

Emirates Islamic Bank ESG Strategy 2025–2030

Shariah-aligned. Sustainable.
Future-focused.



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1.0. Executive Summary

As a leading Islamic financial institution, Emirates Islamic Bank (EI) is committed to integrating Environmental, Social and Governance (ESG) principles into its core strategy. Our approach is firmly aligned with Shariah values, UAE Vision 2030 and recognised global sustainability frameworks.

This 5-year ESG strategy sets out EI's roadmap to advance sustainable Islamic finance, strengthen environmental stewardship, enhance social impact and uphold the highest standards of ethical governance. Through this strategy, EI supports the UAE's transition to a more sustainable, inclusive and resilient economy.

EI's ESG strategy is structured around 4 strategic pillars:

- I. **Islamic Sustainable Finance:** Expanding ESG-aligned Islamic finance solutions, including sustainability Sukuk and Shariah-compliant ESG investment funds and deposit accounts.
- II. **Positive Environmental Impact:** Reducing EI's operational carbon footprint and supporting the UAE's Net Zero 2050 objectives through energy-efficient and resource-optimisation initiatives.
- III. **Responsible Social Impact:** Promoting financial inclusion, diversity and community engagement while continuing Zakat and charity fund allocations to support meaningful social causes.
- IV. **Governance and Ethics:** Strengthening transparency, Shariah compliance and ESG-integrated decision-making to uphold the highest ethical and governance standards across the bank.

Aligned with Emirates NBD Group priorities and national sustainability objectives, this ESG strategy supports regulatory compliance while positioning EI as a leading institution in sustainable Islamic finance. Through disciplined execution and measurable outcomes, EI aims to deliver long-term economic, environmental and social value.

2.0. Objectives & Targets

Pillar	Objective	Targets
Sustainable Finance	Expand Islamic sustainable finance solutions and promote responsible investments.	USD 3.7 bn in sustainable financing, contributing to the Group-wide target of USD 30 bn.*
Positive Environmental Impact	Reduce the bank's operational footprint and support climate finance.	<ol style="list-style-type: none"> 1. Support a 30% reduction in Group Scope 1 and 2 emissions by 2030. 2. Support the Group's commitment to improve water efficiency by 5% each year and contribute to the third update of the Second Nationally Determined Contribution (NDC).
Responsible Social Impact	Enhance financial inclusion, diversity and community engagement.	25% women in senior leadership roles by 2027.
Governance and Ethics	Strengthen ethical governance, transparency and ESG-linked decision-making.	CEO and EXCO scorecards aligned with ESG KPIs.

*Our baseline for FY 2023 was USD 2.2 bn.

2.1. Strategic Focus Areas

The ESG strategy is built around 4 core pillars:

1. Islamic Sustainable Finance
2. Positive Environmental Impact
3. Responsible Social Impact
4. Governance and Ethics

Each of these pillar supports the UAE's sustainability goals while remaining fully aligned with the principles of Islamic finance.

2.1.1. Islamic Sustainable Finance

Islamic Sustainable Finance plays a significant role in supporting the UAE's transition to a greener, low-carbon economy. EI is committed to financing projects in the UAE and internationally that deliver long-term environmental and social value, while remaining fully compliant with Shariah standards and principles.

Focus areas include:

Sustainable Sukuk: EI will develop and issue sustainable sukuk to finance projects with positive environmental outcomes. Proceeds will support initiatives such as renewable energy projects, energy-efficient infrastructure, clean transportation and other eligible assets aligned with the UAE's Clean Energy Strategy.

In line with the Islamic finance principle of promoting social good, EI will also explore social impact sukuk to support priority sectors including affordable housing, healthcare and education, in line with the UAE National Agenda for Social Development.

Shariah-compliant ESG Funds: EI will launch Shariah-compliant ESG investment funds that integrate ESG principles with Islamic finance requirements. These funds will focus on sectors such as renewable energy, water conservation, sustainable agriculture and green buildings.

Climate-aligned Financing: As part of its broader sustainable finance approach, EI will incorporate climate risk considerations into credit and investment decision-making. EI will prioritise financing for projects and businesses that contribute to emissions reduction, resource efficiency and climate resilience.

Time Deposit & Accounts: EI is committed to offering ESG-compliant time deposit and account solutions that are fully compliant with Shariah standards and principles while supporting positive environmental and social outcomes. Funds mobilised from these products will be invested in responsible and ethical projects, including renewable energy, affordable housing, healthcare and education.

Through these offerings, customers can align their savings with their values, contributing to a greener and more inclusive economy while earning returns in a transparent and Shariah-compliant manner.

2.1.2. Positive Environmental Impact

EI is committed to minimising its environmental footprint and supporting initiatives that advance environmental sustainability. EI will ensure that its operations and financing activities contribute to the UAE's vision, climate objectives and relevant global environmental commitments.

Internal Carbon Footprint Reduction: EI will reduce its environmental footprint by transitioning to renewable energy in its branches and offices, adopting energy-efficient technologies, and minimising waste through better recycling and resource management. EI will also expand paperless banking and digital services to further reduce environmental impact.

Green Financing Solutions: EI will promote green finance and sustainable housing for customers investing in eco-friendly homes and energy-efficient technologies. This includes financing for renewable energy systems, energy-efficient appliances and sustainable building materials.

Supporting the Circular Economy: EI will actively support projects and businesses that are focused on the circular economy, including waste-to-energy initiatives, recycling innovations and sustainable manufacturing practices.

Climate Risk Integration: In line with the global Task Force on Climate-related Financial Disclosures (TCFD) recommendations, EI will integrate climate risk assessments into its financing and investment decision-making processes. This approach will help us identify and mitigate the financial risks, helping to safeguard long-term stability and sustainability for EI and its stakeholders. This is aligned with UAE regulatory guidance and Group climate risk frameworks, specifically the principles for effective management of climate-related financial risks.

2.1.3. Responsible Social Impact

EI is committed to creating positive and lasting social impact, particularly in areas that directly support the wellbeing of individuals and communities. Our approach is grounded in the Islamic standards and principles of justice, equity and social responsibility, and aligned with the UN Sustainable Development Goals (SDGs).

Financial Inclusion: EI is committed to advancing financial inclusion by expanding access to Shariah-compliant banking solutions for underserved and vulnerable segments. This includes developing products, services and initiatives that support individuals and small businesses who may otherwise have limited access to formal financial services.

Supporting Social Enterprises: EI will prioritise financing for social enterprises and businesses that contribute to community development and social wellbeing. Key focus areas include healthcare, education and affordable housing, in line with social development priorities.

Zakat and Charity Fund: In line with Islamic principles, EI will allocate a portion of its profits to charitable causes through Zakat (mandatory almsgiving) and charity funds

(voluntary contributions). These funds will support community-based initiatives, poverty alleviation programmes, and social development projects, reinforcing EI's commitment to social justice and shared prosperity.

Employee Welfare and Diversity: EI will foster a diverse, inclusive and supportive workplace. EI will promote Emiratisation, gender diversity, fair labour practices and equal opportunities for career development. EI will also enhance employee wellbeing through wellness initiatives and programmes that support professional and personal growth.

Community Investment: EI's corporate social responsibility (CSR) programmes will focus on priority social areas including education, healthcare and poverty alleviation. EI will collaborate with local NGOs, governments and other organisations to maximise the impact of its CSR initiatives including volunteering and community development programmes.

2.1.4. Governance and Ethics

At the heart of Islamic finance is a commitment to transparency, accountability and ethical conduct. EI is committed to upholding the highest standards of governance, ensuring that all business activities are conducted with integrity and in full compliance with Shariah standards and principles, UAE laws and applicable international regulatory standards.

To support effective oversight, EI will maintain appropriate governance structures, including dedicated sustainable finance and ESG oversight mechanisms.

Shariah Governance Framework: EI's Internal Shariah Supervision Committee (ISSC) will continue to oversee EI's operations, ensuring that all financial products, services and investments comply with Shariah principles. The ISSC will also ensure that ESG-related activities remain aligned with Islamic ethical values, including justice, fairness and the avoidance of harmful investments.

Anti-corruption and Transparency: EI will maintain a zero-tolerance approach to corruption and unethical business practices. The bank will continue to enforce robust

anti-bribery and anti-money laundering (AML) measures to ensure compliance with UAE laws and international standards.

Reporting and Accountability: EI will regularly report on its ESG performance to provide stakeholders with transparent and accurate updates on progress toward meeting sustainability targets. EI will also undertake regular independent audits to assess the effectiveness of its ESG practices and ensure accountability in meeting its commitments.

Stakeholder Engagement: EI will engage with key stakeholders, including shareholders (Emirates NBD Group), customers, regulators, employees, partners, NGOs, government entities and local communities. Through ongoing dialogue, EI will continue to strengthen its governance practices, refine its ESG approach and maintain transparency in decision-making.

2.2. Initiatives

Pillar	Key Initiatives (2025–2030)
Sustainable Finance	<ul style="list-style-type: none"> Train senior relationship managers in sustainable finance empowering them to educate clients. Train senior leadership on Islamic sustainable finance so they can take informed ESG decisions. Launch Shariah-compliant ESG investment funds focusing on renewable energy, water conservation and social impact. Host client roundtables so relationship managers can understand the ESG challenges clients are facing and support them in their move towards sustainable projects.
Positive Environmental Impact	<ul style="list-style-type: none"> Create a Taskforce on Nature-related Financial Disclosures (TNFD) and publish findings in the ESG report 2025 and Net Zero pathway by 2025 along with the Group. Introduce energy and water efficiency measures across operations. Plan and implement initiatives on reducing overall operational emissions.

Pillar	Key Initiatives (2025-2030)
Responsible Social Impact	<ul style="list-style-type: none"> • Expand financial inclusion programmes for our community. • Strengthen Women in Leadership Programmes (such as INSEAD and Women in Finance). • Maintain Zakat and Charity Fund allocations towards sustainable social initiatives.
Governance and Ethics	<ul style="list-style-type: none"> • Embed ESG performance metrics into EXCO scorecards. • Enhance Shariah-compliant ESG reporting aligned with global standards. • Strengthen Anti-Money Laundering (AML) and ethical banking practices.

As sustainability priorities shift, the EI-identified list of initiatives is subject to change and EI will continue to identify and implement additional initiatives to drive further positive impact, ensuring continuous progress in the ESG space.

3.0. Aligning with UAE Vision and ESG Standards

3.1. UAE Vision 2030 and Sustainability Goals

UAE Vision 2030, together with national initiatives such as **UAE Net Zero 2050, Energy Strategy 2050** and **Centennial 2071** reflects the country's long-term commitment to building a diversified and sustainable economy.

This commitment is reinforced by **Federal Decree-Law No. (11) of 2024 On the Reduction of Climate Change Effects**, which came into effect on 30 May 2025 and any further amendments. This law establishes a national framework to mitigate climate change impacts, with a focus on reducing carbon emissions, increasing renewable energy capacity, fostering green technologies and promoting responsible consumption.

In support of these objectives, the UAE has introduced principles for the effective management of climate-related financial risks and **Guiding Principles on Sustainable Finance**, strengthening ESG integration and transparency across the financial sector.

As part of the **UAE Green Agenda (2015–2030)**, the country has committed to accelerating the transition to a green economy through investment in renewable energy, green building technologies and sustainable infrastructure. ESG considerations are increasingly embedded into national economic planning and regulatory frameworks, with financial institutions expected to play a central role in mobilising capital to support the UAE's sustainable priorities.

3.2. Key Regulatory Frameworks and Standards

In alignment with the UAE's sustainability agenda, EI will ensure compliance with relevant national and international ESG regulations and standards:

1. UAE Regulatory Frameworks

EI will align with **UAE Central Bank Sustainability Guidelines**, which emphasise the integration of climate-related risks into financial decision-making and promote the development of sustainable, Shariah-compliant finance solutions.

In addition to being guided by the UAE Central Bank, EI will draw on relevant ESG principles and reporting requirements set by the **Dubai Financial Market (DFM)** and the **UAE Securities and Commodities Authority (SCA)**.

2. Islamic Financial Services Board standards

EI adheres to **Islamic Financial Services Board (IFSB) standards**, which provide guidance and regulatory principles for Islamic finance institutions. These standards support the sustainable operation of institutions operating in the Islamic finance ecosystem and encourage the integration of ESG principles into business models.

El will also follow **Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)** standards, which govern Islamic financial transactions and products to ensure full compliance with Shariah principles.

3. Global Standards

In addition to local regulations, El will adopt internationally recognised ESG frameworks where appropriate. These include the **Global Reporting Initiative (GRI)**, **Sustainability Accounting Standards Board (SASB)**, and the **Task Force on Climate-related Financial Disclosures (TCFD)**.

4.0. Conclusion

El's ESG strategy reinforces El's commitment to leading Islamic sustainable finance while aligning with Shariah values, UAE Vision 2030, Net Zero 2050 and global ESG standards.

Grounded in the principles of Islamic finance, this strategy aims to drive positive environmental, social and economic change, while ensuring that all activities are consistent with Shariah standards and principles.

By embedding ESG principles into El's operations, launching sustainability Sukuk, promoting financial inclusion and enhancing corporate governance, El is reinforcing its role in supporting the UAE's transition to a more sustainable, inclusive and ethical financial system.

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