Sustainability

ADCB Group is committed to managing the environmental and social impacts of its operations and promoting sustainable development in the UAE.

As one of the major financial institutions in the UAE, we have a responsibility to make a positive contribution to the national agenda. We believe it is important to promote sustainability through effective Economic, Social and Governance (ESG) management. That means integrating ESG considerations into the way we do business.

We believe that embedding sustainability into our operating model will enable us to generate greater long-term value and address the evolving needs of all our stakeholders.

The Bank is aligned with the UAE Vision 2021, which sets out the key themes for the social and economic development of the country and paves the way for a more diversified and knowledge-based economy. We support the Plan Abu Dhabi 2030, to create a more sustainable city. We also support the UAE government in its contribution to the United Nations Sustainable Development Goals (SDGs).

The information in this section of our Annual Report provides a detailed snapshot of our current status, along with a summary of our achievements over recent years.

To enable comparability with previous years, the data included in this section of the report relates to ADCB, and excludes data from the former Union National Bank and Al Hilal Bank, unless specified.





Stakeholder engagement

Our key stakeholders are those that influence, or are influenced by, our daily business activities, which is why it is critical to ensure we have an ongoing dialogue with them to effectively understand and respond to their needs. We have two types of stakeholders: internal stakeholders who are part of ADCB, and external stakeholders, made up of all relevant groups outside our organisation. In the table below we have identified six principal stakeholder groups.

OUR STAKEHOLDERS	HOW WE ENGAGE	THEMES
UAE GOVERNMENT AND REGULATORS	• Face-to-face meetings • Official communication • Public reporting • Annual Report	• Compliance with legal and regulatory requirements • Emiratisation • Consumer protection • Support for the UAE economy • Support for strategic development goals • Sustainability
CUSTOMERS	• Branch network • Mobile and internet banking • ADCB.com • Social media • Call centres • Relationship managers • Net Promoter Score • Customer Care	• Customer experience and satisfaction • Usability and accessibility of digital products • Financial inclusion • Innovative products • Information security and data protection • Clear communication • Competitive rates and rewards
EMPLOYEES	• Regular internal communications • Learning and Development programmes • Performance appraisals • Coaching • Employee Engagement Survey • Awards • Town Hall meetings • Face-to-face management meetings • Training	• Emiratisation • Diversity and inclusion • Reward and recognition • Clear objectives and communication • Personal and professional development • Training opportunities • Career opportunities • Workplace culture and values
SHAREHOLDERS AND INVESTORS	• AGM • Face-to-face meetings • Conference calls • Roadshows • Annual Reports • Quarterly financial reports • Press releases • Investor Relations website	• Profitability, growth and return on investment • Sustainable value creation • Competitiveness • Strong corporate governance framework and risk management • Strong leadership • Clear strategy
SUPPLIERS	• Bids and tenders • Procurement • Online tendering platform • Face-to-face meetings • Vendor screening process	• Supply chain management • Clear communication • Timely payments • Fair and transparent processes
COMMUNITY	• CSR activities • Events • Partnerships • Social media • ADCB.com • Public reports	• Emiratisation • Financial education and inclusion • Employment • Local sponsorship and outreach

Working with our stakeholders

THE UAE GOVERNMENT AND REGULATORS

The UAE government is committed to a sustainable future for all and is a signatory to the United Nations SDGs and the Paris Agreement.

As a Bank, we are well-positioned to support the UAE in achieving a number of the 17 UN SDG goals. The list below highlights those where we can potentially contribute the most.

SUSTAINABLE DEVELOPMENT GOAL	OUR CONTRIBUTION
 SDG 4 - QUALITY EDUCATION	• We recognise the importance of talent development and we continuously build the future skills of our employees to support the growth of our business. We invest in personal and professional training that supports the business and fosters our employees' development aspirations. In addition, we create a variety of learning opportunities and experiences, that reflect the latest developments in the market. • Beyond our organisation, we invest in education for the local youth through our community programmes.
 SDG 5 - GENDER EQUALITY	• We have placed gender equality high on our agenda, across all levels of the organisation. In the past year, the percentage of women has remained stable, comprising 39% of our total employees.
 SDG 8 - DECENT WORK AND ECONOMIC GROWTH	• By creating new jobs opportunities, training young people, investing in Emirati talent, and protecting our employees' rights and safety, we contribute to sustaining economic growth. • Our economic performance, growing customer base, and customer satisfaction have a direct and indirect impact on the industry, contributing to overall growth. We also ensure that we work with local and environmentally conscious suppliers where possible.
 SDG 10 - REDUCING INEQUALITIES	• Our employment policies are designed to promote inclusion and equality within the company. We also have relevant grievance mechanisms in place for employees to report cases of discrimination or violations of conduct and appropriate actions to be taken.
 SDG 17 - PARTNERSHIPS FOR THE GOALS	• Through our community programmes we work together with local organisations such as Emirates Foundation, WWF (Emirates Nature), Emirates Red Crescent, the Sheikh Khalifa Bin Zayed Foundation, and the Al Jalila Foundation for Breast Cancer.

COMMITTED TO EMIRATISATION[1]

Emiratisation is an integral part of our talent management strategy at the Bank. By striving to attract, develop, retain and promote UAE Nationals we are helping to empower the business and to support the development of our nation. As a result of our strategy we once again exceeded the Emiratisation targets set by the Central Bank in 2019.

Our approach has also helped to empower Emirati women in the Banking industry. We are proud that ADCB scores highly in gender diversity and that almost 80% of our Emirati workforce are women. A strong illustration of our approach is our award-winning Tamooha programme.

Tamooha, which celebrated its fifth anniversary in 2019, helps to facilitate job opportunities and career development for Emirati women. It provides an appropriate environment that suits social norms, family responsibilities and overcomes regional barriers, such as geographical remoteness. Since it began, more than 350 women have benefitted from this innovative programme.

To empower Emirati women at all levels, we launched a new training programme for our receptionists, to support them in achieving their career aspirations.

Across our diverse Emirati Academy customised curriculum (Mahara, Specialised, Management and Leadership Track), we have successfully developed more than 1,100 UAE National employees.

PROGRAMME	DESCRIPTION
MAHARA CERTIFIED PROGRAMME	• This programme is designed to increase the financial dexterity of our new Emirati employees, focusing on enhancing their competencies and confidence as individual and team contributors. This year we supported more than 140 UAE Nationals who received a tailored learning programme.
SPECIALISED CERTIFIED PROGRAMME	• Helping new Emirati graduates with their career aspirations is the aim of this programme. • By creating different learning opportunities and experiences tailored to individual needs, we enrich their professional identity and behaviours to help their career progression through the Bank. Now in its third year, the programme continues to attract a growing number of graduates.
MANAGEMENT AND LEADERSHIP TRACK	• We continue to invest in competency-based solutions, offering customised management and leadership development journeys. These solutions have enabled promising UAE National employees to make a valuable contribution to the organisation through developing core managerial and leadership competencies, whilst also achieving personal and professional fulfillment and growth.

CUSTOMERS

Our vision is to be the number-one bank of choice in the UAE and to support this ambition our strategy is to ensure our customers are always at the centre of our decision-making. Providing an exceptional and outstanding customer experience is what drives our business.

We are proud to have consistently improved our Net Promoter Score, indicating a high level of loyalty from our customers. In 2019, we received significantly fewer complaints and have continued to resolve them in less than three days.

CUSTOMER EXPERIENCE	2017	2018	2019
Total customer complaints resolved	100%	100%	100%
% of complaints resolved within 3 days	94%	92%	92%

DATA SECURITY AND PRIVACY

Data security and privacy are of vital importance to ADCB and we have a robust framework in place to ensure the highest standards of protection. We believe this is a key component to building lasting relationships with our customers.

Data security concerns the protection of clients' personal information. Data privacy, on the other hand, is focused on the ethical handling of customers' personal data. We have a dedicated department that handles data security, ensuring sufficient safeguards and security controls are always in place (see page 46 of the Risk Management section).

In order to further underline the importance of data privacy within ADCB, both from a regulatory perspective and customer expectations, we have established a dedicated Data Privacy Office. The Data Privacy Office is also responsible for making sure that ADCB is well-positioned for any upcoming local legislation or regulatory requirements as well as closely monitoring

1 Data for ADCB Group—including former UNB and Al Hilal Bank employees.

international best-practice. This includes the European Data Privacy Regulation GDPR (General Data Protection Regulation) which came into force in 2018.

Our robust stance on this matter represents another opportunity to bring added value to our customers. In 2019, we were able to detect and prevent each and all attempts to breach customer privacy.

ACCESS TO DIGITAL PRODUCTS	2017	2018	2019
Mobile banking subscribers	357,677	436,145	531,703
ADCB personal internet banking subscribers (retail)	484,116	527,258	538,284

The number of customers using our services through digital products, such as our mobile banking app and internet banking, has steadily increased in 2019. To support this growth, it is important that our products and services are accessible and user-friendly for all. Our financial inclusion efforts are focused on financial literacy, affordable products, and services for all individuals and companies.

EMPLOYEES

We recognise the value of diversity and we are proud that our workforce is made up of 82 nationalities. This helps to enrich our culture, promoting an inclusive working environment.

ADCB's culture was rated as exemplary by more than 80% of employees in an organisational health survey conducted in 2019. The results placed ADCB in the top decile of companies in the world and demonstrated that staff had a clear understanding of the Bank's strategy and goals. It also showed a strong level of employee engagement.

Building on this, we will continue to focus on nurturing our organisational and cultural health by investing in our people through training and development. We have created a tailored learning approach for each business line, embedding new digital skills and competencies needed to achieve organisational goals and a high-performance culture.

Through our Ambition University (AU) we support the business and the organisational culture. The AU aligns and integrates employees' development with the Group's strategic initiatives both at an organisational and at a business level. The AU undertakes business-driven training that adds value to the Group's business, shareholders, and customers. This year, through our teaching model and blended-learning methodology, we delivered more than 200,000 training hours, within more than 500 classroom courses and e-learning modules.

Investment in people remains a key focus and their performance is an important factor in their development. Employee performance is underpinned through comprehensive reviews twice a year, with a completion rate of 100%.

Looking ahead, we will continue to invest in our employees, creating impactful learning and development opportunities that are aligned with the Bank's strategy.

WORKFORCE AND DIVERSITY	2017	2018	2019[1]
% female employees	39%	39%	39%
% youth employed (18-30 years of age)	22%	21%	19%
Countries of origin (diversity by nationality)	79	82	82
Employees with special needs	6	5	6

CONDUCTING BUSINESS RESPONSIBLY	2017	2018	2019
Total training (hours) for direct employees on policies and procedures concerning anti-corruption	4,045	5,980	6,376

We have a comprehensive Code of Conduct in place that includes our mission, core values, and service commitments. The Code of Conduct is part of mandatory training. All employees have to acknowledge the Code of Conduct on a yearly basis to ensure they carry out their work in line with our standards. In addition, we have several mechanisms in place to ensure that we are compliant with all required regulations and best-practice guidelines, such as our whistle-blowing policy, anti-bribery and corruption policies and training.

1 Data for ADCB Group—including former UNB and Al Hilal Bank employees.

SHAREHOLDERS AND INVESTORS

We have an open and ongoing dialogue with our investors and the investment community. We do this in a number of ways, including through our quarterly and annual reports as well as through our website. We regularly meet shareholders and investors to provide updates on our activities, including our financial performance and strategy.

For an overview of our financial performance, please see the Financial Overview on page 62. To read about our approach to governance, please turn to the Governance section of this report on page 104.

SUPPLIERS

SUPPLY CHAIN MANAGEMENT	2017	2018	2019
% spending on local suppliers	98%	97%	92%
% suppliers screened for environmental criteria	91%	91%	91%

We support the local economy with our responsible procurement practices, which are aimed at selecting local suppliers where possible. By integrating ESG criteria into our vendor screening process and through a partnership with local suppliers, we help to promote sustainable practices throughout our supply chain. We use an online tendering platform to ensure a transparent and auditable process.

ENVIRONMENTAL RESPONSIBILITY	2017	2018	2019
Total paper consumption (tonnes)	197	185	183
Total paper recycled (tonnes)	61	72	96
Total paper saved by e-statements (for retail in tonnes)	13	14	15
Total water consumption (m3)	90,707	103,577	90,839
Total electricity consumption (MwH)	43,627	42,894	44,388

PLANET

We aim to minimise our impact on the environment as much as possible. For example, we reduced our paper consumption by moving to digital forms of communication, such as our e-statements and our mobile apps. Currently, we are implementing more innovative solutions, such as moving documents and contracts to the cloud. In 2019, we introduced an artificial intelligence-based solution to scan and read contracts. Since its implementation, we have scanned more than 2,500 contracts, removing the need to print them.

We are always investigating other ways of reducing our footprint. Our offices are supplied with energy-saving LED lights and we replaced old chiller equipment with cleaner alternatives.

COMMUNITY	2017	2018	2019
Direct donations & sponsorships (AED)	14,790,818	7,003,327	9,079,674
Donations Islamic Banking Group (AED)	3,139,765	1,492,138	1,824,508
Total direct community distributions (AED)	17,930,583	8,495,465	10,904,182
Indirect community distribution (ATM donations) (AED)	888,362	704,785	733,609
Indirect community distribution (internet donations) (AED)	4,887,819	5,022,754	3,080,233
Total direct & indirect community investments (AED)	23,706,764	14,223,004	14,718,024

COMMUNITY

We continued to invest in the UAE through strategic partnerships, programmes, and sponsorships. As a major financial institution, we try to select initiatives to which we can make a meaningful contribution, both from a financial perspective and from our unique position in the community.

Our outreach aims to empower the UAE youth and the community. We do this through education and increased financial knowledge, partnerships with local (charitable) organisations and sponsorship of community events.

UAE youth empowerment

We play an important role in preparing young Emiratis for the future by providing additional educational opportunities and helping to raise financial awareness. One of the ways we do this is through our support for the Sandooq al Watan programme, which helps young Emiratis to develop useful skills.

We also continued our partnership with the local foundations to create the financial literacy programme MoneySense, targeted at the UAE youth. The MoneySense financial responsibility programme is an example of how we can use our reach and knowledge as a large financial institution to help and support UAE Nationals with managing their finances. MoneySense is the first financial literacy programme of its kind in the UAE, covering topics such as budgeting, setting and reaching savings goals, responsible borrowing, and planning for the future.

Education

Education and innovation are important pillars of our community programme. In August 2019, we announced a partnership with Plug and Play and ADGM (Abu Dhabi Global Market) to support local technology start-ups in the region. This partnership will help us to enhance our digital capabilities and explore new and innovative services for our clients.

Partnership for UAE

We have a long history of partnership with charitable organisations in the UAE. These include Emirates Red Crescent, the Sheikh Khalifa Bin Zayed Foundation, Emirates Nature—WWF and People with Determination (PWD) centres, all of which have played a significant role in supporting society in the UAE. In addition to our direct donations, we also facilitate donations of our customers through ATM transactions, online banking and the Zakat Fund.

We have also supported several events to raise money and awareness for good causes, such as the Pink Run for Breast Cancer awareness in October 2019. This event is now in its seventh year and provided a substantial contribution to the Al Jalila Foundation for Breast Cancer. We also continued to support healthy living throughout the UAE with our association with ADCB Bikeshare, in partnership with Cyacle.