بنك أبوظبي التجاري
ADCB

ADCB joins the UN-convened Net Zero Banking Alliance (NZBA) and more than triples its 2030 sustainable finance target to AED 125 bn (USD 34 bn)

- The United Nations-convened NZBA brings together more than 130 global banks with USD 74 trillion in total assets that have committed to financing ambitious climate action to transition the real economy in line with the goals of the Paris Agreement
- Under NZBA, ADCB will align its lending and investment portfolios with the aim of net zero emissions by 2050, including setting targets for carbon-intense sectors within 18 months
- ADCB's climate strategy aims to drive emission reductions across the Bank's financing, operations and supply chain, in line with the aim of limiting global warming to 1.5°C and the UAE's Net Zero by 2050 Strategic Initiative

Abu Dhabi, 28 November 2023 – Abu Dhabi Commercial Bank PJSC (ADCB) has joined the Net Zero Banking Alliance (NZBA), a group of over 130 leading global banks with USD 74 trillion in total assets committed to financing climate action to transition to net zero greenhouse gas (GHG) emissions by 2050 in line with limiting global warming to 1.5°C.

Convened by the UN Environment Programme Finance Initiative (UNEP FI), NZBA is an industry-led initiative to align the lending and investment portfolios of financial institutions with the imperative of limiting global warming to 1.5°C, in line with the Paris Agreement.

As a member of NZBA, ADCB is committed to the following action on climate:

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

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ALA'A ERAIQAT

Group Chief Executive Officer

“The UAE has set a clear ambition to transition to a net zero economy, supported by new regulations, and we recognise the vital role that banks have to play in driving this transformation. We are proud to announce that ADCB has joined the Net Zero Banking Alliance, which represents over 40% of global banking assets. We will work alongside national and global partners to develop sector pathways for the region.

The Bank will also deepen collaboration with customers to ensure they succeed on their path to net zero, by supporting the development of credible transition plans. Investment in decarbonisation represents significant economic opportunity, and by committing AED 125 billion in sustainable finance by 2030, ADCB will make a substantial contribution to realising the UAE's climate agenda.”

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ADCB's approach to climate – Partners in the transition to net zero

In line with the UAE's net zero by 2050 ambition, ADCB has enhanced its climate strategy to drive emission reductions across its financing, operations and supply chain. As part of this new climate framework, ADCB has more than tripled its sustainable finance commitment to AED 125 billion (USD 34 billion) by 2030, while setting a shorter-term target of AED 50 billion (USD 14 billion) by 2025.

Since 2021, the Bank has raised and facilitated over AED 23 billion (USD 6.4 billion) in sustainable finance through green bonds, sustainability-linked loans, renewable energy project financing and green loans.

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

Furthermore, ADCB has established full Board oversight of the sustainability strategy and governance framework, and has taken the following action:

- ✓ Launched its **Green Bond Framework** aligned with the UN Sustainable Development Goals (SDGs) and based on the International Capital Markets Association (ICMA) Green Bond Principles. The Bank has raised USD 1.15 billion from **two green bond issuances to finance eligible green initiatives**
- ✓ Developed a **'Sustainable Finance Framework'** defining the classification, governance and reporting of its sustainable finance target
- ✓ Published an **'Environmental and Social Risk Management (ESRM) policy'** and sector position statements to embed climate considerations within lending decisions
- ✓ Submitted **first climate scenario analysis and stress test to the UAE Central Bank**
- ✓ Reported according to the standards set by the T**askforce on Climate-related Financial Disclosure (TCFD)**, outlining how ADCB manages climate-related risks and opportunities
- ✓ Measured **scope 3 'financed GHG emissions'** to identify the most carbon-intense sectors in accordance with the industry-recognised methodology defined by the **Partnership for Carbon Accounting Financials (PCAF)**
- ✓ **Reduced 'operational GHG emissions' by 22%** since 2019 and carried out an energy audit
- ✓ **Joined the UAE Carbon Alliance and supported Harvard Kennedy School** for research seeking to advance global carbon markets (Article 6 of the Paris Agreement)
- ✓ Achieved **industry leading ESG ratings** among diversified banks in the region and in top quartile globally by Sustainalytics, as well as 'A' rating from MSCI
- ✓ Became a founding signatory of the Abu Dhabi Sustainable Finance Declaration in 2019 and in 2023, signed the UAE Ministry of Climate Change and Environment (MOCCAE) **'Climate Pledge' committing to disclose science-based targets and transition plans**

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