently in the process of launching a wellness and engagement app.

| Group | 2023 Engagement Scores | 2022 Pulse Engagement Scores |
|--------------------|------------------------|------------------------------|
| Emirates NBD Group | 78% | 61% |
| Emirates Islamic | 80% | 58% |

For more information on Employee Engagement, please refer to the [Emirates NBD Group ESG Report 2023](#).

Employee Benefits

We offer market-leading benefit packages to attract and retain the best talent and provide our people with work-life balance and job satisfaction. Benefits reviews are conducted annually to ensure compliance with local regulatory and governance requirements and alignment with the prevailing market practice in the relevant location.

For more information on Employee Benefits, please refer to the [Emirates NBD Group ESG Report 2023](#).

Benefits provided to staff include, but are not limited to:

- Relocation benefits to promote international mobility of talent.
- Enhanced Medical and Life Insurance which is competitive in the market.
- Salary advances and Staff financial facilities to support employees financially in times of need.
- Wellness initiatives that focus on the health of employees, physically, emotionally, and mentally.
- Enhanced leave in support of families, such as maternity, paternity, adoption, and parental leave over and above Labour Law requirements, and flexible work arrangements.

Parental Leave

As part of our ongoing commitment to cater to the well-being of our people and their families, Emirates Islamic provides paid leave packages to support our employees' parental journeys. We offer paid maternity leave for 12 weeks, with the possibility of extension based on the employee's request and in line with our internal policies. We also offer paternity leave, which is paid for five working days. In 2023, 29 female employees and 56 male employees took parental leave.

Health and Wellbeing

The Group has also developed a suite of holistic wellness initiatives that testify to the Group's commitment to our employee's health and mental well-being. These include flexible working hours to enhance work-life balance while catering to the diverse schedules of our team and options for working from home to allow our employees to operate in environments conducive to delivering efficiency and productivity.

Employee Health and Well-Being Initiatives

We prioritise the health and well-being of our employees by offering wellness programmes that promote physical and mental health by making every effort to reduce workplace stress. These include:

- On-site wellness centres and doctor consultation facilities** where staff can see a doctor in-person.
- Annual flu shots** offered free on-site flu vaccines at all our main offices and some branches.
- Wellbeing fair** at which employees are offered free health screenings and over 2,000 employees attended the fair across the UAE at Branches, and our main offices.

- Monthly Wellness Sessions**, held in partnership with accredited health service providers, to raise awareness of health matters and mental well-being.
- Wellness newsletters, books, informational videos, podcasts, audiobooks, and app recommendations** tailored to nurture employee well-being and cater to diverse learning styles.
- Let's Link Wellness Clubs** – an internal community for employees to join free activities supporting their mental, physical, and spiritual well-being.
- A monthly **wellness calendar** that highlights issues relating to health and well-being. We invite experts in the fields to educate and guide our employees in improving wellbeing for them and their families.

For more information on Health and Wellbeing, please refer to the [Emirates NBD Group ESG Report 2023](#).

Community Investment

Our Creating Shared Value Framework is designed to enrich the lives of our community.



Key Drivers

- United Nations Sustainable Development Goals
- UAE Sustainable Finance Framework 2012-2030
- Emirates NBD Vision, Purpose, Values



Focus Areas

- Financial Wellness
- Environmental
- Diversity & Inclusion
- Community Outreach



Implementation

- Volunteering
- Programme Development
- Partnerships & Collaboration
- Communication & Engagement



Impact Measurement

- Social Return on Investment ("SROI")
- Stakeholder Engagement
- Monitoring & Evaluation

Our Social Engagement Framework is intended to deliver multi-dimensional impact across four key areas.

Human Assets

Utilising our human capital to tap into their expertise and enable them to give back to the community



Community
Partnering with social development institutions and the public to create impact in the wider community

Products

Using the Bank's expertise in product innovation to create products of benefit to the community



Services
Identifying existing services and creating new services that can address challenges and create opportunities to empower the community

Philanthropy

Philanthropy is a vital part of our purpose of creating opportunities to prosper and is our demonstration of sharing our good fortune with our fellow citizens and communities. Through our philanthropic spirit, we position ourselves as a socially responsible institution, validate our dedication to growing together with our surroundings, and fulfil our public duties.

In 2023 approximately AED 50.5 million of contributions were made to uplift the community across a range of social causes through our social engagement programmes, split between Zakat Islamic contributions and Khairat Fund Charitable Contributions.

Community Giving

AED 50.5m

| Social Engagement Programmes (AED million) | 2021 | 2022 | 2023 |
|--------------------------------------------|-------|-------|--------------|
| Zakat Islamic Contributions | 41.03 | 79.89 | 40.38 |
| Khairat Fund Charitable Contributions | 10.19 | 28.19 | 10.07 |

| Significant initiatives supported by Emirates Islamic's social engagement programmes: | | AED |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------|
| Zakat Islamic Contributions | Tarahum Charitable Foundation | 12,259,200 |
| | Al Jallila Foundation – Establishment of Hamdan Bin Rashid Cancer Charity Hospital | 5,000,000 |
| | Dubai Police "Bayiti Initiative for UAE Nationals" | 5,000,000 |
| | MBRHE | 5,000,000 |
| | Dubai Health Authority initiative with Tarahum Charity | 5,000,000 |
| Khairat Fund Charitable Contributions | WAQF – One Billion Meals – Mohammed Bin Rashid Al Maktoum Global Initiatives | 6,000,000 |
| | The Executive Council ("TEC") Project – Dubai Schools | 3,000,000 |

Positive Environmental Impact

We are committed to reducing our environmental impact, in line with the UAE Net Zero 2050 strategy. With a solid foundation in environmental compliance, we adopt the Group’s approach to responsible environmental stewardship through our financing and our own operations.

Our Approach and Commitment

At Emirates Islamic, our environmental vision is not bound by short-term goals. We understand that the transition to a greener, lower carbon economy is essential for the health and welfare of society and the environment. We aspire to set industry benchmarks, inspire other institutions, and most importantly, play our part in safeguarding our environment for future generations.

Emirates Islamic is committed to running our operations in ways that are equitable, efficient, and progressive in a time of accelerated resource depletion. We fully support the UAE’s Net Zero 2050 policy and 2030 target to reduce GHG emissions. We continue to uphold our excellent track record of adhering to environmental

regulations and maintain our ISO 14001:2015 certification for our environmental management systems covering 100% of our operations in the UAE.

[Find out more about Our Approach and Commitments in the Emirates NBD Group ESG Report 2023.](#)

Energy and GHG Emissions

Emirates Islamic’s principal areas of impact and potential for improved efficiencies in relation to energy use are energy consumption, GHGs, transport fuel, and renewable energy.

Energy Efficiency

In 2023, our indirect (electricity) energy consumption was estimated to have increased by 1% from 2022. We continue to improve the control and efficiency mechanisms we have in

place, such as motion sensors, building management systems and energy-efficient equipment, whilst considering renewable energy solutions with the Group.

| Electricity Consumption | Unit | 2021 | 2022 | 2023 |
|-------------------------|------|-----------|-----------|------------------|
| Emirates Islamic | kWh | 5,800,985 | 5,626,955 | 5,688,180 |

Reducing our Emissions

We track carbon dioxide (CO₂) emissions from our operations each year. As a Group, we intend to support the Third Update of the Second Nationally Determined Contribution (“NDC”)

and our Scope 2 emissions were estimated to have decreased by approximately 20% in 2023 compared to 2022.

| Scope 2 GHG emissions | Unit | 2021 | 2022 | 2023 |
|-----------------------|--------------------|--------|--------|---------------|
| Emirates NBD Group | tCO ₂ e | 27,941 | 28,915 | 23,216 |

Renewable Energy

In our quest for sustainability, the Group has made significant advances in the deployment of clean energy. We are actively researching next-generation energy solutions and exploring partnerships to reduce the Group’s energy consumption and bolster our renewable energy

portfolio. Our goal is to employ renewable energy at all our properties and locations.

[For more information, please refer to the Emirates NBD Group ESG Report 2023.](#)

Positive Environmental Impact

Water Conservation and Waste Management

Water Conservation

As an organisation operating in a region that faces a high level of water scarcity, Emirates Islamic is deeply committed to the respect, appreciation, and conservation of our local and global water resources. We are conscious of the need to be efficient and responsible in our water usage and

strive to adopt sustainable water management practices, while also tackling water security through our business operations. Our goal is to become water efficient by 5% per year in the UAE at a Group level, a goal that is aligned with the UAE's Water Security Strategy 2036.

Emirates Islamic's water consumption was estimated to have increased by 24% from 2022 to 2023.

| Emirates Islamic | Unit | 2021 | 2022 | 2023 |
|--------------------------------------------------------------|--------------------------|-------|-------|--------------|
| Total Water Consumption (in owned, leased, service premises) | m ³ | 5,658 | 5,999 | 7,450 |
| Water Consumption Intensity* | m ³ /employee | 3.7 | 3.6 | 4.3 |

* Revised figures for 2021 – 2022

Waste Management

As part of our goal to reduce our environmental impact, Emirates Islamic is committed to conserving energy and resources through effective management of the waste generated. Our operational control procedures consistently track our waste production and recycling, as well as our energy use.

Our Group target is to improve the ratio of diverted waste to general waste by at least 10% in the next fiscal year.

For more information on Water Conservation and Waste Management, please refer to the Emirates NBD Group ESG Report 2023.

Case Study: SayNoToPlastic Initiative

The Group is dedicated to minimising the effects our operations have on the environment, directly and indirectly. As part of ongoing efforts to create a culture of environmental awareness, we introduced a pilot #saynottoplastic programme to

42 teams across Emirates NBD, Emirates Islamic, and Tanfeeth in 2022. Each organisation was required to end the ordering of single-use plastic water bottles through procurement and to switch to reusable bottles. In 2023, we achieved this milestone and have completely stopped ordering plastic bottles. We have switched to glass bottles and encouraged all our employees to use refillable water bottles.



Governance and Ethics

Emirates Islamic, as part of the Group, conducts its operations in an ethical, transparent, and responsible manner, while maintaining the highest standards of governance and ethics across our operations and footprint. This approach underlies our sustainable success and continued value creation for all our stakeholders. It is built on long-term trust, sound decision-making, and the ability to continue to effectively execute our strategy and serve our customers.

The Internal Shariah Supervision Committee (“ISSC”)

Emirates Islamic Bank offers Shariah-compliant products and services as an Islamic Bank licensed by the CBUAE. Emirates Islamic Bank applies a robust Shariah governance mechanism to ensure that all products and services are duly accredited and in line with Shariah principles and CBUAE Higher Shariah Authority (“HSA”) guidelines and regulations.

In line with the CBUAE Shariah Governance Framework, Emirates Islamic Bank has established three lines of defence approach, the Business Units, the Internal Shariah control Department, and the Internal Shariah Audit Department,

respectively. These Units support Emirates Islamic Shariah governance activities, oversight, and reporting. The Bank is governed by the Internal Shariah Supervision Committee (“ISSC”), comprised of independent Shariah scholars.

The ISSC operates following the resolutions, standards, and guidelines issued by the HSA of the CBUAE and undertakes supervision of all Shariah-compliant businesses, activities, products, and services. The ISSC issues annual report on its activities, including assurance that Emirates Islamic complies with the Shariah principles and outlining any instances of non-compliance.

All employees receive Shariah induction training session covering Shariah fundamentals and Islamic values, with mandatory e-Learning modules ongoing, as well as an on-demand training programme in Islamic finance principles. Beyond Emirates Islamic, we participate in wider Shariah awareness through public lectures at universities and colleges.

Being an Ethical and Responsible Business

Emirates Islamic ensures the preservation of trust, transparency, and ethical conduct. We are committed to minimise, identify, and responsibly manage conflict of interests as they arise, maintaining the highest standards of professionalism and integrity. We believe that long-term, successful business relationships are built on honesty, fairness, and the strength of the Group’s products and services. The Group operates and enforces a zero-tolerance approach towards unethical behaviour in any form.

We believe that every individual, regardless of their role within or outside the Bank, deserves to be treated with dignity, respect, and fairness. Our pledge to labour rights ensures that employees experience a workplace that is safe, inclusive, and free of any forms of discrimination or harassment. We actively foster an environment that promotes fair wages and reasonable working hours.

The Bank operates under a Code of Conduct that serves as the backbone of our daily operations and long-term vision. The Code is applicable to

all employees demonstrating our commitment to protecting our employees while also abiding by legal prohibitions against forced labour included in UAE Federal Law. Fraud, bribery, harassment, discrimination, intimidation, favouritism, violations of law and/or Group policies and misconduct and malpractice are examples of such instances. Every employee must read and accept the Code of Conduct at least once a year, or if it is updated or modified.

Governance and Ethics

Our comprehensive Code of Conduct is complemented by other stand-alone policy commitments cover aspects such as:

| | | |
|----------------------------------|----------------------|----------------------------------|
| Anti-Bribery and Anti-Corruption | Conflict of Interest | Customer Education and Awareness |
| Anti-Money Laundering | Financial Inclusion | Health, Safety and Environment |
| Supplier Code of Conduct | Data Privacy | Whistleblowing |

Further details on the Code of Conduct and other stand-alone policies highlighted in this report may be found in the Emirates NBD Group ESG Report 2023 and the Emirates NBD Group ESG Momentum Report.

Whistleblower Programme

At Emirates Islamic, our commitment to an open feedback culture is solidified through our whistleblower programme and active managerial engagement. This mechanism is used for employees to report and consult on ethical issues, including bribery and corruption suspicious activities. We operate a non-retaliation policy towards whistleblowers. The mechanisms are proactively communicated to employees on an annual basis and are available in local languages.

For more information on Whistleblowing, please refer to the Emirates NBD Group ESG Report 2023.

In 2023, one case of bribery was reported and fully investigated, resulting in a termination.

| | 2021 | 2022 | 2023 |
|--------------------------------------------------------|------|------|-------------|
| Operations Assessed for Risk Related to Corruption (%) | 100% | 100% | 100% |

For more information on Being an Ethical and Responsible Business, please refer to the Corporate Governance section of our 2023 Emirates Islamic Annual Report online at www.emiratesislamic.ae.

Consumer Protection and Customer Complaints

Emirates Islamic, as part of the Group, is committed to complying with Consumer Protection Regulations and standards of the CBUAE. This promotes use of best practices to maintain and manage customer relationships, reinforced by the Treating Customers Fairly policy mentioned earlier in this report.

For more information on Customer Relationships and Management, please refer to the Emirates NBD Group ESG Report 2023

Complaints Procedures

When a customer raises a complaint, our dedicated team works closely with all relevant departments to resolve it within five working days. A reference number and expected resolution time is generated in order to assist customers in tracking progress. If we are unable to provide a full and satisfactory resolution, the customer has the right to refer the complaint to the CBUAE.

Customers can raise complaints in numerous ways: via branches, call centres, our online/mobile banking platforms, relationship managers, social media, the CBUAE, or the UAE media. During the year, we enhanced our complaints management processes with a dedicated customer enquiry line, faster response times,

direct supervision, and management of complaints, and Head Office walk-ins. Using the new Emirates Islamic mobile banking app ("EI +"), customers can now track the progress and monitor the status of their open complaints directly without having to contact the call centre or visit the branch.

In 2023, we activated new channels and expanded our complaints framework to ensure we accurately capture customer concerns, in line with the Bank's growth and enhanced propositions, with our priority remaining on resolving customer concerns with an efficient and transparent process. While this increased our volumes, we strengthened our focus on quality and timely closure by improving our processes and customer communications.

The below table shows our customer complaints filed per a calendar year, of which all customer complaints are resolved in a timely manner.

| | 2021 | 2022 | 2023 |
|-------------------------------------|--------|--------|---------------|
| Number of Customer Complaints Filed | 24,466 | 23,223 | 24,580 |

“In 2023, we activated new channels and expanded our complaints framework to ensure we accurately capture customer concerns, in line with the Bank's growth and enhanced propositions, with our priority remaining on resolving customer concerns with an efficient and transparent process.”

Governance and Ethics

Information Security and Cybersecurity

At Emirates Islamic, our commitment to safeguarding our stakeholders' data is paramount. We use a range of measures to keep customer data secure and protected against unlawful processing, accidental loss, destruction, and damage.

Our Group Information Security Strategy has been developed to further strengthen Emirates Islamic's commitment towards the protection of data while our Information Security Strategy is aligned amongst others with industry security safeguards and NIST Framework as well as ISF Standard for good practices for Information Security.

For more information on Information Security and Cybersecurity, please refer to the [Emirates NBD Group ESG Report 2023](#).

Managing Cyber Threats

At Emirates Islamic, we employ a sophisticated Threat Conditioning Framework to manage enterprise cyber threats, ensuring timely communication of any potential threats to our Senior Management. The following are key components of our cybersecurity and data management strategy:

| | | |
|-----------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Security Controls | Third-Party Assessments | Data Retention Policy |
| Customer Awareness | Cybersecurity Culture | Vendor Data Management |
| Audits | Data Breach Record | Business Continuity and Incident Response |
| Regulatory Compliance | Employee Training | For more information on Managing Cyber Threats, please refer to the Emirates NBD Group ESG Report 2023 . |

Sustainable Procurement

Emirates Islamic's procurement policies prioritise sustainability. Our Supplier Code of Conduct sets forth requirements for the suppliers with whom the Group does business, including their employees – including permanent, temporary, and contract agencies – and other third parties. It is the Supplier's responsibility to disseminate, educate and exercise diligence in verifying

compliance with this Code to its employees, agents, and sub-tier suppliers. We require all our suppliers to adhere to the content of this code and demonstrate their commitment to the principles listed in the context of the jurisdiction of operations, services provided, and size and nature of the selected suppliers, and our vendors undergo stringent environmental assessments.

For more information on Sustainable Procurement refer to the [Emirates NBD Group ESG Report 2023](#).

Further details on Ethical Governance and the respective sections highlighted in this report may be found in the [Emirates NBD Group ESG Report 2023](#) and the [Emirates NBD Group ESG Momentum Report](#).

Labour Practices and Human Rights

Collective bargaining and labour association is not permitted under the UAE law. Emirates Islamic abides by the legal requirements set forth in the UAE Federal Law which regulates labour relations and addresses the employment of minors. Vendors and suppliers are subject to the same rules.

Respect for human rights is a fundamental value for Emirates Islamic in all our relationships with employees, suppliers, and other parties. We are committed to protect, respect, and promote human rights principles and to strengthen our commitment, we are also a signatory to the United Nations Global Compact.

For more information on Labour Practices and Human Rights refer to the [Emirates NBD Group ESG Report 2023](#).

Data Disclosures

We are committed to report with transparency and rigour on our progress with data covering our KPIs provided below:

Contributing to Society Data

| KPIs | 2021 | 2022 | 2023 | Target |
|------------------------------------------------------------------|------|------|-------------|-------------|
| Number of operations assessed for risk related to corruption | 8 | 16 | 9* | 21 |
| Percentage of operations assessed for risk related to corruption | 100% | 100% | 100% | 100% |
| Number of corruption incidents | 1 | 1 | 1 | 0 |
| Total number of non-monetary sanctions | Nil | Nil | Nil | Nil |

* 2023 number is based on the Operational Risk and Control Assessment completed as of 20 December 2023.

| Customer Experience | 2021 | 2022 | 2023 |
|-------------------------------------|--------|--------|---------------|
| Customer satisfaction score (%) | 81% | 80% | 82% |
| NPS score | 35 | 33 | 40 |
| Number of customer complaints filed | 24,466 | 23,223 | 24,580 |

| Workforce | 2021 | 2022 | 2023 |
|----------------------------|-------|-------|--------------|
| Employees by type | | | |
| Total | 1,518 | 1,669 | 1,720 |
| Full-time | 1,518 | 1,669 | 1,720 |
| Part-time | 0 | 0 | 0 |
| Permanent | 1,514 | 1,663 | 1,719 |
| Temporary | 4 | 6 | 1 |
| Employees by gender | | | |
| Full-time | | | |
| Female | 563 | 629 | 625 |
| Male | 955 | 1,040 | 1,095 |
| Part-time | | | |
| Female | 0 | 0 | 0 |
| Male | 0 | 0 | 0 |
| New hires | | | |
| Total | 282 | 270 | 292 |
| Female | 132 | 112 | 111 |
| Male | 150 | 158 | 181 |
| Age 18-30 | 157 | 114 | 117 |
| Age 31-50 | 123 | 153 | 170 |
| Age 51+ | 2 | 3 | 5 |

| Workforce | 2021 | 2022 | 2023 |
|-------------------------------------------------------------|--------|---------|---------------|
| Turnover | | | |
| Percentage of employee turnover (voluntary and involuntary) | 11% | 9% | 17% |
| Percentage of employee turnover (voluntary only) | 9% | 7% | 13% |
| Parental leave | | | |
| Female | 33 | 30 | 29 |
| Male | 46 | 42 | 56 |
| Employees returning to work after parental leave | 79 | 72 | 85 |
| Employee nationality by country | | | |
| Africa | 6 | 6 | 10 |
| Arab | 187 | 197 | 189 |
| Egypt | 109 | 124 | 133 |
| GCC | 8 | 10 | 13 |
| India | 317 | 345 | 372 |
| Other Asia | 24 | 23 | 21 |
| Other Sub Continent | 47 | 54 | 58 |
| Pakistan | 185 | 204 | 237 |
| Philippines | 31 | 28 | 30 |
| UAE | 572 | 655 | 635 |
| Western | 32 | 23 | 22 |
| Employee Training | | | |
| Training delivered | | | |
| Total | 85,447 | 113,670 | 88,889 |
| Senior management employees | 637 | 385 | 1,144 |
| Middle management employees | 16,251 | 13,855 | 11,703 |
| Other level employees | 68,559 | 99,430 | 76,042 |
| Male employees | 45,303 | 55,693 | 58,559 |
| Female employees | 40,144 | 57,977 | 30,329 |
| Average training per employee (hours) | | | |
| Average employees | 56 | 50 | 36 |
| Male employees | 46 | 36 | 34 |
| Female employees | 73 | 80 | 41 |
| Senior management employees | 25 | 15 | 25 |
| Middle management employees | 44 | 32 | 46 |

Definitions

Board: Refers to the Board of Directors

BRC: Board Risk Committee

C&IB: Corporate & Institutional Banking

CBUAE: Central Bank of UAE

CHS: Customer Happiness Score

CODE: Collaboration, Ownership, Drive, Enterprising

COP28: 28th Conference of the Parties

CPR: Consumer Protection Regulation

CSE: Customer Service Excellence

CX: Customer Experience

DEI: Diversity, Empowerment, and Inclusion

DFM: Dubai Financial Market

Emirates Islamic Bank P.J.S.C.: Emirates Islamic, EI, the Bank, organisation

ESG: Environmental, Social, and Governance

ESR: Environmental and Social Risk

ESRP: Environmental and Social Risk Policy Framework

GBC: Gender Balance Council

GCC: Gulf Cooperation Council

GHG: Greenhouse Gas

GRC: Group Risk Committee

GRI: Global Reporting Initiative

Group: Emirates NBD Group and its subsidiaries.

Group EXCO: Group Executive Committee

HSA: Higher Shariah Authority

ICAAP: Internal Capital Adequacy Process

ISSB: International Sustainability Standards Board

ISSC: Internal Shariah Supervision Committee

ISS ESG: Institutional Shareholder Services Inc.

KPIs: Key performance indicators

MBRHE: Mohammed Bin Rashid Housing Establishment

MSME: Micro, Small and Medium Enterprises

NDC: Nationally Determined Contribution

NPS: Net Promoter Score

PoD: People of Determination: Persons with disabilities

RBWM: Retail Banking & Wealth Management

SCA: Securities and Commodities Authority

STP: Straight through processing

TCF: Treating Customers Fairly

TCFD: Task Force on Climate-Related Financial Disclosures

TRY: Treasury & Markets

UNGC: United Nations Global Compact

UNSDGs: United Nations Sustainable Development Goals



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