



Abu Dhabi Commercial Bank PJSC (“ADCB”)

Group Sustainability Policy

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بنك أبوظبي التجاري
ADCB 

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1. PURPOSE

The purpose of this Policy is to define ADCB's commitments in line with our Group Sustainability Strategy and seeks to define a common set of standards across the Group.

This is an 'overarching' policy which contains general principles and commitments, and not a complete set of detailed rules that cover all situations for implementation. The more detailed rules are, or will be as deemed necessary, described in topic-specific/sectoral policies, position statements, operating procedures, and guidelines to support effective implementation across the organization, including subsidiaries.

2. SCOPE

This policy applies to ADCB Group and all its subsidiaries and branches within and outside of the UAE.

3. POLICY STATEMENT

ADCB's Group sustainability strategy is aligned with its stakeholder expectations, and seeks to strengthen ADCB's business resilience and operational practices, while harnessing opportunities to support the transition to an inclusive, net zero economy.

The following policy statements outline the main components of the Group sustainability strategy and ADCB's formal commitment within each thereof.

3.1 Our purpose

The purpose of our strategy is to 'support the transition to an inclusive, net zero economy'.

3.2 Strategic priorities

To deliver on our purpose we have identified four strategic priorities, each consisting of the material topics/workstreams that need to be managed, and a set of commitments to establish common standards across the Group. The strategic priorities are:

- > Climate (E)
- > Customers and Communities (S)
- > Employees (S)
- > Governance (G)

3.2.1 Climate:

Our ambition is to "Support the transition to a net zero economy and manage climate change risks"

ADCB's strategic commitments are:

- > **Sustainable finance:** We will develop innovative financial products and services to help corporate and retail customers reduce their emissions and tackle climate change and will endeavor to measure and disclose the financed emissions (scope 3 emissions⁽¹⁾) associated with our most carbon intense portfolios.

(1) Subject to sufficient quality data being available.

- > **Environmental and social risk management (ESRM) in lending:** We will integrate environmental and social risk management within the credit and risk due diligence approval process and be guided by the Equator Principles to ensure we do not cause harm to the environment and communities where we operate.
- > **Net zero operations:** To ensure we take responsibility for our direct impacts, we will comply with all relevant environmental laws and regulations in the jurisdictions in which we operate, set targets to minimize the carbon emissions associated with our operations and improve resource efficiency (e.g., energy, water, paper, waste).
- > **Green procurement and supply chain:** We will integrate ESG criteria within third-party risk management and procurement policies and processes to ensure the suppliers we work with reflect our values and that the associated risks are managed accordingly.
- > **Financial inclusion and empowerment:** We will support the growth of SMEs, micro-businesses, and entrepreneurs with access to finance and will improve financial education and inclusion amongst retail customers.
- > **Digital and innovative propositions:** We will offer digital and innovative propositions to equip customers with access to online banking and digital payment solutions.
- > **Community investment:** We are committed to delivering targeted activities, initiatives and sponsorships that progress socioeconomic development within the communities in which we operate.

3.2.2 Customers and Communities:

Our ambition is to “Provide inclusive and innovative financial services to drive sustainable economic growth”

ADCB’s strategic commitments are:

- > **Customer satisfaction:** We will provide transparent and responsible financial advice and communication to our customers to enable better financial decisions and act on customer feedback immediately to continuously improve our service.
- > **Employee engagement and wellbeing:** We will implement a programme of enhanced employee services to support our staff in the ever-evolving work environment, and ensure their safety and wellbeing within the workplace.
- > **Emiratization:** We will continue to be a major employer of Emiratis in the UAE banking sector and uphold our legacy of promoting and nurturing home-grown talent.

3.2.3 Employees:

Our ambition is to “Create a thriving workplace that attracts and retains the most talented and committed people”.

ADCB’s strategic commitments are:

- > **Learning and development:** We will provide ongoing training and career development for our employees to attract, recruit and retain the best talent.
- > **Equality, diversity and inclusion:** We will fully respect the human rights of our employees and ensure a workplace in which employees are treated with fairness, equality and respect.

3.2.4 Governance

Our ambition is to “Operate a responsible business with the highest ethical standards to preserve integrity and trust”.

ADCB’s strategic commitments are:

- > **Corporate governance, compliance and code of conduct:** We will maintain our core values and operate a world-class corporate governance framework.
- > **Risk management and cybersecurity:** We will embed a culture of risk awareness across the organisation, and will ensure customer information is protected and respect the right to privacy within the guidelines of all applicable privacy and data protection laws and regulations.
- > **Financial crime and anti-corruption:** We will continue to adopt a zero-tolerance approach to bribery and corruption and commit to the highest standards of professionalism and integrity in all business dealings and relationships, wherever we operate.

- > **Tax transparency:** We will adhere to the letter and spirit of the tax laws in all jurisdictions where we operate.

3.3 ESG enablers

To successfully implement the strategic priorities and identified material topics/workstreams, there are six enablers that form the basis of our internal operating model. The enablers are:

- > **Governance and policy:** Our Group sustainability governance framework ensures appropriate engagement and oversight of all ESG-related activities in the Bank. This Group Sustainability Policy serves as the overarching policy to knit together all policies related to ESG and we will integrate ESG considerations within existing ADCB policies and develop new policies where required.
- > **Targets and KPIs:** We will set annual targets and KPIs, aligned with the ESG strategy, and endeavor to integrate ESG performance measures into senior management remuneration and set ambitious medium to long-term targets.
- > **Training and upskilling:** We will build our internal capacity and increase the level of ESG skills in key roles across the business by integrating ESG into our training curriculum.

- > **Stakeholder management and communications:** We will proactively engage key stakeholders to understand their expectations and provide regular communications of ADCB ESG performance.
- > **External partnerships and commitments:** We will continuously review and identify external partners, alliances, charters and commitments that support our strategy.
- > **Reporting and disclosures:** We are committed to publicly disclosing our ESG performance in the ADCB Group Annual Report and a standalone ADCB Group ESG Report, in accordance with leading sustainability reporting standards and regulatory requirements.

4. ROLES AND RESPONSIBILITIES

This policy is owned, governed and reviewed annually by the ADCB Group Sustainability Committee (GSC), chaired by the Group Chief Financial Officer and attended by members of the Management Executive Committee (MEC).

The GSC is the main decision-making body for all matters relating to the implementation of ADCB's Group sustainability strategy and advises the Board of Directors on ADCB's strategic direction. This includes setting the ambition level, recommending and seeking approval from the Board on the strategy, deciding on priority initiatives for implementation with accountable working groups, monitoring performance, and assessing ESG-related risks and opportunities.

When required, the GSC reports key ESG-related risks and opportunities to the Board of Directors. The Board will receive an update on the overall execution of the Group sustainability strategy and performance a minimum of once a year. A designated Group Sustainability Team acts as an advisory body to the GSC and senior management on all ESG-related matters.

It will be the responsibility of the Group Sustainability Team to inform the UAE business teams and subsidiaries of any revision of this policy for its local adoption in compliance with regulatory requirements.