

SUSTAINABILITY REPORT

2024



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ABOUT THIS REPORT





ABOUT THIS REPORT

Overview

Abu Dhabi Islamic Bank (ADIB), as a leading Islamic bank, is committed to regularly update on its environmental, social, and governance (ESG) performance. Our sustainability strategy is deeply rooted in Shari'a principles. We emphasize our goal to maximize our social and environmental impact, reflecting the socially conscious roots of Shari'a.

Our Sustainability Report is designed for key stakeholders, including employees, suppliers, customers, investors, partners, and communities. It provides an overview of our performance on material ESG issues and highlights how sustainability is integrated into our goals and operations. This integration is guided by a materiality assessment that is a reflection of our stakeholder engagement.

Reporting Period

This report presents our sustainable management activities and performance during the period of January 1, 2024 – December 31, 2024, unless stated otherwise. It covers all our activities conducted in 2024 and, where relevant, compares them with those in 2023 and 2022. The report details our ambition, approach, successes, and areas for improvement in our sustainability journey.

In line with our 2024 Integrated Annual Report and Corporate Governance Report, this report reinforces our commitment to transparency and effective risk management. Our vision for a sustainable future is supported by our ESG strategy, which aims to benefit shareholders, communities, employees, and the environment.

The 2024 ESG Report outlines our goals and achievements, detailing initiatives that positively impact both the environment and society. It highlights our commitment to ethical practices, compliance, whistleblowing, sustainable procurement, labor practices, information security, and tax transparency.

We publish our ESG report annually, and it is available on our website.

Reporting Scope

The report covers our operations across the UAE, including our operations in the United Arab Emirates (UAE), unless otherwise indicated. The use of the name "ADIB" or "the Bank" in this report refers to our UAE and Egypt operations.

Reporting Standards

This ESG report has been prepared in accordance with international and national reporting standards and guidelines, including:

- Rules and principles of Shari'ah
- Global Reporting Initiative (GRI) Standards, 2021 (See Appendix for the GRI Index)
- Task Force on Climate-related Financial Disclosure (TCFD) (See Appendix for the TCFD Index)
- United Nations Sustainable Development Goals ("UNSDGs")
- The Abu Dhabi Vision 2030, a government strategy that will guide the next decade of economic, social, and environmental development in the nation

Forward-looking Statements

While every effort has been made to ensure the accuracy of the data contained in this report at the time of publication, the report contains forward-looking statements that could be subject to change beyond the control of ADIB. ADIB bears no obligation to publicly update or revise any forward-looking statements included in this report unless required to do so by applicable laws and regulations.

Feedback

ADIB constantly reviews its sustainability reporting methodology. The production of this report is a collaborative process, and we welcome any feedback that may enhance its' development.

For any queries or feedback about the content of this report, please contact:
Investorrelations@adib.com

We are committed to **transparency in ESG reporting**, and we are working to continually improve our reporting as industry **best practices evolve**. We have **maintained consistency and transparency** in our report year on year.

MESSAGES FROM LEADERSHIP



MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present Abu Dhabi Islamic Bank's (ADIB) Environmental, Social, and Governance (ESG) Report for 2024. This year's progress reflects our unwavering commitment to responsible banking and our role in supporting the UAE's broader sustainability ambitions.

Guided by our values and Islamic principles, ADIB has continued to embed ESG across its governance, operations, and strategy. In the social sphere, we made tangible advances in fostering a supportive and inclusive workplace. We achieved a staff engagement ratio of 75%, advanced Emiratisation to 44%, and increased female representation in our workforce to 39%. These achievements affirm our commitment to empowering talent and driving equitable opportunity across the organisation.

Our governance structure remains a key enabler of resilience and long-term value creation. The Board continues to champion robust oversight and strategic clarity, supported by dedicated committees and a strong management team.

This year, ADIB's recognition as the Safest Islamic Bank Globally and Best Bank in the UAE by Global Finance Magazine is a reflection of our disciplined approach and market leadership.

“ In 2024, we accelerated our environmental commitments, advancing our **Net Zero 2030 ambition** and achieving an **“AA” ESG rating from MSCI**. This milestone highlights the progress we have made in enhancing transparency, managing environmental risk, and aligning with global ESG benchmarks. ”

As we enter a new phase of growth, the launch of ADIB's 2035 Vision marks a pivotal moment in our transformation journey. It outlines a future built on digital innovation, customer trust, and sustainable finance — a future where ADIB continues to lead with purpose.

In closing, I would like to extend our deepest gratitude to the UAE's wise leadership — His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE,

His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister, and Ruler of Dubai, and their Highnesses, the Rulers of the Emirates. I also thank our customers, employees, shareholders, and partners for their continued trust and collaboration. Together, we are creating long-term impact and value — for our stakeholders, our communities, and future generations.

Sincerely,

H.E. Jawaan Awaidha Suhail Al Khaili
Chairman of the Board of Directors

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

It is with great pride that I present Abu Dhabi Islamic Bank's (ADIB) ESG Report for 2024. This year marks a pivotal chapter in our sustainability journey, one that demonstrates the strength of our purpose-led strategy and our ambition to lead in ethical, inclusive, and climate-aligned banking.

We continued to advance our ESG integration by adopting a double materiality approach, enhancing our understanding of both the risks we face and the impact we have. To guide our financing decisions, we have institutionalized a proprietary ESG due diligence toolkit aligned with global standards and in line with external external ratings providers such as MSCI and Sustainalytics. At ADIB, our purpose drives every decision, shaping a strategy that aligns with the UAE's vision for sustainability and the United Nations' Sustainable Development Goals (SDGs).

In line with the UAE Net Zero by 2050, we made tangible progress in our environmental commitments. We achieved a 3.51% reduction in our carbon footprint this year and continue to invest in energy efficiency, electrification, and green infrastructure. We are proud to be among the first Islamic banks globally to set sector-specific financed emissions reduction targets, reinforcing our role in enabling the transition to a low-carbon economy.

We advanced our decarbonization efforts, and witnessed 82% reduction of GHG Scope 1 emissions from the 2022 baseline. This aligns with our pledge to reduce emissions by 49% by 2030 from our 2022 baseline, supporting the UAE's Net Zero by 2050 goals.

In 2024, we announced our Sustainable Finance Strategy, committing to mobilize AED 60 billion in sustainable finance by 2030, in support of the UAE's Net Zero goals. Building on the success of the region's first US dollar-denominated Green Sukuk, issued in 2023 and oversubscribed 5.2 times, we have already facilitated AED 17.3 billion in sustainable finance to date. This year,

we also became the first UAE bank to pilot fractional Sukuks, broadening access to responsible investment products for retail customers. As a proud signatory to the UNEP FI Principles for Responsible Banking, we continue to align our financing activities with international sustainability standards and the Paris Agreement objectives.

Beyond the environmental agenda, we continued to strengthen our social impact and inclusion mandate. Our Emiratisation rate reached 44%, with women comprising 72% of UAE national hires. We supported over 140 community organizations, invested in comprehensive upskilling initiatives, and delivered over 62 training hours per employee to drive excellence and future-readiness across our workforce.

“Our efforts are underpinned by robust governance, with **enhanced ESG oversight** at both Board and management levels. Our continued alignment with international frameworks such as the UN SDGs, Paris Agreement, and the Principles for Responsible Banking, alongside our IFRS ISSB readiness assessment, reflects our **commitment to transparent and best-in-class disclosure practices.**”

ADIB's improved ESG ratings—MSCI AA, LSEG ESG 74, and DJSI 41—are a strong endorsement of our progress. Yet, we know that delivering long-term value for all stakeholders requires continuous innovation and unwavering commitment.

I extend my sincere thanks to our employees, customers, shareholders, and partners for their continued trust. Together, we will continue to pioneer Islamic banking that is future-facing, resilient, and deeply aligned with the values of sustainability

Sincerely,

Mohamed Abdelbary

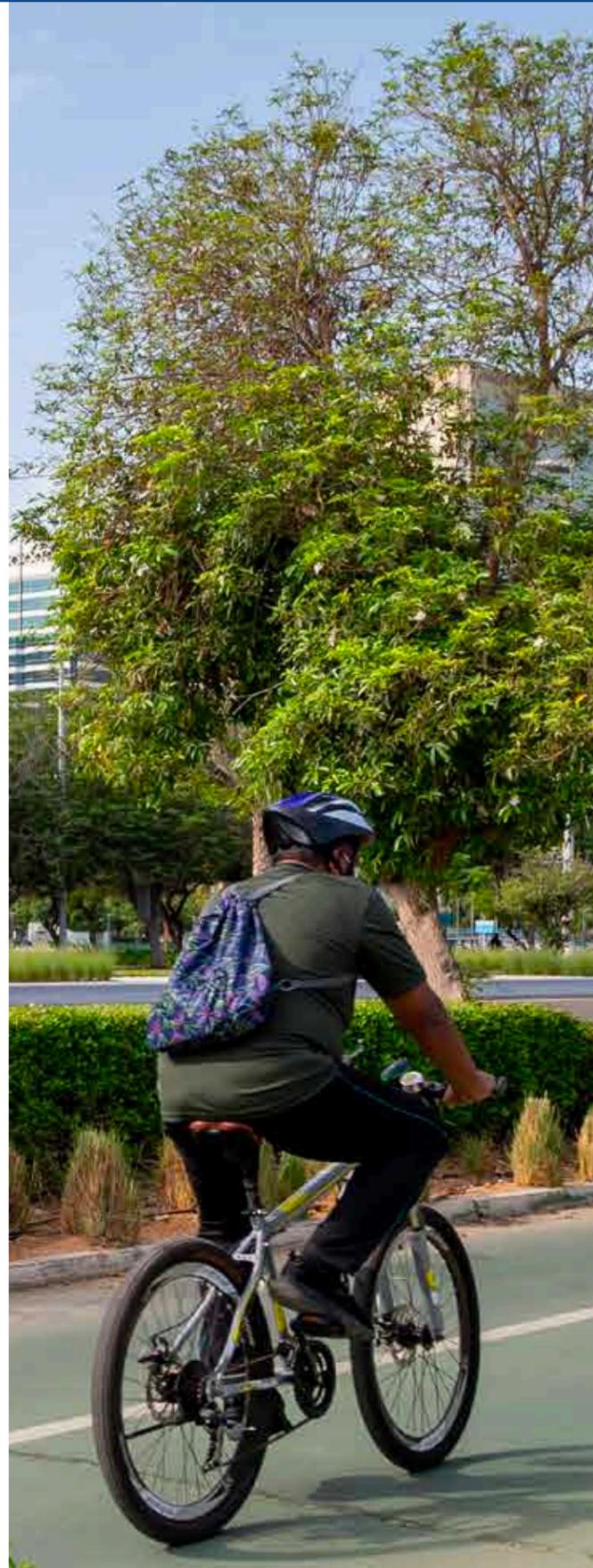
Group Chief Executive Officer of
Abu Dhabi Islamic Bank

MESSAGE FROM THE SUSTAINABILITY DEPARTMENT

Dear Stakeholders,

We are delighted to present Abu Dhabi Islamic Bank's (ADIB) 2024 ESG Report, reflecting our journey to engage with our stakeholders and our commitment to sustainability. This report highlights the progress we have made over the past year, outlines our ambitions, and how we are shaping a sustainable future for our customers, colleagues, and communities. This year, we have adopted a double materiality approach, assessing both climate-related risks to the bank and the bank's impact on the climate. This approach enhances our understanding of our ESG effects, with stakeholder engagement ensuring diverse interests are considered. We are committed to transparent disclosures aligned with global best standards, having conducted an IFRS ISSB Gap Assessment with the intention to aligning our reporting strategy to this.

In 2024, we built on the strong ESG foundations laid in previous years, advancing our three-year strategy with clear, actionable targets. A significant focus this year has been our Net Zero journey, where we achieved a 3.51% reduction in greenhouse gas (GHG) emissions compared to 2023, bringing us closer to our interim target of a 49% reduction by 2030 from our 2022 baseline. As the first Islamic bank in the region to set sector-specific financed emission reduction targets for 2030, we continue to lead in decarbonizing high-impact sectors such as home finance, real estate, and utilities, supporting the UAE's Net Zero by 2050 ambitions.



Alongside this, we have also deepened our commitment to responsible banking. We have mobilized AED 17.3 billion in sustainable finance, empowering clients to transition to low-carbon practices. Our ESG governance framework has matured, with robust oversight from our ESG Board and Management Committees, ensuring sustainability is embedded across our operations. Additionally, our Emiratisation efforts reached 44%, reflecting our dedication to nurturing local talent and fostering an inclusive workforce. Aiding to all our ESG efforts are our digital

transformation efforts. By integrating advanced digital solutions, we have enhanced operational efficiency and elevated customer experiences, with 91% of our customers now digitally active. Initiatives like Emirates Face Recognition have streamlined onboarding, while our Analytics Center of Excellence (ACE) harnesses data and AI to deliver personalized services and optimize performance. These advancements not only reduce resource use but also align with our sustainability goals, contributing to a greener, more efficient banking ecosystem.

“ Our achievements have earned recognition, reinforcing ADIB's position as a leader in sustainable Islamic banking. We remain steadfast in aligning with the **UAE's Vision 2031** and the **UN Sustainable Development Goals**, guided by Shari'a principles of mutual benefit and social responsibility. ”

Looking ahead, we are committed to accelerating our sustainability agenda while leveraging digital innovation to deliver simple, people-centric banking. Together with our

stakeholders, we aim to create lasting value and contribute to a resilient, inclusive, and sustainable future.

Thank you for joining us on this journey!





ADIB AT A GLANCE



ADIB AT A GLANCE

About ADIB

Abu Dhabi Islamic Bank (ADIB) is a financial service provider that caters to individuals, corporates, and affluent customers. As part of the wider ADIB Group, the bank extends its expertise to brokerage, real estate and property management, payments, and Takaful services. Established in 1997 as the first Islamic bank in Abu Dhabi, ADIB has grown to become a leading financial institution in the UAE and the one of the largest Islamic bank globally by assets.

With its headquarters in Abu Dhabi, ADIB is publicly listed and has demonstrated a consistent track record of growth, with assets totaling AED 226 billion by end of 2024. The bank serves over two million customers, offering a wide range of proposition like retail banking, wholesale banking, treasury and others. It seamlessly integrates a highly personalized customer experience with cutting-edge digital banking services.

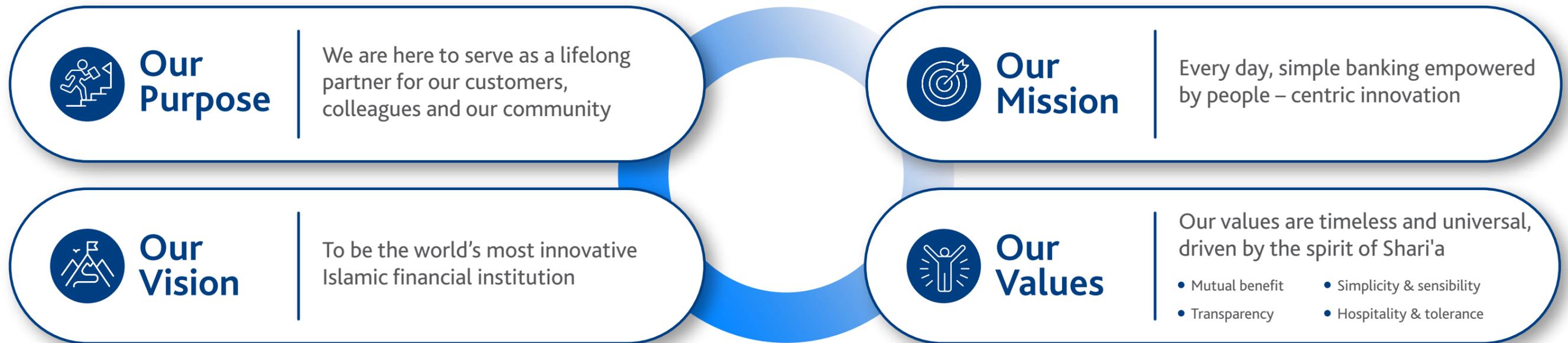
In recent years, ADIB has embarked on a digital transformation journey centered around enhancing customer experience. This initiative has led to significant advancements, with 91% of customers now enrolled through digital channels and more than 50% of all new-to-bank customers were onboarded digitally using the

instant and secure account opening of Emirates Face Recognition. ADIB also hosts the Analytics Center of Excellence (ACE), a pioneering digital command center that leverages data and AI to optimize performance, enhance preventive controls, and adapt swiftly to market dynamics. ACE plays a crucial role in understanding customer needs, thus enriching the overall brand experience.

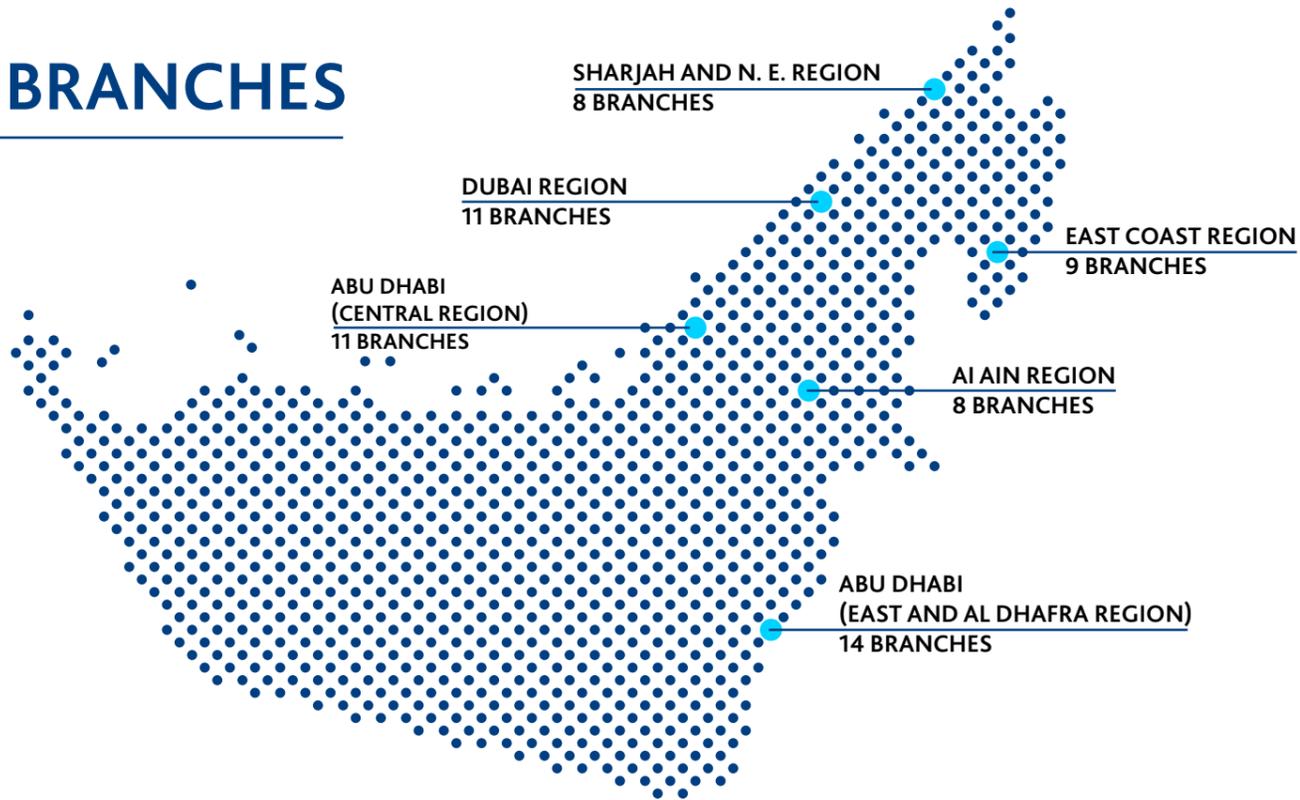
As part of our commitment to transparency and continuous improvement, ADIB aligns its ESG reporting with globally recognized frameworks and best practices. In 2024, we conducted a comprehensive gap assessment against the IFRS Sustainability Disclosure Standards (ISSB S1 and S2) to evaluate our readiness and enhance our reporting maturity. This assessment supports

our ambition to align future disclosures with the ISSB framework and build our internal capabilities ensuring our reporting remains decision-useful, globally comparable, and responsive to the expectations of regulators, investors, and other stakeholders.

ADIB is deeply committed to sustainability, integrating environmental, social, and governance (ESG) considerations into its corporate strategy. The bank has introduced a Sustainable Future pillar and a dedicated ESG strategy to align with the UAE's Sustainable Development Goals and the Net Zero by 2050 initiative. Through these efforts, ADIB aims to contribute positively to the community and foster a sustainable future for all.



BRANCHES



ABU DHABI CENTRAL AREA

- 1 Najda Branch
- 2 Al Wahda Mall -Abu Dhabi
- 3 Abu Dhabi Police GHQ
- 4 Sheikh Zayed Main branch
- 5 Sheikh Khalifa Energy Complex
- 6 ADIA Cash Office
- 7 Al Bateen
- 8 Marina Mall
- 9 Nation Towers
- 10 Abu Dhabi Judicial dept.
- 11 Khalifa A City

AL AIN AREA

- 26 Al Ain Branch
- 27 Al Yahar
- 28 Tawam Branch
- 29 Al Wagan
- 30 Al Jimi Branch
- 31 Oud Al Tobba Ladies
- 32 Al Bawadi Mall
- 33 Makani Mall

SHARJAH-N E AREA

- 45 Sharjah
- 46 Ajman
- 47 Al Hamidiya Branch
- 48 Al Juraina Branch
- 49 Umm Al Qaiwain
- 50 Zawaya Walk Branch
- 51 Al Rahmania Mall Branch
- 52 Al Buhairah

ABU DHABI EAST & AL DHAFRA AREA

- 12 Baniyas
- 13 Mussafah
- 14 AD Airport
- 15 Dalma Mall
- 16 Bawabat Al Sharq Mall
- 17 Shahama
- 18 Yas Mall
- 19 Madinat Zayed
- 20 Al Silaa
- 21 Al Marfaa
- 22 Dalma Island
- 23 Liwa
- 24 Gayathi
- 25 Ruwais Mall

DUBAI AREA

- 34 Sh. Zayed Road
- 35 Arenco-DIC
- 36 Dubai Mall
- 37 Second of December
- 38 Al Nahda Center
- 39 Al Barsha
- 40 Nad Al Hamar
- 41 Al Muhaisnah
- 42 Al Qusais
- 43 Nad Al Sheba
- 44 Deira

EAST COAST AREA

- 53 Fujairah
- 54 Ras Al Khaimah
- 55 Dibba
- 56 Khorfakkan
- 57 Kalba
- 58 RAK Airport Road
- 59 Al Hamra Mall
- 60 Fujairah City Centre
- 61 Al Dhaid

PRESENCE

Abu Dhabi Islamic Bank (ADIB) has a presence both domestically and internationally, reinforcing its role as a prominent player in the global financial sector. In the UAE, ADIB operates one of the most extensive distribution networks, comprising 60+ branches and 500+ ATMs, ensuring convenient access for its customers across the nation.

On the international front, ADIB extends its reach across six strategic markets. In Egypt, the bank has established a strong foothold with 70+ branches, catering to a diverse clientele. Beyond Egypt, ADIB's international operations span the Kingdom of Saudi Arabia, the United Kingdom, Qatar, Sudan, and Iraq, highlighting its commitment to serving a wide array of markets and enhancing its global influence.



Markets: 7 Subsidiaries,



Associates and Joint ventures: 17



Branches: 130+



ATMs: 500+



Customers: 2 Million across the franchise



Employees: 2220 (UAE FTE)



Nationalities: 50+



STRENGTHS AND CAPABILITIES

ADIB plays a crucial role in advancing the nation's progressive agenda for sustainable economic growth. The Bank offers a wide array of products and services to both corporate and individual clients, ensuring exceptional service and a smooth digital experience.



Dynamic Workforce Championing Emiratization

Emiratization Rate:
44%

Nationalities:
50+

Enhancing Customer Growth Through Service Excellence

Number of customers (UAE)

2024:
1.46 Mn

2023:
1.2 Mn

2022:
1 Mn

Digitally active customers:

2024:
91%

2023:
80%

2022:
70%

Building A Strong Future Through Financial Excellence

**LEADING ROE
IN THE INDUSTRY**
29%

Total Assets
FY 2024:
226 Bn

Market
Capitalization:
₹50Bn

Retail Banking Market
Share in the UAE:
15%

Credit Ratings

Moody's
Rating:
**A2/ P1
Stable**

Fitch
Rating:
**A+/ F1
Stable**

Leader in Sustainability

MSCI
Rating:
AA

LSEG
ESG Rating:
74

DJSI
Rating:
41

AWARDS AND ACCOLADES



UAE's Best Bank for HNW's
by Euromoney.



Best Islamic Digital Bank
United Arab Emirates by The Digital Banker.



Best Islamic Bank in the UAE
by EMEA.



World's Safest Islamic Bank
by Global Finance.



Best Islamic Bank for
ESG Award by Global Finance.



Best Bank for SMEs
in the U.A.E. by Global Finance.



Sustainability Award
(Middle East Level) by EMEA.



MENA Islamic Finance Bank of the Year
by MEED.



Best Islamic Bank for ESG
by MEED.



Best Bank for Transition/Sustainability
Linked Bonds in the Middle East
by Global Finance.



Islamic Bank of the Year Middle East
by Banker FT.



Renewable Energy Deal of the Year
by IJGlobal MENA.



Best Retail Bank in the UAE
by MEED.



Best Green Sukuk
(ADIB US\$500 Million Green Sukuk)
by The Asset Triple A.



Islamic Issuer of the Year
by The Asset Triple A.



Desalination deal of the year
by IJGlobal MENA.



Water deal of the year
by IJGlobal MENA.



World's Best Domestic Islamic Bank
by Euromoney.



Islamic Credit Card of the Year
by Digital Banker.



Best Domestic Islamic Retail Bank
United Arab Emirates
by The Asset Triple A.



Best Islamic Retail Bank
by The Asset Triple A.



Middle East's Best Islamic Bank
by Euromoney.



UAE's Best Domestic Islamic Bank
by Euromoney.



UAE's Best Bank for
Corporate Responsibility Awards at the
Excellence Segment by Euromoney.



Best Green Sukuk Retail
by The Asset Triple A.



Best Green Sukuk Real Estate
by The Asset Triple A.



Best New Sukuk
by The Asset Triple A.



COMMITMENT TO SUSTAINABILITY





SUSTAINABILITY STRATEGY

COMMITMENT TO SUSTAINABILITY

Approach to Sustainability

ADIB recognizes the significant role the financial sector plays as a catalyst for promoting a sustainable and inclusive economy. Our ESG strategy, directs our initiatives and aligns with both national and global sustainability goals. These efforts are in harmony with the UAE's Net-Zero by 2050 initiative, Vision 2031, and the United Nations Sustainable Development Goals (UN SDGs), highlighting our commitment to contributing to a greener, more resilient, and inclusive economy.

ADIB's decarbonization strategy is a testament to our dedication to sustainability. We have aligned our goals with both global and regional net-zero pledges, drawing insights from leading organizations like the International Energy Agency. This alignment ensures that our targets for reducing financed emissions are both ambitious and coherent with broader sustainability initiatives. By adhering to the UAE's regional net-zero ambitions, we reinforce our leadership in sustainable finance and operational excellence.

Our journey is one of continuous improvements, driven by a steadfast commitment to our stakeholders and the environment. By embedding sustainability into our practices and aligning with global and regional commitments, ADIB stands at the forefront of sustainable Islamic banking, ready to make a lasting positive impact.

Since the publication of our inaugural sustainability report in 2017, ADIB's journey has been marked by strategic evolution and significant milestones. Our commitment to responsible banking has been unwavering, culminating in the finalization of our ESG strategy in 2023. This strategy is not just a roadmap for compliance; it is a blueprint for embedding ESG principles into ADIB's daily operations, ensuring long-term value creation for all stakeholders. The strategy's three pillars focus on areas where ADIB can exercise its vision and ambition over the next three years, with clear responsibilities assigned across various departments.



MAXIMISE POSITIVE IMPACT

- Launch sustainable/ green finance products
- Develop and implement a net zero strategy including financed emissions
- Integrate ESG considerations and due diligence in investment & finance decisions
- Build internal capabilities and financial solutions to support customers' transition to low carbon economy
- Integrate a sustainable climate considerations into our risk management processes to ensure resilience of our business



BE A LIFELONG PARTNER

- Develop financial inclusion policy and programs
- Establish financial literacy programs for retail and SMEs customers
- Develop a gender diversity strategy
- Develop Employee wellbeing plan
- Become an increasingly learning-oriented organisation
- Implement Emiratization strategy
- Drive social responsibility via community engagements and volunteerism



MANITAIN HIGH STANDARDS OF GOVERNANCE

- Integrate ESG into our governance structure
- Develop a sustainable procurement strategy
- Cultivate ESG driven culture through trainings and Key Performance Indicators
- Attain best-in-class data privacy and cybersecurity
- Report on ESG as per market and legal requirements
- Embed ESG risk framework



ESG HIGHLIGHTS

GHG Emission Reduction

3.51%
(compared to 2022)

Female board representation

14%

Training hours per Employee

62.3

Local Emiratisation Talent

44%

Local Emiratisation Talent – Women

72%

Total Women in workforce

39%

Digitally Active Customers:

91%

Data Breaches

0

No. of Nationalities

50+

Local Procurement spending

89%
of Total Procurement Spending

Sustainable Finance facilitated

17.3 Bn



Became the first UAE bank to safely test fractional Sukuks offering to retail investors

Lives Impacted/ CSR Impact

140+
Community Organisation impacted

Mystery Shopper Score

97%



Became the first Islamic bank in the region to set sector specific financed emission reduction targets for 2030



Set an interim emission reduction target of 49% by 2030 from compared to our 2022 baseline emissions



NET ZERO TRANSITION

ADIB demonstrates a strong commitment to achieving net-zero emissions, aligning with the UAE's Net Zero 2050 plan. The bank plays a pivotal role in promoting sustainable practices within the financial sector. ADIB has also signed the UNEPFI Principles of Responsible Banking, reinforcing its dedication to responsible and sustainable banking.

ADIB has become the first Islamic bank to announce sector specific financed emissions reduction targets for 2030, as part of the bank-wide effort to decarbonize and align itself with the national agenda of achieving Net Zero by 2050. These financed emissions targets cover our highest impact sectors including home finance, automobile finance, real estate development, utilities, aviation, and oil and gas (petroleum manufacturing). At ADIB, we have also set an interim emission reduction target of 49% by 2030 in comparison to our 2022 baseline emissions. We performed these assessments

based on leading industry practices, such as the GHG Protocol for our operational emissions and the Partnership for Carbon Accounting Financials (PCAF) for financed emissions baselining. For our operational emissions, we considered those generated from our banking operations generated in the UAE, the UK, and Egypt.

ADIB's strategy supports the UAE's climate transition, guided by Shari'a principles of ethical conduct and social responsibility. The bank's financed emissions strategy involves supporting clients in reducing their emissions, aligning with the principle of "Maslaha" or the common good. ADIB uses the PCAF methodology to calculate baseline emissions and PEI for its portfolio, with total financed emissions at 7.84 MtCO₂e. The bank faces challenges in baselining financed emissions due to data availability and quality, using proxies when necessary.

“ADIB's efforts include setting decarbonization targets for key asset classes and issuing policies restricting financing for coal and unconventional oil projects. These initiatives aim to empower clients to reduce GHG emissions and support the UAE's climate transition, reflecting ADIB's commitment to sustainability and climate action.”





STRATEGIC ESG PARTNERSHIPS, STANDARDS & GLOBAL ALIGNMENT

ADIB's sustainability approach is underpinned by alignment with international frameworks and local mandates, enabling us to contribute meaningfully to the global ESG agenda while staying true to our values.

Signatories

- Principles of Responsible Banking (PRB):** In 2023, ADIB became a member of the PRB, which is backed by the United Nations Environment Programme Finance Initiative (UNEP FI). This membership aligns ADIB's business strategy with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement, positioning the bank as a leader in sustainable banking.
- Abu Dhabi Sustainable Finance Declaration:** ADIB has signed this declaration to promote sustainable financing for economic growth.
- UAE Climate Responsible Companies Pledge:** By signing this pledge, ADIB aims to enhance collaboration among the private sector, NGOs, and international organizations.
- UAE Leaders of Change:** ADIB has collaborated with Emirates Nature-WWF's 'Leaders of Change' initiative to boost environmental stewardship and community involvement, training 200 employees.
- Equator Principles Signatory:** ADIB plans to become a signatory
-  **Global Climate Finance Centre (GCF):** ADIB supports GCF as its board member and actively contributes to building a connected and transparent climate finance ecosystem, fostering innovation and driving investment
-  **UAE Banks Federation (UBF):** ADIB work in tandem with UBF to enhance the country's financial sector and contribute to the National Economy
-  **Abu Dhabi Sustainable Group (ADSG):** ADIB is a signatory of ADSG demonstrating its commitment to sustainable finance and responsible banking practices.

Reporting

As part of our commitment to transparency and continuous improvement, ADIB aligns its ESG reporting with globally recognized frameworks and best practices. In 2024, we conducted a comprehensive gap assessment against the IFRS Sustainability Disclosure Standards (ISSB S1 and S2) to evaluate our readiness and enhance our

reporting maturity. This assessment supports our ambition to align future disclosures with the ISSB framework and build our internal capabilities ensuring our reporting remains decision-useful, globally comparable, and responsive to the expectations of regulators, investors, and other stakeholders.

 **GRI Global Reporting Initiative:** ADIB's non-financial reporting adheres to GRI standards.

 **Green Bond ICMA Principles:** The bank's sustainable finance framework complies with ICMA principles and Shari'a law.

 **Abu Dhabi Securities Exchange (ADX) ESG Disclosure:** ADIB ensures its ESG performance disclosure aligns with ADX guidelines.

 **Task Force on Climate-Related Financial Disclosures (TCFD):** ADIB's non-financial reporting aligns with the TCFD requirements.

Alignment:

- UAE Net Zero by 2050:** ADIB's Net Zero transition initiative is in line with this national objective. (ISSB S1 and S2), with the aim of enhancing transparency and future readiness in ESG reporting.
-  **UN Sustainable Development Goals (SDG):** ADIB aligns its business operations and sustainability efforts with the relevant SDGs.
-  **IFRS Sustainability Disclosure Standards:** ADIB has undertaken a comprehensive gap analysis to assess its alignment with the IFRS Sustainability Disclosure Standards
-  **Abu Dhabi Sustainable Finance Declaration (ADSF):** ADIB has publicly aligned with the Abu Dhabi Sustainable Finance Declaration (ADSF), a voluntary initiative launched by Abu Dhabi Global Market (ADGM).
-  **Abu Dhabi Vision:** ADIB supports the UAE and Abu Dhabi's growth by aligning with the country's sustainability goals.



MATERIALITY ASSESSMENT



MATERIALITY ASSESSMENT

Identifying key ESG topics relevant to our impact and value creation.

In 2024, recognizing the importance of alignment with global best practices and guided by our commitment to transparency and excellence, ADIB has refined our materiality approach by conducting a Double Materiality Assessment. This advanced assessment aligns with international sustainability frameworks and

regulatory best practices, such as the Corporate Sustainability Reporting Standards (CSRS), enhancing our strategic focus and reporting rigor. This strategic enhancement enables us to more effectively integrate sustainability into our core business practices and reporting protocols.



Double Materiality Approach

Our 2024 Double Materiality Assessment evaluates ESG issues from two key perspectives to provide a comprehensive understanding of our impact and dependencies:

- **Impact Materiality:** Assessing ADIB's environmental and social impact on stakeholders and society
- **Financial Materiality:** Evaluating how ESG risks and opportunities impact our financial performance and long-term value creation

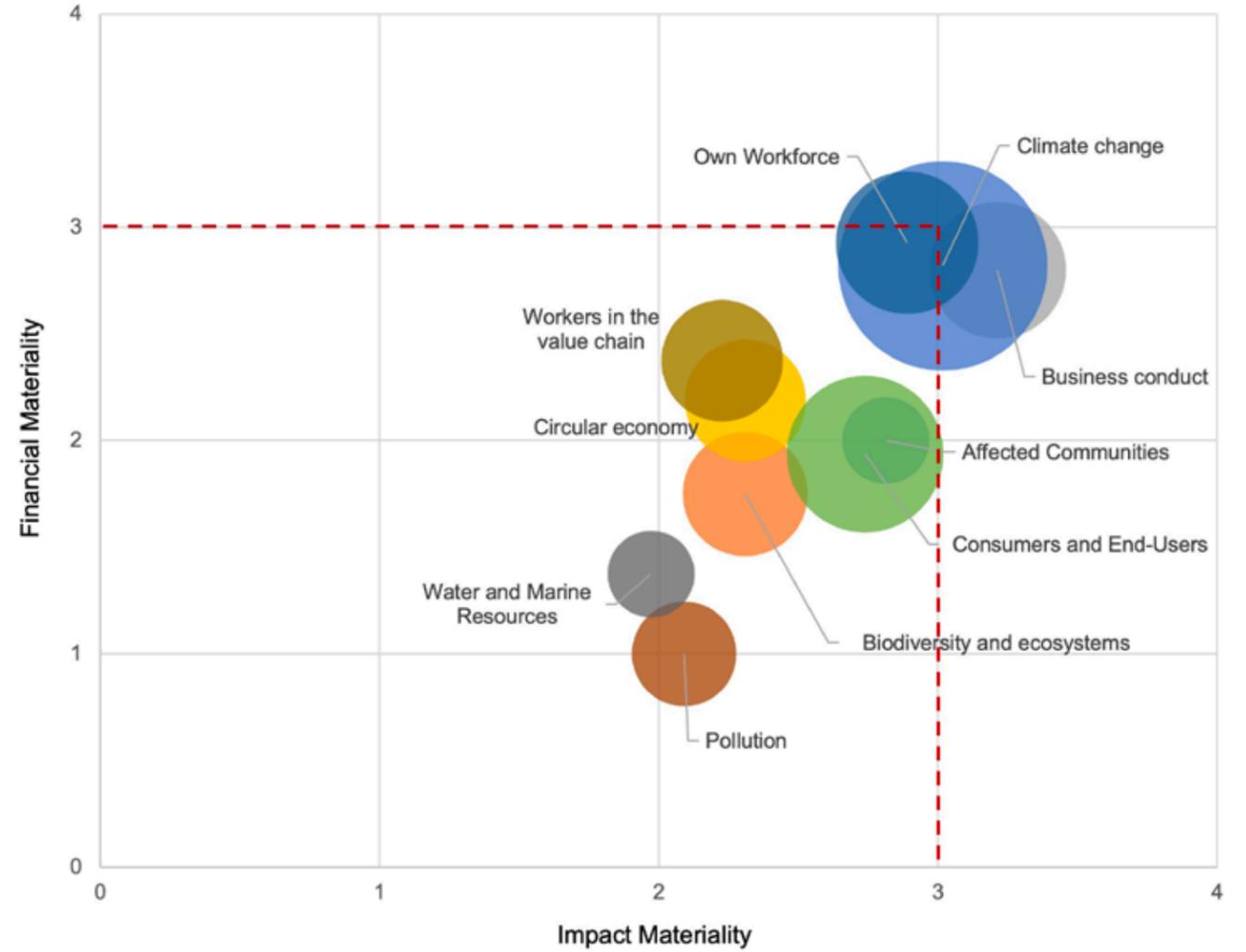
During this process, ADIB conducted a value-chain mapping across the Group to ensure comprehensive consideration of all potential impacts, risks and opportunities that are material to the bank.

This approach ensures that all risks and opportunities potentially material to the bank were thoroughly considered. By incorporating both dimensions, ADIB is focused on the most critical aspects for its business, enhancing its ability to navigate risks and seize opportunities that influence long-term value creation.

The Double materiality was conducted in a 4-step approach

- **Understanding:** Analysing ADIB's business activities and their impacts across the value chain
- **Identification:** Identifying key ESG impacts, risks, and opportunities
- **Assessment:** Assessment of relevant impacts, risks and opportunities
- **Determination:** Final list of material ESG topics for strategic management

Impact and Financial Materiality Matrix



A final list of material topics was filtered to arrive at the following topics with sub-topics describing their impact on ADIB and mitigation steps.

MATERIAL TOPIC	SUB-TOPIC	IMPACT	POSITIVE IMPACT	NEGATIVE IMPACT
CLIMATE CHANGE	Climate change adaptation	ADIB provides financing to energy intensive sectors that have high greenhouse gas emissions. Such impacts in the long term could result in both risks (strategic, credit, reputational and compliance risks) and opportunities (sustainable finance and transition to low emissions activities).	Supports long-term client transitions to low-emission operations, creating opportunities for green financing and enhancing ADIB's sustainable finance portfolio.	Continued financing of high-emission sectors may expose ADIB to long-term climate-related financial and reputational risks.
	Climate change mitigation	ADIB engages with multiple clients within businesses to support their transition to becoming low carbon at varying stages of their transformation. This is a major step in climate mitigation action and an opportunity.	Strengthens ADIB's position as a key partner in climate mitigation and enhances the banks reputation in sustainable finance leadership.	Inconsistent client progress in transition plans may pose reputational and credit risks if expectations are not met.
	Energy	The nature of the energy sector and the pressure to transition to sustainable methods can increase compliance costs on energy companies, impacting their creditworthiness, capital access, and reputation. This will have a potential impact on collateral value and default risk for ADIB.	Supports ADIB's contribution to energy transition goals by driving more responsible financing practices and aligning with national climate targets.	Increased client compliance costs may affect their repayment capacity and collateral value, heightening credit risk for ADIB.
RESOURCE USE AND CIRCULAR ECONOMY	Resource inflows, including resource use	The shift to eco-friendly solutions and circular economy principles can disrupt non-sustainable industries, leading to declining asset values and financial distress for companies that fail to adapt. These changes can increase credit risks, affecting collateral values and default rates, potentially raising capital charges for ADIB.	Encourages clients to adopt sustainable practices, opening new financing markets and improving ADIB's sustainability credentials.	Clients unable to transition may suffer financial losses, increasing default risk and weakening ADIB's financing portfolio quality.
BUSINESS CONDUCT	Corporate culture	ADIB places a high degree of importance on the enforcement of its Code of Conduct which integrates the Bank's values into business activities to enable best practice behaviours. This greatly contributes to transparency and responsible business practices and makes us Shari'a compliant.	Promotes ethical behaviour and reinforces a culture of integrity, aligning with Shari'a values and enhancing stakeholder trust.	Inconsistent implementation across departments may dilute intended impact and expose the bank to ethical or compliance risks.
	Protection of whistle-blowers	ADIB has principles outlined within its Code of Conduct promoting a "speak up" culture that safeguards whistleblowers' anonymity which encourages individuals to report suspicious or illegal activities.	Enhances transparency and employee trust, strengthening ADIB's ethical culture and compliance monitoring.	Failure to effectively protect whistleblowers may result in suppressed reporting, internal misconduct, or reputational damage.
	Corruption and bribery	ADIB has established and enforced an Anti-Money Laundering programme (AML) to outline procedures and controls which prevent the facilitation of corruption and illegal financing activity in the financial system.	Reduces risk exposure related to financial crime, improves internal compliance, and reinforces market and regulatory trust.	Inadequate enforcement could lead to regulatory breaches or association with unethical financial practices.

MATERIAL TOPIC	SUB-TOPIC	IMPACT	POSITIVE IMPACT	NEGATIVE IMPACT
<p>OWN WORKFORCE</p>	<p>Working Conditions</p>	<p>Ensuring a high standard of working conditions is critical for employee wellbeing and development and retention of talent. ADIB places a high priority on ensuring compliance with relevant laws, enforcement of its Code of Conduct for ethical business practices, community engagement, and competitive remuneration and benefits to attract and retain talent.</p>	<p>Boosts employee engagement, retention, and productivity, and strengthens ADIB's employer brand as a responsible and caring organization.</p>	<p>Failure to meet evolving expectations on workplace conditions could lead to disengagement, attrition, or reputational damage.</p>
	<p>Equal Treatment and opportunities for all</p>	<p>ADIB has established and enforced an Anti-Money Laundering Program (AML) to outline procedures and controls which prevent the facilitation of corruption and illegal financing activity in the financial system.</p> <ul style="list-style-type: none"> • Gender equality and equal pay for work of equal value: ADIB closely tracks pay equity, using adjusted and raw metrics which promotes gender equity and maintains accountability for equal pay. • Training and skills development: ADIB offers a range of resources to support employee upskilling across a breath of topics (including environmental and social issues) which contributes to employee career development and equips them with the skills to address prioritized issues and conduct responsible banking practices. • Employment and inclusion of persons with disabilities: ADIB participates in a variety of initiatives to support the inclusion of persons of determination. This helps reduce the stigma surrounding such individuals and delivers supporting resources to those in need. • Measures against violence and harassment in the workplace: The Bank also, through its Code of Conduct, outlines principles for not tolerating harassment of any kind which promotes a safe and respectful workplace and protects workers from such harm • Diversity: ADIB's Code of Conduct outlines principles for embracing diversity and inclusion which is intended to provide professional development opportunities and a collaborative environment for all employees and comply with all laws regarding fair employment and practices and non-discrimination. 	<p>Reduces risk exposure related to financial crime, improves internal compliance, and reinforces market and regulatory trust.</p> <ul style="list-style-type: none"> • Drives inclusivity, equal opportunity, and staff empowerment, resulting in a more resilient, innovative, and loyal workforce. • By promoting gender equality, fair pay, and inclusion of people of determination, ADIB strengthens its culture of diversity, which can improve collaboration, innovation, and employee satisfaction • Strong diversity and inclusion (D&I) practices position ADIB as an employer of choice in the UAE and globally, making it more competitive in attracting and retaining top talent. • Investment in training and upskilling, especially on ESG-related topics, ensures that employees are equipped to manage emerging risks and contribute to the bank's sustainability goals. • Clear anti-discrimination and anti-harassment policies help prevent misconduct and align with international labour standards. • ADIB's approach supports compliance with UAE labour laws, Shari'a principles, and international frameworks such as the UN Global Compact and SDG 5 (Gender Equality). 	<p>Inadequate enforcement could lead to regulatory breaches or association with unethical financial practices.</p> <ul style="list-style-type: none"> • Lack of sustained monitoring or gaps in implementation could result in inequality, employee dissatisfaction, or non-compliance with labour laws. • Risk of implementation gaps: Inconsistent application of D&I policies across departments or geographies could result in unequal experiences for employees, undermining the bank's overall ESG objectives. • Potential backlash or resistance: Cultural or organizational resistance to D&I initiatives can hinder progress and create internal friction, particularly if changes are perceived as top-down or lacking in local context. • Reputational risk from misalignment: Public scrutiny of pay equity or diversity metrics could harm ADIB's reputation if internal practices do not align with public commitments or stakeholder expectations. • Resource intensity: Maintaining robust programs for monitoring, training, and supporting inclusion may require significant resources, which could strain budgets or deprioritize other ESG initiatives if not well-aligned with strategic goals. • Dependence on data accuracy and transparency: The credibility of pay equity and inclusion initiatives depends on accurate data and transparent communication; weaknesses in HR data governance could undermine trust in reported progress.



STAKEHOLDER MANAGEMENT

ADIB maintains an ongoing dialogue with its key stakeholders, recognizing their important role in refining the bank's business strategy. The institution identifies its key stakeholders as those who are most impacted by its operations and those who hold the greatest influence over them. This group includes management, investors, customers, employees, partners, communities, and regulators. To ensure effective engagement, ADIB uses various channels to proactively communicate with

these stakeholders, allowing the bank to understand, respond to, and act upon their concerns and interests.

The insights gained from stakeholder engagement are important in shaping ADIB's understanding of the ESG factors that are material to its operations. This understanding guides the development and implementation of initiatives that align with stakeholder expectations and drive sustainable growth.

In 2024, ADIB actively engaged with all key stakeholder groups through structured dialogues, multi-channel communications, and targeted initiatives to ensure their perspectives were integrated into our sustainability strategy and decision-making processes.

Stakeholder	Commitment	Engagement mode
<p>Shareholders</p>	<p>We provide timely and detailed disclosures to enable investors to make informed investment decisions.</p>	<ul style="list-style-type: none"> Quarterly result briefings Investor conferences One-on-one and group meetings with over 250 investors, conducted AGM Annual report Investor relations app
<p>Customers</p>	<p>We interact with customers to better understand their evolving needs so that we can provide the right financial Shari'a compliant solutions for them</p>	<ul style="list-style-type: none"> Multiple service channels, including digital banking, call centres and branches Regular engagements via relationship managers and customer majles Active interaction and prompt follow-up to queries/ feedback received via social media platforms Regular satisfaction surveys Customer Mail, to facilitate dialogue between customers from all segments and the senior bank executives to directly engage in dialog and share their feedback
<p>Staff</p>	<p>We communicate with our staff via multiple channels to ensure that our employees feel connected and informed. Their opinions on material topics of sustainability are also essential to understand the impact, risks and opportunities of the topic on the business. This will play a pivotal role in shaping our ESG strategy.</p>	<ul style="list-style-type: none"> Internal communications where employees have an open discussion with the GCEO Group-wide town hall hosted by the GCEO Regular department events held by senior management Annual "My Voice" Employee Engagement survey Employee newsletter Employee WhatsApp group Mailer and intranet
<p>Community and partners</p>	<p>We are committed to engaging with the community and partners to better understand the role we can play in addressing societal needs and gaps.</p>	<ul style="list-style-type: none"> Regular events and conversations with Businesses and community partners to understand the social landscape and how ADIB can partner to create impac. Connection with government bodies and associations Community engagement and partnerships within the public
<p>Regulators</p>	<p>We strive to be a good corporate citizen and advocate by providing input to and supporting the implementation of relevant local and global laws, regulations, guidelines, and public policies</p>	<ul style="list-style-type: none"> Regular engagement sessions with regulators and government bodies Sharing insights and providing feedback to regulators Actively participating in regulatory working groups, committees or forums Actively participating in local, regional, and international industry forums on financial regulation Actively responding to, or providing feedback on Consultation Papers, draft regulations or guidelines, or policy statements or papers



ENVIRONMENT: GREENER STEPS FORWARD



GREENER STEPS FORWARD

At ADIB, we are dedicated to maintaining a balance between economic success while protecting the environment around us. We are strategically moving towards a more sustainably responsible organization. We have prepared a strategic roadmap that guides our future. We are driven by our Vision for 2035, where ADIB is a future-ready bank, leveraging innovation, growth, and sustainability.

The Transition to Net Zero

ADIB is dedicated to achieving net zero operational emissions by 2050, aligning with the UAE's Net Zero 2050 strategic initiative and global climate objectives outlined in the Paris Agreement. Our net-zero journey is highlighted by a clear roadmap with defined interim targets and actionable steps to reduce our carbon footprint while supporting the decarbonization of the wider economy.

As a pioneering Islamic Bank, to declare sector-specific financed emissions reduction targets, ADIB has established ambitious objectives across key sectors, including home finance, automobile finance, real estate

One of our goals is to reduce carbon emissions as part of our operations and portfolio, and we have set clear targets to achieve our goals by 2030 as part of our net zero plan.

development, utilities, aviation, and oil and gas. These targets form a part of the Banks's strategy to reduce our overall emissions by 49% relative to our 2022 baseline. Our assessments are anchored in leading industry standards, such as the GHG Protocol for operational emissions and the Partnership for Carbon Accounting Financials (PCAF) for financed emissions.

Through our net-zero commitment, we are not only reducing our own emissions but also empowering our clients, communities, and stakeholders to transition toward a sustainable future, establishing our leadership in Islamic sustainable finance.



Our Strategy To Meet Net Zero

ADIB's Net Zero Strategy is built upon three pillars:

- **Operational Decarbonisation:** Reducing emissions from our own operations by implementing energy efficiency measures, green building initiatives, and renewable energy use.
- **Financed Emissions Reduction:** Collaborating with clients and portfolio companies to decarbonise financed activities.
- **Climate Resilience:** Embedding climate risk considerations into our risk management processes to ensure long-term business sustainability.

ADIB plans to incorporate climate risk into credit evaluations. We aim to promote policy development to expedite the shift to a low-carbon economy. Additionally, we are committed to ensuring transparency and accountability in achieving our decarbonization targets.

BASELINING

We have adopted the Partnership for Carbon Accounting Financials (PCAF) methodology to assess and calculate the baseline emissions and Physical Emission Intensity (PEI) to calculate our portfolio financed emissions.

Based on the PCAF methodology, our calculated baseline Financed Emissions (Scope 3, Category 15) are 7.84 million tCO₂e. Subsequently, based on a set of predefined criteria focusing on the market exposure and materiality of the sector, we set Physical Emission Intensity (PEI) targets for specific sectors within our wide financing portfolio in the UAE.

We have identified specific sectors and mapped them to the PCAF asset classes to establish baseline emissions of our portfolio. This has enabled us to set clear interim decarbonization targets for 2030, making ADIB the first commercial Islamic bank in the region to establish sector-specific targets.

TARGET SETTING

Our target setting approach considers both global as well as regional dimensions. To align with global decarbonization ambitions, we benchmarked against the International Energy Agency's (IEA) Net Zero Emissions (NZE) scenario by 2050 with methodologies aligning to the GHG Protocol. We incorporated regional and local dimensions by using the UAE's First Long-Term Strategy (LTS). It is aligned with UAE's third update of the second Nationally Determined Contribution (NDC). This approach provided us with a sector-specific decarbonization ambition from which we were able to construct interim targets.

We baselined emissions for the following asset classes and sectors within our wide portfolio and **our total financed emissions stood at 7.84 MtCO₂e, with 76% of the emissions stemming from our UAE portfolio:**

- Commercial real estate
- Corporate financing to listed companies
- Corporate financing to private companies
- Equities in listed companies
- Equities in private companies
- Home financing
- Motor vehicle financing
- Project finance
- Sukuk in listed companies
- Sukuk in private companies

We incorporated the business growth aspirations of each selected sector and developed Physical Emission Intensity (PEI) targets instead of absolute emissions targets. Our approach aligns with standard industry practices supporting both environmental and economic objectives.

In the first year, we identified material emitting sectors for target setting based on our methodology. In the coming years, we are committed to expanding the coverage of our targets to other sectors as well. Our portfolio and sector wise baselining, Physical Emission Intensity (PEI), target setting, and levers and limitations are available at our Net Zero Report (read here).

SECTOR AND ASSET CLASSES

ADIB has meticulously established a framework for identifying key sectors based on background research and methodology. The bank's approach to setting financed emissions targets is based on the International Energy Agency's Net Zero Emissions scenario by 2050, ensuring alignment with global decarbonization ambitions while incorporating regional and local dimensions through the UAE's Long-Term Strategy and Nationally Determined Contributions (NDCs). Absolute emissions targets may hinder investments in industries or regions with high economic growth potential but also high absolute emissions. To mitigate that, ADIB has

focused on Physical Emission Intensity (PEI) targets, which allow for decarbonization without hindering business growth, a critical consideration given the economic potential of high-emission sectors. The selection of sectors for target setting is based on exposure, business dependency, emissions materiality, sectoral maturity, and concentration on specific counterparties, ensuring that the bank's efforts are both impactful and practical. This strategic alignment positions ADIB to effectively support the UAE's net zero ambitions while promoting sustainable growth.

6 SECTOR AND ASSET CLASSES DEEP-DIVES

Sector	Sub-sector	Scope*	Scenario*	Baseline (2022)	Target metric	2030 Target Reduction
Real Estate	Home Finance	Scope 1 & 2	IEA NZE Scenario, APS	57.6	Kg CO ₂ e/ m ²	39%
Transportation	Auto Finance	Scope 1 & 2	IEA NZE Scenario, APS	180.7	g CO ₂ e / passrnger.km	19%
Real Estate	Real estate activities (developers)	Scope 1,2 & 3	IEA NZE Scenario, APS	57.62	Kg CO ₂ e/ m ²	41%
Transportation	Air transport	Scope 1,2 & 3	IEA NZE Scenario, APS	107	g CO ₂ e / passrnger.km	28%
Utilities	Electricity, gas, steam and air conditioning supply	Scope 1,2 & 3	IEA NZE Scenario, APS	0.538	tCO ₂ e/ MWH	37%
Manufacturing	Petroleum manufacturing	Scope 1,2 & 3	IEA NZE Scenario, APS	0.0122	tCO ₂ / GJ	18%

* Estimated data (100%)

** Aligned with ADIB's business growth assumptions and UAE Announced Pledges (APS)

OIL AND GAS

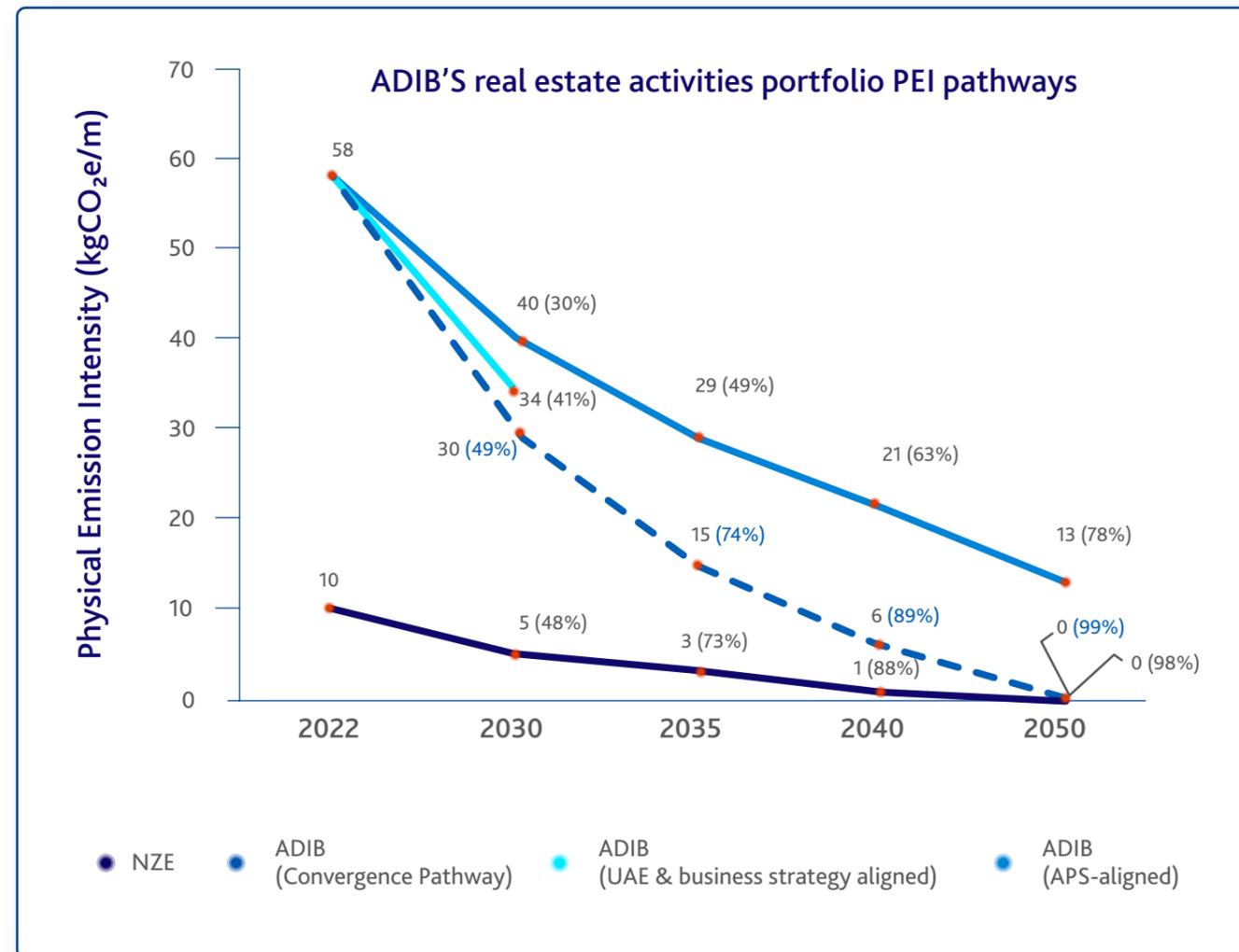
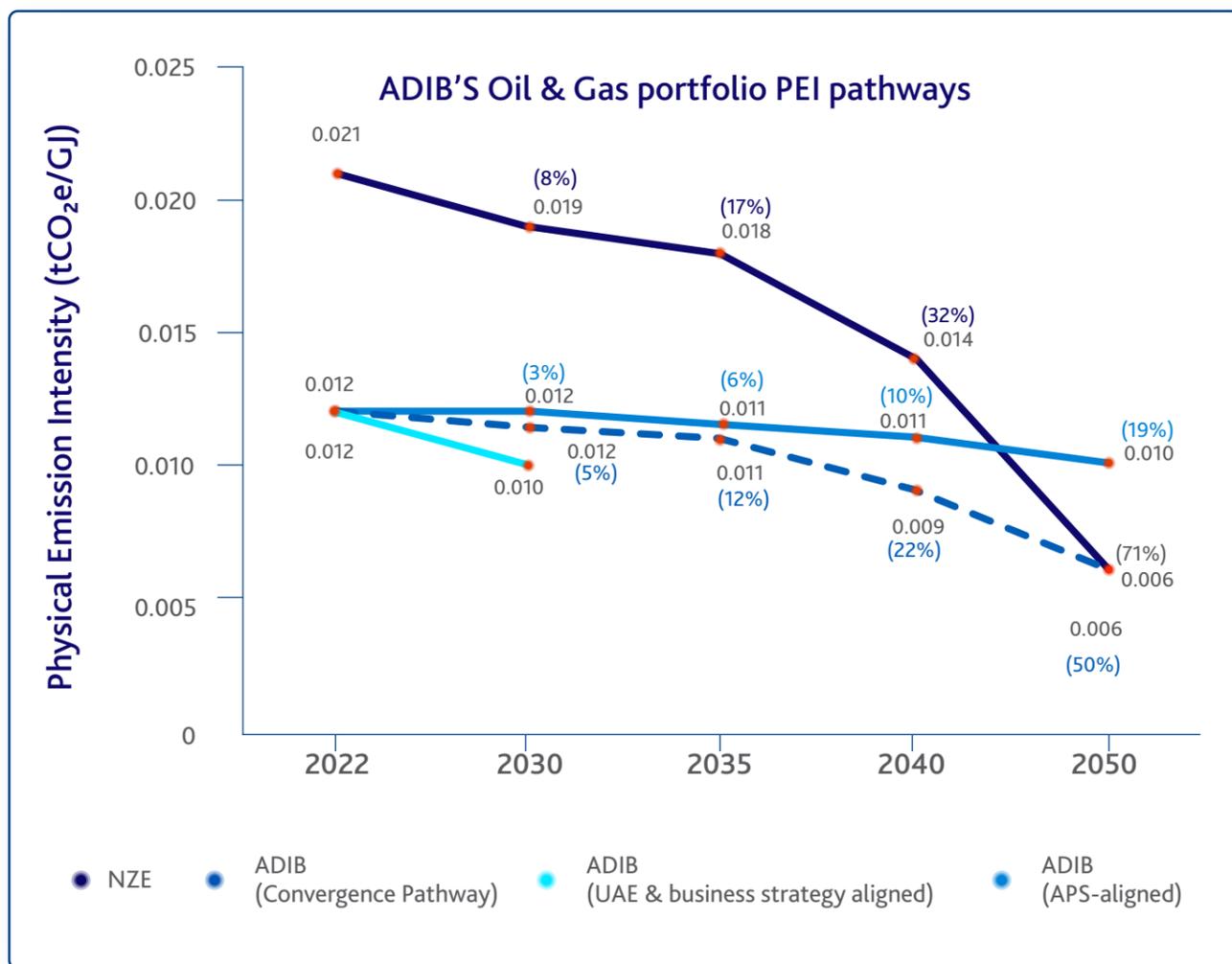
The oil and gas sector in the UAE remains an important component of the nation's economy, with a significant production capacity of 4.85 million barrels per day as of 2024 and plans to increase this to 5 million barrels per day by 2025.

ADIB calculated the sector's baseline Physical Emission Intensity (PEI) of 0.012 tCO₂/GJ for 2022 using the publicly available information. It is notably 42% lower than the global average due to the region's geographic advantages and operational efficiency.

As an interim target towards achieving net zero by 2045, ADNOC (Abu Dhabi National Oil Company) has set a goal to reduce its carbon intensity by 25% by 2030. We have aligned our targets with ADNOC.

Our key levers to meet these targets include:

- Electrifying upstream facilities with low-emissions electricity
- Tackling methane emissions
- Eliminating non-emergency flaring



REAL ESTATE (DEVELOPERS)

The real estate sector in the UAE has demonstrated strong performance, with consistent growth in the residential market and a strong recovery in the hospitality sector post-pandemic.

We calculated the baseline Physical Emission Intensity (PEI) for the real estate sector using publicly available data and benchmarking studies. The calculated PEI for real estate was 58 kgCO₂e/m². In alignment with the UAE's national decarbonization goals, we aim for a 41% reduction in PEI by 2030, targeting a decrease from 58 kgCO₂e/m² to 34 kgCO₂e/m².

Our key levers to achieve these targets:

- Improve emission data collection.
- Promote efficient energy use through customer awareness campaigns.
- Explore sector-specific financing options linked to green building standards.

AVIATION

UAE is a global leader in the aviation sector, driven by strategic investments and technological advancements, with a focus on sustainable aviation practices. The UAE plans to electrify domestic aviation, aiming to expand the use of electric planes for short-haul flights and aims to achieve full electrification for short-haul flights by 2050. Additionally, the UAE plans to meet international aviation fuel demand with e-kerosene, a type of Sustainable Aviation Fuel (SAF), starting at 1% in 2030 and increasing to over 50% by 2050.

We implemented a PEI metric, measuring the grams of CO2 emitted per passenger-kilometer (gCO2/pkm), to differentiate between more and less efficient airlines and evaluate their technological advancements. Our baseline Physical Emission Intensity (PEI) i.e. 2022 PEI for aviation was estimated at 107 gCO2/pkm. It is 18% below the global average (Source), reflecting the young fleet and operational efficiency of our current UAE based counterparties. In aviation sector ADIB aims to achieve a 28% reduction in PEI by 2030, targeting an intensity of 76 gCO2/pkm by 2030, through collaborative efforts and proven decarbonization capabilities

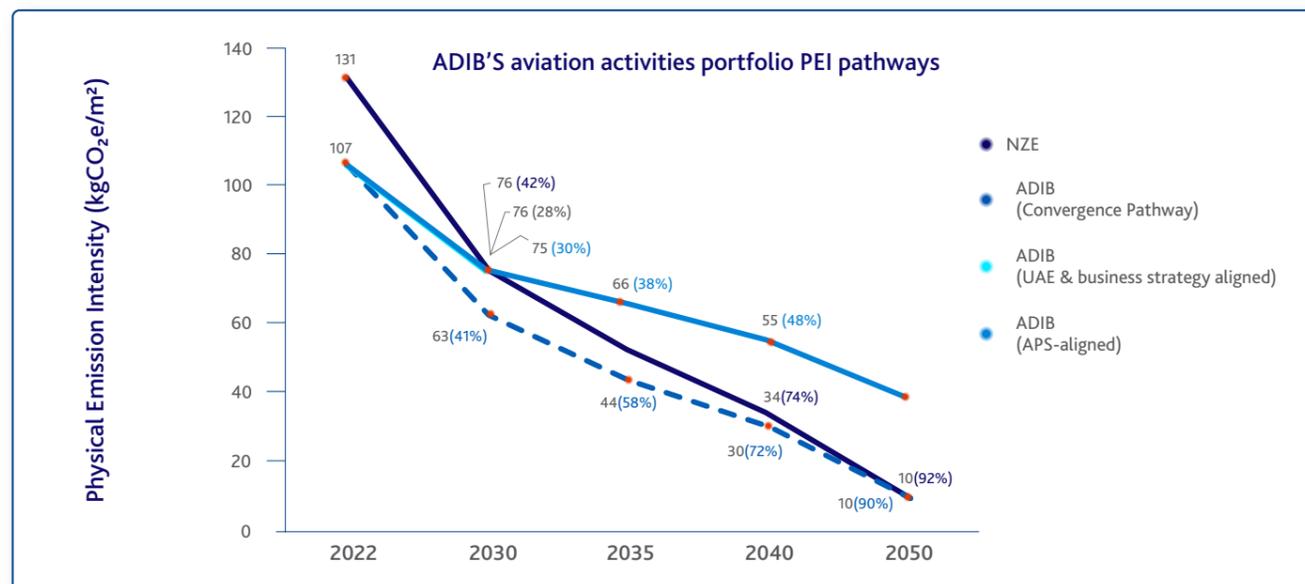
Our key levers to meet these targets

- Financing fleet renewals with next-generation aircraft designs, which are up to 25% more fuel-efficient
- Investing in Sustainable Aviation Fuel (SAF) technology, which can reduce emissions by 80% compared to traditional jet fuel

6.5.2 TARGET SETTING

We formulated our reduction target by taking into account the reduction pathway of our counterparties and layering it with the IEA's Announced Pledges Scenario (APS) where a counter party level reduction pathway was not available. To convert the IEA APS into an intensity metric, we utilized the projected total emissions for the aviation sector from the IEA's World Energy Outlook and integrated these with passenger kilometer (pkm) forecasts.

We aim to achieve a 28% reduction in PEI for aviation by 2030, targeting an intensity of 76 gCO2/pkm. Given our clients' proven ability to effectively decarbonize, we are confident that this goal can be reached by 2030 through our collaborative efforts.



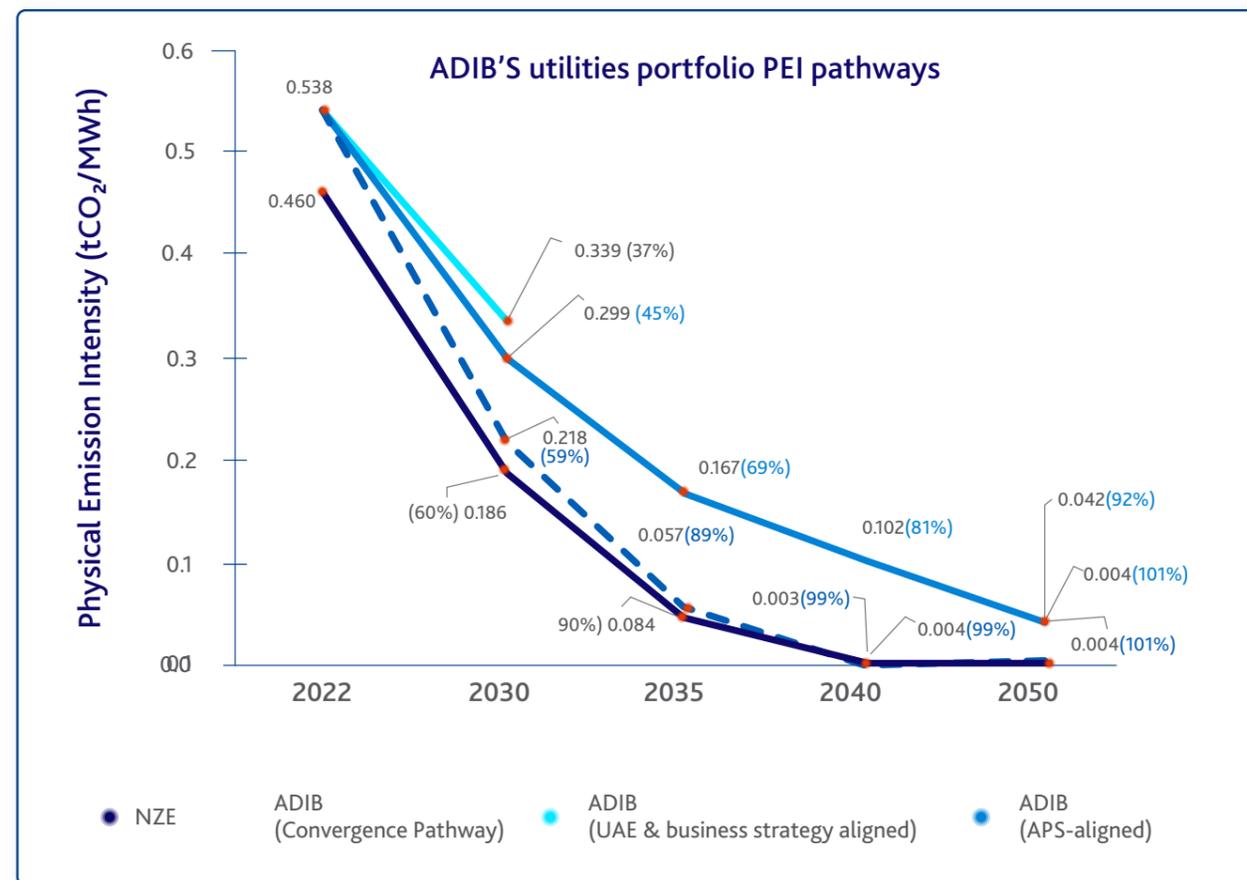
UTILITIES

The utilities sector in the UAE is undergoing a significant transformation, driven by rapid urbanization, technological innovation, and a commitment to sustainability, with a focus on expanding renewable energy projects and smart grid technologies.

ADIB calculated the baseline Physical Emission Intensity (PEI) for the utilities sector at 0.538 tCO2/MWh in 2022, primarily due to the current reliance on fossil fuels, with plans to transition to renewable energy sources. ADIB aims for a 37% reduction in its utilities' PEI by 2030, targeting a decrease to 0.339 tCO2/MWh, in line with the UAE's national ambition to increase the share of clean energy in the total energy mix.

Our key levers to achieve these targets include:

- Sector-specific transition financing
- Steer its portfolio towards clean energy investments
- Assess the necessary investment and finance amounts needed for decarbonization.



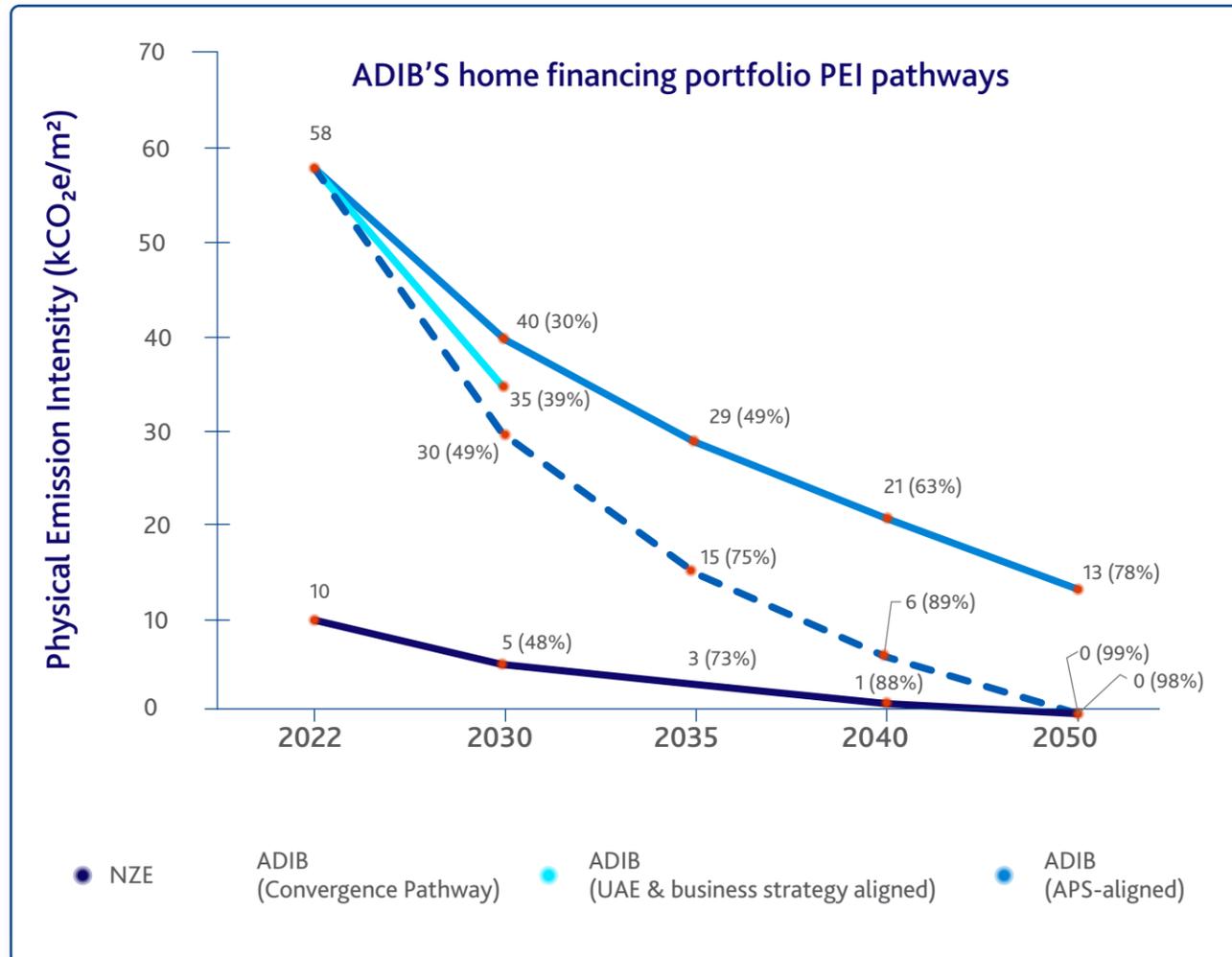
HOME FINANCE

The home finance sector in the UAE plays an important role in the country's decarbonization efforts, and accounts for 26% of ADIB's finance portfolio. Our calculated baseline Physical Emission Intensity (PEI) for our Home Finance sector of 58 kgCO₂e/m², based on publicly available data and benchmarking studies.

In alignment with the UAE's national decarbonization goals, ADIB aims for a 39% reduction in PEI by 2030, targeting a decrease to 35 kgCO₂e/m² by 2030.

Our key levers to achieve these targets:

- Enhance emission data collection Tackling methane emissions
- Support customer awareness campaigns for efficient energy
- Explore Shari'a compliant green financing options



MOTOR VEHICLES

The motor vehicle sector in the UAE is undergoing significant shifts driven by technological advancements, regulatory changes, and evolving consumer preferences, with a strong push towards battery electric vehicles (BEVs) as part of the decarbonization strategy.

ADIB calculated the baseline Physical Emission Intensity (PEI) for the motor vehicle asset class of 181 gCO₂/pkm, considering factors such as average car occupancy and annual distance covered. ADIB aims for a 19% reduction in PEI of motor vehicles section by 2030, targeting a decrease to 147 gCO₂/pkm by 2030, in line with the UAE's ambition to stabilize and slightly reduce transport sector emissions.

Our key levers to achieve these targets include:

- Promoting hybrid, BEVs
- Fuel Cell Vehicles (FCEVs)
- Supporting customer awareness campaign
- Developing necessary infrastructure for lower-emission vehicles

FINANCED EMISSIONS TARGETS

As a leading Islamic Bank, we understand that our responsibility is not limited to making our own operations net zero; but our responsibility also extends to supporting our customers in their net zero transition as well, without impacting

their growth adversely- a reflection of our belief in the principle of "Maslaha," or the common good. As part of our Decarbonization plan, we have also set a roadmap and targets for our financed emissions (scope 3, category 15) as well.



ENVIRONMENTAL SUSTAINABILITY STRATEGY

Aligned with the UAE’s national sustainability and environmental stewardship goals, ADIB is actively contributing to these initiatives through a robust and resilient environmental strategy. Our approach emphasizes innovation, efficiency, and collaboration, aiming to minimize our ecological footprint while enhancing our

contributions to sustainable development. By integrating sustainable practices across all operations, we strive to balance economic growth with environmental preservation, thereby supporting the UAE's broader sustainability objective.

OUR OPERATIONAL EMISSIONS MANAGEMENT

ADIB has been proactively working towards mitigating environmental risks and challenges, focusing on the impact of our operations. We have been focused on working towards effective resource management within the organization, which includes energy efficiency and reduced water consumption, emission reduction, and

minimizing waste. In alignment with the UAE’s Net Zero ambitions, we have conducted an assessment of our baseline environmental performance metrics and set ambitious emission reduction targets through our Net Zero strategy. We also have developed and publicly disclosed our Environmental Policy.

EMISSION PROFILE SUMMARY

Emission Scope	Unit (tCO2e)		
	2022	2023	2024
Scope 1* Emissions	1,479	523	191
Scope 2** Emissions	12,367	13,310	12,906
Scope 3*** Emissions	71	100	347
Total GHG Emissions	13,917	13,933	13,917

* Scope 1 emissions encompass stationary, mobile, and fugitive emissions, with emission factors sourced from DEFRA for calculation.

** Scope 2 emissions are based on the most recent grid factors provided by DEWA, reflecting the UAE grid emission factor.

*** Scope 3 emissions are calculated for business travel and employee commute categories, using a fuel-based methodology for estimation

SCOPE 1 AND SCOPE 2 EMISSIONS

ADIB has achieved a substantial reduction in its Scope 1 emissions, recording an 87% decrease in 2024 compared to the 2022 baseline. This significant decrease is largely due to the strategic reduction in our fleet of owned and operated vehicles, from 20 in 2023 to just 3 in 2024.

Additionally, ADIB monitors diesel consumption, which is utilized exclusively for the resilience testing of our 25 operational generators. This ensures they remain functional during power disruptions, enhancing our operational resilience while managing our direct environmental impact.

SCOPE 2 EMISSIONS

In terms of Scope 2 emissions, which arise from indirect sources such as grid electricity consumption and chilled water for cooling, there has been a modest reduction of 3% from 2023 to 2024. The calculations for these emissions are

rigorously conducted using the latest grid factors provided by the Dubai Electricity and Water Authority (DEWA), reflecting the current UAE grid emission factor.

	2023	2024
Total Scope Emissions (tCO2e/employee)	6.24	6.06
Total Scope Emissions (tCO2e/revenue#)	0.00000179	0.00000152

#Revenue Domestic 2024 – AED 8,816,624,000 from the Annual Report 2024

SCOPE 3 EMISSIONS

In 2024, ADIB saw an increase in Scope 3 emissions, primarily due to broadened reporting boundaries that now encompass all forms of business travel, including air travel, employee commuting, and the use of leased vehicles. This

expansion is part of our commitment to enhance the accuracy and comprehensiveness of our emissions inventory, ensuring alignment with the GHG Protocol.

ENHANCED ENVIRONMENTAL MANAGEMENT SYSTEMS

ADIB's commitment to environmental stewardship is reflected in our adherence to internationally recognized standards. We are certified under ISO 41001 for Facilities Management and ISO 14001:2015 for

Environmental Management Systems. These certifications underscore our dedication to maintaining high environmental standards across all operations.

ISO14001:2015 Certification

The ISO 14001:2015 certification provides ADIB with a robust framework for managing environmental responsibilities effectively. It enhances our ability to address environmental impacts systematically across various aspects of our operations.

ISO 41001 Certification

In conjunction with ISO 14001:2015, our ISO 41001 certification focuses on optimizing facilities management. This ensures that our environmental management efforts are comprehensive and integrated smoothly with our day-to-day operations.

ENERGY MANAGEMENT

At ADIB we have robust strategies underway across Energy, Water Conservation and Waste Management to ensure responsible business practices aligning with our Net Zero ambitions. Our concerted efforts not only enhance our operational efficiency but position us as a leader in sustainable and responsible business proactive.

Energy management is a critical component of ADIB's operational strategy, pivotal in reducing both costs and environmental impact. By optimizing energy consumption, ADIB achieves lower operational expenses and enhanced efficiency, aligning with our sustainability objectives. Our commitment to environmental sustainability is demonstrated through our alignment with international standards and proactive approach to resource management.

Source of Energy	Energy Usage	Total Energy (GJ)
Petrol	Owned Vehicle	2045.18
Diesel	DG Set*	295.32
Electricity	Office Consumption	99,546
Purchased Cooling Energy	Chilled Water	3,701

*The diesel used in DG set is only for the resilience testing purpose.

Total Energy Consumption 2024

Direct Energy (GJ)	2340.50
Indirect Energy (GJ)	103,247
Total	105587.65

Energy Mix 2024

% of Electricity Consumed	97.78
% of Petrol	1.94
% of Diesel	0.28

Energy Intensity

Energy Intensity (GJ/Employees)	47.56
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In the face of expansion, including a 5% increase in branches and an 11% rise in staff numbers over the past year, ADIB has successfully reduced our electricity usage by 1.88%. This achievement

underscores our commitment to energy efficiency, even as our operations grow. Our key initiatives that have driven this reduction are:

Smart Lighting Systems: Implementation of automated lighting, utilizing energy-efficient LEDs across all new and existing branches, which adjust based on occupancy and natural light levels.

HVAC Optimization: Upgrading to high-efficiency HVAC systems and employing smart thermostats to optimize heating and cooling schedules based on real-time occupancy and weather conditions.

Energy Management Software: Utilizing advanced software to monitor and manage energy usage across all locations, providing real-time data to identify and address inefficiencies.

Employee Engagement Programs: Conducting regular training sessions and awareness campaigns to encourage energy-saving practices among employees.

Green Building Practices: Integrating sustainable design principles in the construction and renovation of branches to enhance energy efficiency.

Through these initiatives, we not only reduce our environmental footprint but also set a benchmark on sustainable practices within the banking sector. By continuing to invest in energy management, we reinforce our commitment to environmental stewardship and operational excellence.

CASE STUDY

First Islamic bank to receive LEED v4 Platinum Certification

We are a leading financial institution renowned for our commitment to sustainable development and have set a benchmark in the banking sector by earning the LEED v4 Platinum certification for Zayed International Airport branch. In line with our strategic vision, ADIB sought to develop a branch that not only serves our customers efficiently but also aligns with global sustainability standards. The decision was driven by the bank's desire to minimize our environmental footprint while enhancing the overall customer and employee experience.

ADIB's sustainability plan for the Zayed International Airport branch includes several key initiatives:

- **Water Conservation:** The branch implemented advanced water-saving technologies to minimize water usage, thus contributing to resource conservation.
- **Lighting Efficiency:** Energy-efficient lighting systems were installed to reduce energy consumption and improve lighting quality.
- **Waste Management:** Robust waste management strategy was adopted to ensure efficient disposal and recycling processes.
- **Energy Optimisation:** The branch was designed to optimise energy use through the incorporation of high-performance building materials and energy-efficient systems.

This achievement reflects the branch's high environmental performance across various sustainability metrics, including energy efficiency, water conservation, and indoor environmental quality.



CASE STUDY

Energy Efficiency Training

Recognizing the critical role of energy efficiency in mitigating environmental impact and reducing operational costs, ADIB has embarked on a journey to promote responsible energy use. The bank's objective is not just about cost-cutting but is deeply rooted in its commitment to environmental stewardship. ADIB has launched an energy efficiency training program in 2024, aimed at enhancing sustainability across our UAE premises, buildings, and branches.

Training Program Overview:

The training program is designed to equip service providers with the knowledge and practices necessary to promote energy-saving behaviors. By promoting awareness, participation, and knowledge sharing, ADIB aims to integrate energy efficiency measures into its operations effectively. The program encourages the use of renewable energy sources, smart technology, and efficient lighting solutions to reduce energy consumption and associated costs.

The Energy Efficiency Awareness Training targets ADIB's facilities management and support staff, including security personnel, cleaning staff, office boys, and maintenance teams. In 2024, 539 service providers participated in the program encompassing 689 training hours. The training emphasized the adoption of energy-efficient practices as a key element in reducing operational costs and environmental impact.



CONTINUOUS IMPROVEMENTS IN ESG MANAGEMENT FROM 2023

Electrical Vehicle Chargers

In line with the ADIB strategy in driving the sustainable development forward, and to support UAE Government efforts in building more accessible EV Charging Facilities in the region to accelerate the transition toward electric cars, we are pleased to announce the

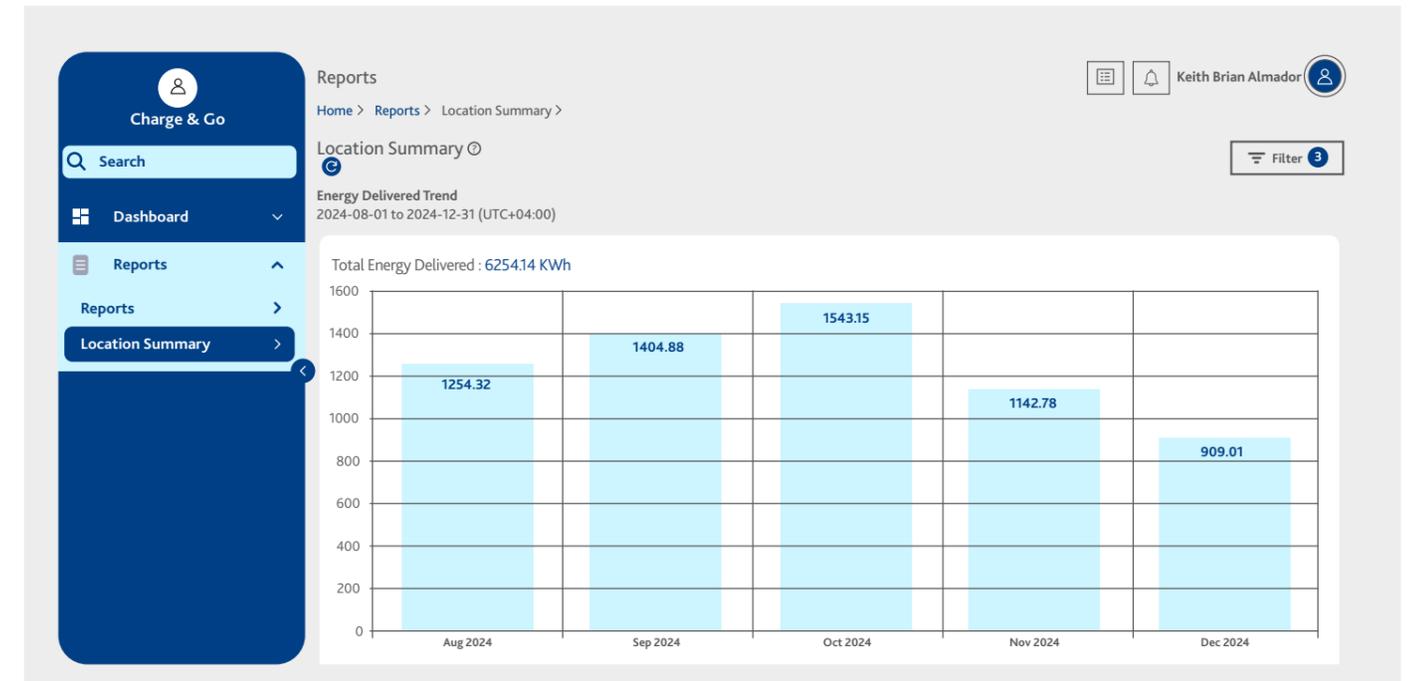
expansion of 4 new Smart EV charging stations within the ADIB HQ- in partnership with Charge & Go (E& Group).



The Bank has increased the number of electric vehicles charging stations to encourage the use of electric vehicles among its employees.

ENERGY IMPACT:

In the first six months of 2024, the new charging stations have provided a total of 6,254 KWH of energy, demonstrating their capacity to support the growing demand for EV charging infrastructure.



SUSTAINABLE SHIPPING PARTNERSHIPS

Abu Dhabi Islamic Bank (ADIB) and DHL have renewed their strategic partnership, reinforcing our commitment to sustainability through the utilization of DHL's GoGreen Plus service. This collaboration marks a significant step in our environmental strategy, aligning with the UAE's national climate goals and setting a new standard for sustainable logistics within the financial sector.

ADIB's partnership with DHL focuses on reducing the bank's carbon footprint, particularly in our supply chain operations. By integrating DHL's

Sustainable Aviation Fuel (SAF) and advanced green technologies, we aim to achieve a substantial reduction in indirect emissions associated with international air shipments.

This collaboration achieves significant Scope 3 emissions reductions, compared to conventional air shipping methods. This partnership not only supports the UAE's climate objectives but also enhances our reputation as a leader in sustainable banking practices.



WATER MANAGEMENT AND CONSERVATION INITIATIVES

Recognizing the importance of water conservation, ADIB has integrated it as a key aspect of our commitment to responsible resource usage and environmental stewardship. Our dedicated team has implemented a series of cost-effective water management practices, resulting in a notable 15% reduction in water

consumption in 2024 as compared to our 2022 baseline. These efforts not only underscore our commitment to sustainability but also align with the UAE's national goals for sustainable water use, demonstrating our proactive approach to environmental management



EFFICIENT WATER USE INITIATIVES:

- Installation of Water Aerators:** ADIB has installed water aerators across all facilities, significantly reducing water flow while maintaining functionality, which curtails excessive water usage without compromising on operational needs.
- Prevention of Water Spillage:** Robust mechanisms are in place to prevent water spillage, ensuring that water use is strictly intended for purposes and minimising waste.
- Water Conservation Guidelines:** This year, ADIB has formulated and adopted comprehensive Water Conservation Guidelines that are in accordance with LEED (Leadership in Energy and Environmental Design) standards. These guidelines focus on promoting efficient water use throughout the organisation and include strategies for water recycling

15% water reduction from our 2022 baseline

Total water

Consumption (m³)

2024:	2023:	2022:
79,809	88,434	93,114

Water Intensity

Water Consumption* (m³/ Employee)

2023:	2024:
40.79	35.95

WASTE MANAGEMENT

We are aware of our responsibility as an organization to minimise environmental impact and promote responsible resource use. We are focused towards reducing waste generation through detailed recycling programs, efficient waste sorting practices, and the adoption of sustainable materials. ADIB is working on an ongoing waste reduction campaign focused on

minimising paper usage and enhancing digital processes, contributing to significant reductions in office waste. Additionally, we have partnered with waste management providers to ensure that our waste disposal practices meet high environmental standards and promote recycling and reuse.

*The water consumption data has been restated based on the change in methodology

WASTE REDUCTION INITIATIVES:

- Ongoing Waste Reduction Campaign:**
 Focused on minimising paper use and enhancing digital processes, this campaign has significantly reduced office waste.
- Partnerships with Waste Management Providers:**
 These partnerships ensure that our waste disposal practices not only meet high environmental standards but also promote recycling and reuse.
- Sustainable Waste Management Training for all ADIB Staff**
- Environmental Awareness Training:**
 Integral for ADIB staff, these sessions focus on the importance of responsible waste handling and disposal.
- Soft Services Training:**
 Conducted quarterly, covering key topics such as waste management, segregation, and recycling to ensure all employees are well-versed in sustainable practices.

TOTAL WASTE GENERATED

Waste Generated (Tons)	2022	2023	2024
Non-Hazardous Waste	149.8	178.65	297.11
Total Waste Generated	156.6	194.87	341.52

The total waste generated within the operational boundary of the organisation consists of general waste and recyclable waste, and we have been taking proactive steps to ensure the recycling of

non-hazardous waste. Among the non-hazardous waste, paper, glass & metal and plastic waste is sent to the authorised vendor across all ADIB Branches & Office to ensure proper recycling.

WASTE RECYCLED

Waste Recycled (Tons)	2022	2023
Non-Hazardous Waste	16.21	44.41
Confidential Paper Waste	22.353	24.521

NON- HAZARDOUS WASTE RECYCLED 2023-2024



CASE STUDY

Enhancing Sustainability through Innovative Waste Management at ADIB

In response to the United Arab Emirates' ambitious targets for achieving zero waste-to-landfill by 2030 and embracing Waste Circularity goals, ADIB has embarked on a transformative journey to enhance its waste management practices. Recognising the importance of minimising general waste and maximising recyclable materials, ADIB has implemented strategic initiatives to expand our waste management program significantly.

Central to this effort is the introduction of two Reverse Vending Machines (RVMs) strategically placed in key locations: ADIB headquarters and ADIB Al Bateen. These machines are not just recycling stations but are necessary to establish a culture of waste circularity by offering rewards points to users. This innovative incentive system has effectively turned recycling into an engaging and rewarding experience, encouraging both staff and visitors to participate actively in the program.

The success of this initiative is reflected in the impressive 159% increase in recyclable waste managed by ADIB. Since its launch in April 2024, the program has facilitated the recycling of approximately 70,000 bottles and cans, showcasing the enthusiastic response from employees who bring recyclables from home and

the office to earn rewards. By incentivizing the recycling process, ADIB has not only contributed to environmental sustainability but has also fostered a community of responsible and motivated individuals who are passionate about making a difference.

In the current year alone, ADIB has collected and recycled 2.455 tons of plastic and aluminum waste from its headquarters and Al Bateen offices.

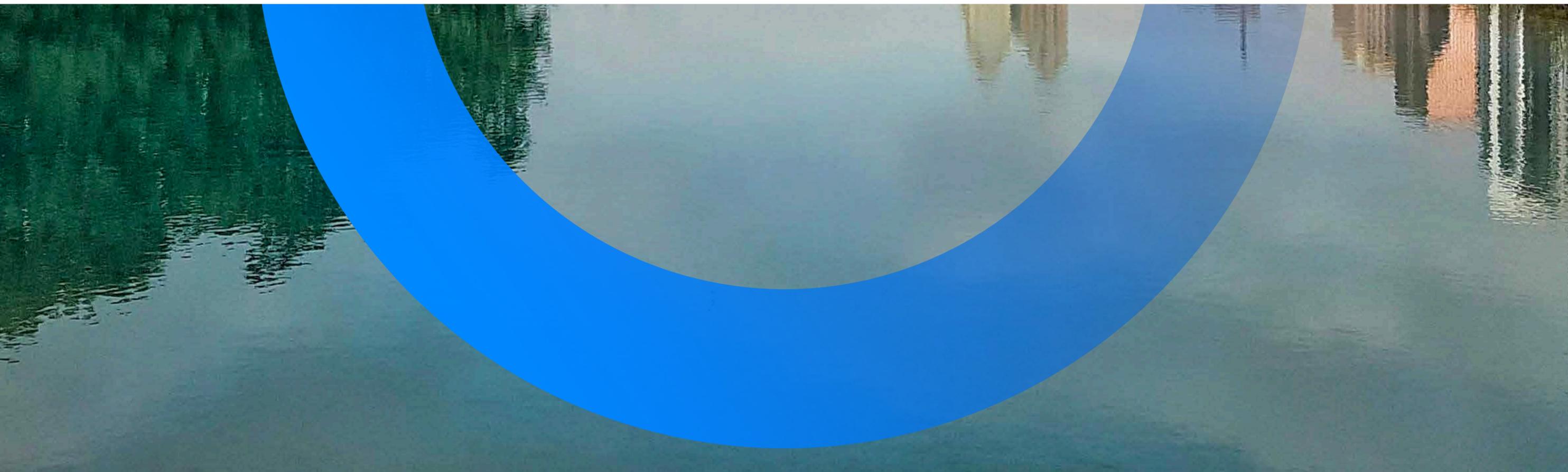
Through these efforts, ADIB is setting a benchmark for corporate responsibility in the UAE, aligning our operations with national environmental goals while enhancing employee engagement and satisfaction. The expansion of our waste management program exemplifies how innovative approaches can drive substantial progress toward sustainability and circular economy objectives.

ADIB has not incurred any fines for non-compliance with environmental laws and regulations in the current year. We employ rigorous practices to monitor and enhance environmental performance across all activities and services, recognizing the critical role each employee plays in upholding environmental stewardship principles and complying with relevant laws and regulations.





ESG RISK MANAGEMENT & INTEGRATION



ESG RISK MANAGEMENT & INTEGRATION

ADIB recognizes that effective management of environmental, social, and governance (ESG) risks and opportunities is essential to long-term value creation. In response, we have established a comprehensive ESG Risk Management Policy that integrates ESG considerations across our Enterprise Risk Management (ERM) framework anchored in both Islamic principles and global sustainability standards.

A CONVERGED APPROACH: ISLAMIC VALUES AND GLOBAL STANDARDS

ADIB's ESG approach uniquely aligns Shari'a values with leading international frameworks. We believe this convergence strengthens our ability to identify and respond to ESG-related risks and opportunities in a manner consistent with our values as an Islamic financial institution. The policy framework is guided by UAE laws and regulations, Shari'a principles, and international standards such as the Equator Principles, International Finance Corporation (IFC)

guidelines, Basel Committee recommendations, and European Bank for Reconstruction and Development (EBRD) practices.

Strategic Integration of ESG Risks

Our ESG Risk Management Policy is designed to embed ESG risk considerations particularly those arising from credit customers and investees within our ERM framework. This integration supports the bank's long-term strategy and ensures we remain within our ESG risk appetite while responding to market expectations and regulatory developments.

ADIB evaluates ESG risks and opportunities over short-, medium, and long-term horizons. For sectors with heightened ESG exposure, the bank has defined risk thresholds and applies enhanced due diligence. The Group Risk function sets ESG risk appetite indicators, which are reviewed quarterly and approved annually by the Board Risk Committee.

RISK IDENTIFICATION AND CLASSIFICATION

ADIB focuses primarily on indirect ESG risks those transmitted through our clients' activities and how they manifest across traditional risk categories such as credit, market, operational, and reputational risks. These transmission pathways are reviewed annually at the Group level.

To ensure consistency and rigour, ADIB has developed a proprietary ESG Due Diligence

Toolkit. This toolkit includes both qualitative and quantitative indicators and is used by front-line units to conduct initial screenings. Transactions are assessed against ADIB's ESG Exclusion and Restricted Lists and are assigned a risk category (low, medium, or high). Where risks are deemed material, enhanced due diligence is conducted to ensure appropriate mitigation actions are implemented.

ESG DUE DILIGENCE TOOLKIT

Abu Dhabi Islamic Bank (ADIB) has developed a comprehensive Environmental, Social, and Governance (ESG) due diligence process that harmonises Islamic finance principles with international sustainability frameworks. This approach enables us to systematically identify, assess, and mitigate ESG risks while aligning with Shari'a compliance requirements, in line with the Equator Principles, and contributing to the United Nations Sustainable Development Goals (SDGs).

KEY ASPECTS INCLUDE:

Qualitative and Quantitative Assessments:

The toolkit combines both qualitative inputs (such as narrative disclosures, environmental and social impact statements, and stakeholder engagement reports) and quantitative metrics (like greenhouse gas (GHG) emissions reductions, energy savings, or water use efficiencies). This dual approach allows for a comprehensive evaluation of a project's sustainability profile.

Risk Identification and Scoring:

Projects are first screened against established ESG Exclusion and Restricted Lists. Those that pass the initial screening are then assessed using a scoring system to determine their ESG risk level. Projects that score in the low to medium risk category may proceed with standard financing procedures, whereas those with higher risk scores undergo enhanced due diligence.

Enhanced Due Diligence for Material Risks:

For projects or transactions where the ESG risks

The due diligence framework spans transaction-level evaluations, portfolio monitoring, and enterprise-wide risk management, reflecting ADIB's commitment to sustainable finance leadership in the Gulf region.

The primary goal of ESG due diligence at ADIB is to identify, evaluate, and quantify the environmental and social performance of projects and deals.

are considered material, ADIB conducts a more detailed review. This involves requesting additional documentation such as Environmental and Social Impact Assessments (EIAs), Environmental Management Plans (EMPs), and evidence of stakeholder engagement. The enhanced process ensures that any significant risks are either mitigated or justified by potential sustainability benefits.

The outcomes of the ESG due diligence process are used by ADIB's ESG Management Committee to make informed decisions regarding the allocation of proceeds. Projects that meet the sustainability criteria are then tracked in a Sustainable Finance Register, ensuring transparency and accountability in the use of funds.

In addition to the initial evaluation, the due diligence framework includes mechanisms for ongoing monitoring. This ensures that projects continue to meet eligibility criteria over time and that any deviations are promptly addressed.

ESG RISK MANAGEMENT

At ADIB Group, we are committed to incorporate ESG factors in our financing and investment decisions. We believe that aligning ESG factors with Islamic principles will enhance the effectiveness of our risk mitigation and adaptation strategies

ADIB's Sustainable Finance Framework complements its ESG Risk Policy by incorporating ESG criteria into financing and investment decisions. The framework outlines how proceeds from sustainable finance instruments (Green, Social, and Sustainability Sukuk) are deployed, ensuring that financing activities contribute positively to environmental and social outcomes. This integrated approach reinforces the bank's commitment to ESG risk management across its operations. As part of our ESG Risk Management Strategy, we exclude certain sectors from our portfolio and any industry that is deemed forbidden by the Shari'a rulings and the UAE regulation. The exclusions are also guided by the IFC Exclusion List and the European Bank for Reconstruction and Development (EBRD) Environmental and Social Exclusion List. Our ESG Risk Management Policy provides a detailed exclusion list (read here).



In addition to the exclusion and the restricted lists, ADIB has also identified and disclosed High risk sectors from an ESG perspective. Financing activities related to these high-risk sectors is subject to enhanced due diligence as part of the ESG risk assessment. These sectors include Agriculture, Forestry, Fishing and Hunting, Mining, Quarrying, and Oil and Gas Extraction, etc. A detailed list of sectors and sub sectors is publicly available in our ESG Risk Policy.

Please refer to our Sustainable Finance Framework and ESG Risk Management Policy for more information.

ESG RESTRICTED LIST:

- Companies engaged in thermal coal power production and subsequent distribution to 3rd parties.
- New thermal coal-fired power plant (or extending the useful life of an existing plant) for general electricity purposes except thermal coal-fired power plants dedicated to a specific project, such as an aluminum smelter or a steel mill (these are often small, i.e., < 100MW), where an ESG assessment has evidenced that no cost-efficient alternative is available.
- Mining, exploration and upgrading of oil including pipeline infrastructure dedicated to exclusive use of transporting oil.
- Oil trading
- High-level nuclear waste processing, transportation, or storage activities.
- Mining, trading, and processing diamonds where there is no explicit evidence of compliance with the Kimberley Process Certification Scheme
- Mining, trading, or processing of asbestos
- Mining, trading, or processing dedicated to uranium or thermal coal
- Ship recycling
- Drift net fishing in the marine environment using nets in excess of 2.5 km in length
- Commercial logging operations for use in primary tropical moist forest
- Production or trade in wood or other forestry products other than from sustainably managed forests
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals.
- Timber from illegal logging operations
- Deforestation and/or burning down tropical rainforest, primary or High Conservation Value forests.
- Mining (Mountain-top removal)



ESG RISK MITIGATION

ADIB is committed to strengthening its ESG risk posture through a multi-faceted risk mitigation strategy grounded in Islamic finance principles and aligned with international sustainability standards. This approach aims to reduce exposure to climate and environmental risks while supporting the bank’s broader sustainable finance agenda.

Portfolio and Client-Level Mitigation

Our ESG risk mitigation framework operates at both the portfolio and client levels:

- **At the portfolio level**, we are establishing ESG risk appetite indicators and setting exposure thresholds for high-risk sectors and geographies. Negative screening is applied to activities identified as ESG-critical, ensuring alignment with ADIB’s exclusion and restricted lists.
- **At the client level**, ESG due diligence is integrated into the credit process. Front-line units—including Business Units and Relationship Managers—assess the customer’s ESG risk mitigation measures and incorporate these into the ESG risk profile of the transaction. These assessments are formally documented and reviewed as part of the credit approval process.

Strengthening Due Diligence

We have enhanced our ESG due diligence protocols to enable a more granular evaluation

of both customer profiles and transaction characteristics. This allows us to make more informed financing and investment decisions while aligning with our sustainability objectives and Shari’a principles.

Physical Climate Risk Adaptation

Recognizing the importance of climate resilience, ADIB is identifying gaps in its approach to physical climate risk including those highlighted in external assessments such as the Dow Jones Sustainability Index (DJSI). While scenario analysis has been addressed in our stress testing exercises, the findings will be further reflected in updates to the ESG risk management framework.

Driving Sustainable Finance

Our ESG risk mitigation efforts are closely tied to ADIB’s broader sustainable finance vision. In 2024, we launched a five-year **sustainable finance strategy** with a target to mobilize **AED 60 billion by 2030**. This strategy underscores our commitment to financing projects that deliver measurable environmental and social benefits

By continuously improving ESG risk management and integrating climate adaptation into our lending decisions, ADIB supports the UAE’s transition to a green economy and contributes to global climate goals.

CLIMATE RISK MANAGEMENT

In 2024, ADIB completed its first comprehensive climate risk assessment, incorporating stress testing and scenario analysis methodologies. This landmark initiative represents our commitment to responsible financial stewardship in accordance with Islamic principles while addressing emerging global challenges. By addressing climate risks proactively, we aim to protect our institution, support our clients through the transition, and contribute to broader climate resilience in the communities we serve.

Our first climate risk stress testing and scenario analysis exercise has provided valuable insights into our portfolio's vulnerabilities and resilience. By integrating climate considerations into our risk management approach, we are enhancing our ability to preserve value while supporting the transition to a more sustainable economy.

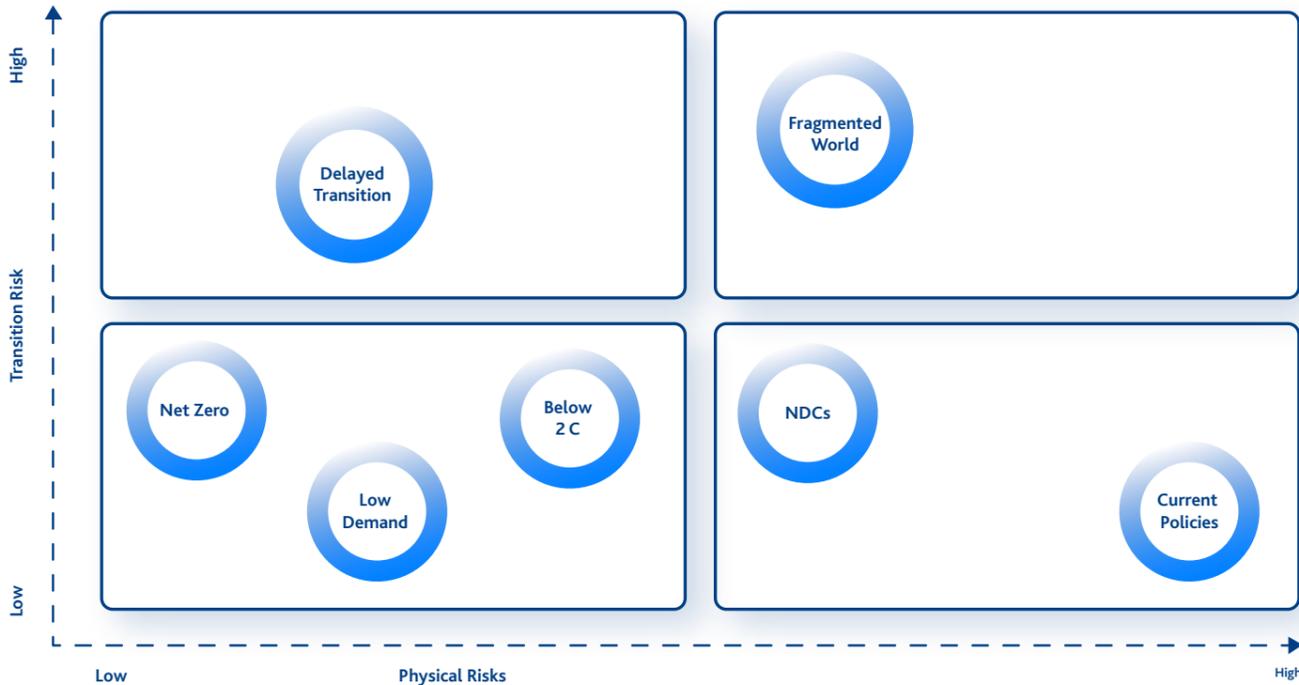
SCENARIOS CONSIDERED

Our scenario analysis employed a range of climate pathways specified by Network for Greening of Financial System (NGFS). The NGFS scenarios explore a set of seven scenarios which

are consistent with the NGFS framework published in the First NGFS Comprehensive Report covering the following dimensions:

Disorderly	Delayed Transition assumes no additional climate policies are implemented until 2030. Strong policies are then needed to limit warming to below 2 °C. Negative emissions are limited.
Oderly	<ul style="list-style-type: none"> • Net Zero 2050 limits global warming to 1.5° C through stringent climate policies and innovation, reaching global net zero CO2 emissions around 2050. • Below 2 °C gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C. • Low Demand assumes that Signiant behavioral changes-reducing energy demand-in addition to (shadow) carbon price and technology induced efforts, would mitigate pressure on the economy to reach global net zero CO2 emissions around 2050.*
Too-little Too-late	<ul style="list-style-type: none"> • Fragmented World assumes a delayed and divergent climate policy response among countries globally, leading to high physical and transition risks. Countries with net zero targets achieve these only partially (80% of the target), while the other countries follow current policies.
Hot house world	<ul style="list-style-type: none"> • Nationally Determined Contributions (NDCs) includes all pledged targets even if not yet backed up by implemented effective policies. • Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks.

In these scenarios, some jurisdictions such as the US, EU, UK, Canada, Australia and Japan reach net zero for all GHGs



ADIB selected the following 3 scenarios to run the top-down climate stress testing.

- **Early Action:** Net Zero 2050, orderly transition, depicting impact of high transition risk and low physical risk.
- **Late Action:** Delayed transition, disorderly transition, depicting impact of higher transition and physical risk.

- **No action:** Current policies, hothouse world, depicting higher physical risk and no transition risk.
- Each scenario was modeled with detailed assumptions about global temperature trajectories, policy environments, technological developments, and physical climate impacts and are mapped to RCP 2.6, RCP 4.5 and RCP 8.5 degrees. These pathways (or trajectories) project future greenhouse gas concentrations and have been formally adopted by the IPCC.

**Early Action
Net Zero 2050**

- Transition starting before 2025
- Net-zero by 2050 with reduced physical risks.
- Carbon taxes and other policies intensify relatively gradually.
- Global warming is limited to 1.8 degrees Celsius.
- No overall impact on GDP growth due to productivity increase in later stages compensating from transition costs in early stages.
- Mapped to 2.6 degrees (in our analysis) reflecting integration with data sources from the Work Bank and World Resource Institute aqueduct database.

**Late Action/
Delayed Transition**

- Transition starting in 2031.
- Net-zero by 2050 with reduced physical risks.
- Compressed reduction in emission resulting in short-term economic disruption.
- Economic impact concentrated in carbon intensive sectors.
- Sharp declines in GDP with knock on effects on employment, demand and risk premia.
- Mapped to 4.5 degrees (in our analysis) reflecting integration with data sources from the Work Bank and World Resources Institute aqueduct database.

**No Action/
Current Policies**

- Net-zero not achieved. Increase in global temperatures of more than 3 degrees Celsius.
- Focus on physical risks, chronic changes in precipitation, ecosystems and sea level rises. Rise in the frequency and severity of extreme events.
- Global GDP growth is permanently lower and macroeconomic uncertainty increases. Effects expected increase in the future.
- Mapped to 8.5 degrees (in our analysis) reflecting integration with data sources from the Work Bank and World Resource Institute aqueduct database.

These scenarios were used to analyse the impact on IFRS 9 Expected Credit Loss (ECL) of both transition risk and physical risk related to ADIB's credit portfolio up to 2050 .

We applied a hybrid approach comprising a top-down systemic assessment (covering both Transition and Physical Risk drivers) combined with a bottom-up idiosyncratic adjustment were done for the wholesale portfolio of AED 59.6 billion (or 9819 accounts). Our methodology is in line with regional peers and EU Banks of comparable sophistication.

FUTURE ROADMAP

ADIB recognizes that climate risk management is an evolving discipline requiring continuous refinement. Our future development roadmap includes several key initiatives like advanced modeling capabilities to improve the sophistication of the scenario analysis, enhanced data quality. Our scenario analysis will be

We have considered UAE specific variables, enhancing the accuracy and effectiveness of the results of scenario analysis:

- Average temperature evolution
- Carbon trajectory
- Carbon Taxes
- GDP growth pathway
- Sea Level Rise
- Capex

These drivers were then used to forecast impact on company portfolio under various climate scenarios to assess impacts on customers' Probability of Default and Loss Given Default.

expanded to include additional climate pathways and sectoral transition disparities. This will provide a more nuanced view of potential outcomes and improve our ability to identify both risks and opportunities across different markets and sectors.





SUSTAINABLE FINANCE



SUSTAINABLE FINANCE

In 2023, we reached a significant milestone by issuing a USD 500 million green sukuk—the world's first dollar-denominated green sukuk issued by a bank. This issuance received an overwhelming market response with an oversubscription rate of 5.2 times and an orderbook that closed at USD 2.6 billion, demonstrating a strong market demand for sustainable and ethical investment opportunities. In 2024, \$451 million has been directed toward eligible green projects under Renewable Energy, Energy Efficiency, and Sustainable Water and Wastewater Management aligning with ICMA's Use of Proceeds guidelines 2022.

We at ADIB continue to advance our sustainable finance portfolio, guided by our comprehensive and robust Sustainable Finance Framework. Our sustainable Finance Framework aligns with the highest international standards, including the Green Bond Principles and Social Bond Principles established by the International Capital Market Association (ICMA), as well as the Green Loan and Social Loan Principles by the Loan Market Association (LMA). Our framework details eligible categories for the use of proceeds and expands the exclusion criteria beyond traditional Shari'a and ESG-related exclusions, ensuring all financed activities meet our ethical and sustainability criteria.

OUR SUSTAINABLE FINANCE STRATEGY

ADIB has set an ambitious target to facilitate AED 60 billion in sustainable financing by 2030 with annual targets including our corporate, retail and treasury segments. This initiative is part of our broader sustainable finance strategy that supports the transition to a net-zero economy, reflecting our commitment to the UAE

INDUSTRY COLLABORATIONS

ADIB is an active participant in several influential sustainability bodies, including the Principles for Responsible Banking (PRB), Abu Dhabi Sustainable Finance Declaration (ADSF), and Abu Dhabi Sustainable Group (ADSG). Our engagement in these platforms highlights our dedication to adopting industry-leading sustainable finance practices.

INTEGRATING SUSTAINABILITY IN CORPORATE GOVERNANCE

Sustainability at ADIB is not just a strategic focus but is integrated with our corporate governance. We embed ESG considerations within our balanced scorecard for senior management, ensuring that our leadership is accountable for achieving our defined sustainability objectives. This integration ensures that performance reviews and compensation are closely linked to our sustainability targets, reinforcing our commitment to responsible banking.

In 2024, we continued to build on our sustainable finance capabilities, facilitating over AED 17 billion in financing, significantly

National Sustainability Agenda and global transition to a net zero economy. We aim to grow in the sector by offering innovative green finance solutions that meet the evolving needs of our clients and contribute positively to the global sustainability objectives.

Aligned with the UAE Banking Federation's initiative, we are committed to contributing to the national goal of mobilizing AED 1 trillion in sustainable finance by 2030. Additionally, our ESG due diligence toolkit, which is in alignment with the Equator Principles, showcases our readiness to officially adopt these soon, further strengthening our sustainability framework.

contributing to Abu Dhabi's position as a global hub for sustainable finance. Our efforts are supported by a sector materiality assessment to ensure our finance initiatives align with the demands for sustainable finance and contribute effectively to our net-zero emission goals.

GREEN SUKUK

In 2023, when ADIB issued world's first dollar denominated green sukuk by a bank, raising USD 500 million, it became a steppingstone in our sustainable finance journey highlighting ADIB's leadership in Islamic sustainable finance.



The proceeds from ADIB’s green sukuk are allocated exclusively to projects that fall within the following six eligible categories:

- Renewable Energy
- Energy Efficiency
- Sustainable Water and Wastewater Management
- Green Buildings
- Pollution Prevention and Control
- Clean Transportation.

Our first Sukuk Impact and Allocation report upto up to 31st December’24 has been published and can be accessed here. This report ensures full transparency, accountability, and provides measurable impact in line with the ICMA Green Bond Principles and international best practices.

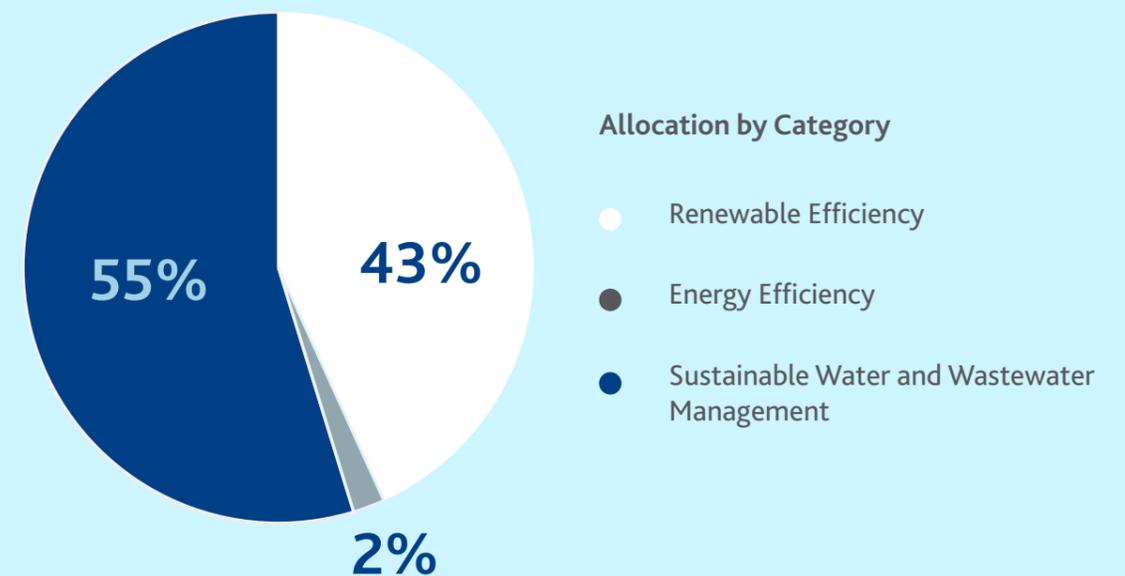
We are happy to report that **\$451 million has been directed toward eligible green projects** under Renewable Energy, Energy Efficiency, and Sustainable Water and Wastewater Management aligning with ICMA’s Use of Proceeds guidelines. The remaining \$49 million are temporarily held in cash or cash equivalents and will be fully allocated within 24 months of the issuance date, per ADIB’s Green Sukuk Framework.



KEY FACTSHEET: ADIB GREEN SUKUK

Attribute	Details
Issuance Date	November 15, 2023
Size	USD 500 Million
Tenor	5 Years
Sharia Compliance Framework	Certified by Internal Shari'a Supervisory Committee of ADIB (the ISSC)
ICMA Alignment	Aligned with Green Bond Principles
Eligible Green Projects	Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Treatment

ALLOCATION PER ELIGIBLE CATEGORY



Eligible Category	Amount allocated (USD)	Percentage of Total Proceeds	Examples of Projects
Renewable Energy	\$196 million	43%	Solar farms, wind energy installations
Energy Efficiency	\$9 million	2%	Energy consumption reduction projects, district heating/cooling system
Sustainable Water and Wastewater Management	\$247 million	55%	Desalination plants, wastewater treatment plants

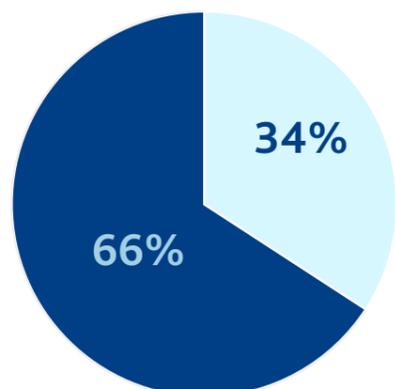
ALLOCATION OF PROCEEDS

Allocated vs. Unallocated Proceeds

Category	Amount (USD)	Percentage of Proceeds
Allocated Proceeds	\$451 million	90%
Unallocated Proceeds	\$49 million	10%

GEOGRAPHICAL ALLOCATION OF PROCEEDS

Category	Percentage of Allocated Proceeds	Key Projects
United Arab Emirates	34%	Solar Power Generation, District Cooling
Saudi Arabia	66%	Solar Power Generation, Wastewater Treatment, Water Desalination

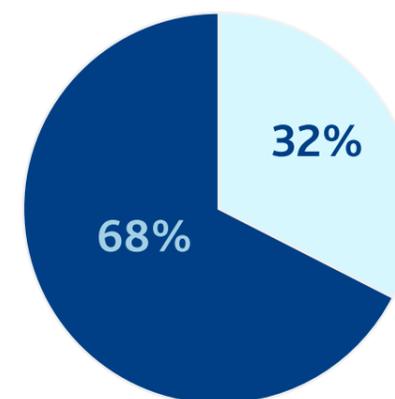


Allocation by Country

- United Arab Emirates
- Saudi Arabia

FINANCED VS REFINANCED PROJECTS

Category	2022	Percentage of Total Proceeds
Financed Projects	\$146 million	32%
Refinanced Projects	\$305 million	68%



Financed vs. Refinanced Allocations

- Financed assets
- Refinanced assets

IMPACTS OF GREEN SUKUK

The proceeds of the Green Sukuk have been used for three major project categories:

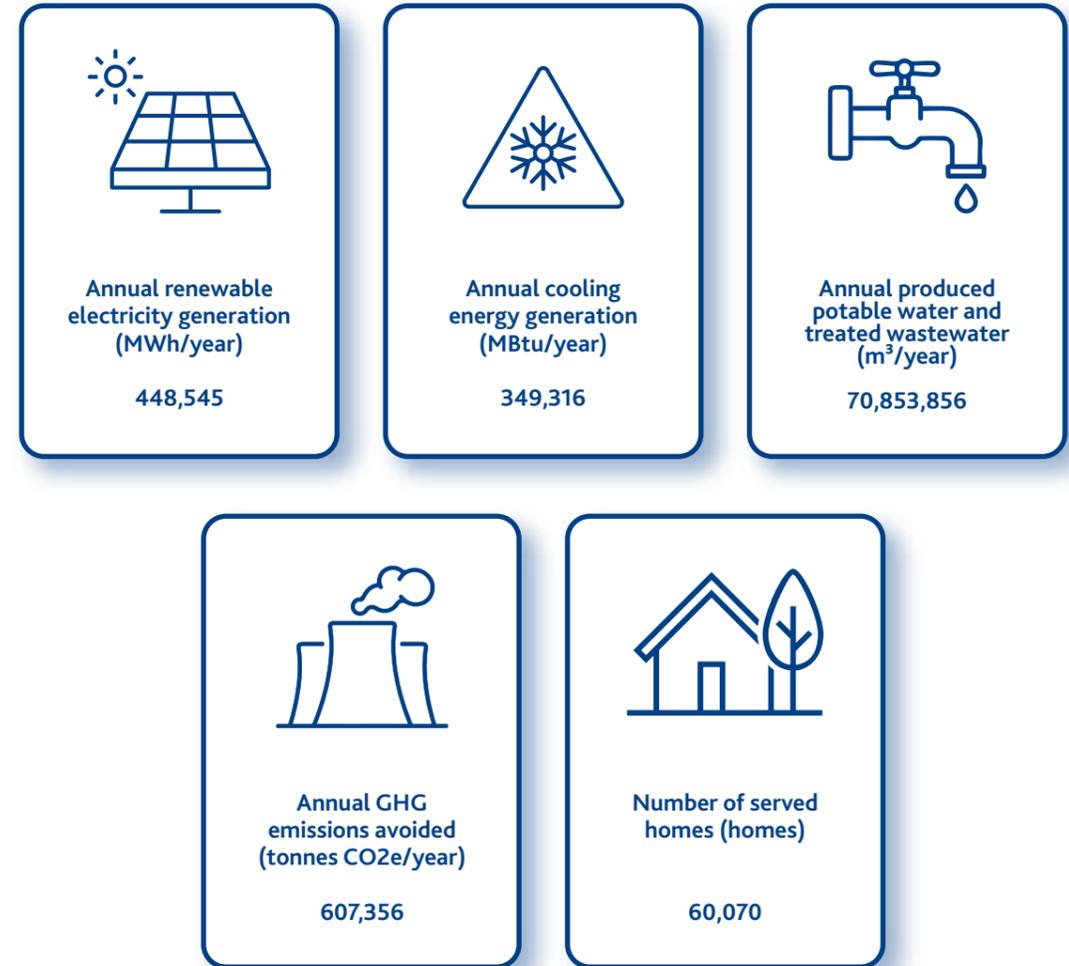
- Renewable Energy
- Energy Efficiency
- Sustainable Water and Wastewater Management

To enhance transparency and accountability, and in line with ICMA Principles, we are reporting the measurable impact created by the funds we raised via our inaugural Green Sukuks in the "Impact Reporting Table" below.

HARMONISED FRAMEWORK FOR IMPACT REPORTING TABLE

Eligible Project Category	Core Impact Indicator	Reported Impact ²
Renewable Energy	Renewable energy installed capacity (MW)	2,100 MW
	Annual renewable electricity generation (MWh/year)	448,545 MWh/year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	288,956 tonnes CO2e avoided/year
	Number of homes served with renewable energy (homes)	7,887 served homes
Energy Efficiency	District cooling installed capacity (refrigeration tonnes)	10,000 refrigeration tonnes
	Annual cooling energy generation (MBtu/year)	349,316 MBtu/year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	24,570 tonnes CO2e avoided /year
	Number of homes served with cooling energy (homes)	2,903 served homes
Sustainable Water And Wastewater Management	Water desalination and wastewater treatment installed capacity (m ³ /day)	1,640,000 m ³ /day
	Annual produced potable water and treated wastewater (m ³ /year)	70,853,856 m ³ /year
	Annual GHG emissions avoided (tonnes of CO2 equivalent/year)	293,830 tonnes CO2e avoided /year
	Number of homes served with potable water or wastewater treatment (homes)	49,280 served homes

Eligible green Project Category	Number Of eligible allocated Projects	Allocated Portfolio (USD Mn) ³	Share of Total Sukuk Financing ⁴	Singed amount (USD Mn)	Share of singed amount to total portfolio(%)
Renewable Energy	2	196	43%	200	43%
Energy Efficiency	1	9	2%	9	2%
Sustainable water and wastewater management	5	247	55%	256	55%



Category	Description
Served Population	Over 60,000 homes are served with the output of green projects.
Community Benefits	Improved access to clean water and sanitation for communities.
Economic Impact	Significant cost savings for building owners due to energy-efficient technologies.
Health Benefits	Improved air quality and reduced exposure to pollutants in urban areas.

GCFC CASE STUDY

The Global Climate Finance Centre (GCFC) was launched at COP 28, UAE. It was conceptualized and created by top global and Emirati institutes- Abu Dhabi Global Market (ADGM), Abu Dhabi Developmental Holding Company (ADQ), BlackRock, Children's Investment Fund Foundation, Glasgow Financial Alliance for Net Zero, HSBC, Masdar, Ninety-One, and the World Bank, with the aim to transform global climate finance and position the UAE as a premium hub for climate investment.

GCFC is a registered independent entity, bringing together public and private sectors, with an objective to scale and accelerate the pace of

climate finance transactions. GCFC works with local, regional, and global partners to facilitate the creation of a comprehensive ecosystem for climate investing in the UAE by addressing specific gaps in the ecosystem and serve as a single window for climate business and investors, prioritizing the Global South and driving forward COP28's legacy.

ADIB is proud to chair the GCFC and playing a pivotal role in fostering collaboration between government entities, financial institutions, and the private sector to mobilise green finance and drive sustainable investment.





SOCIAL: PEOPLE FIRST



PEOPLE FIRST

At ADIB, our people are our greatest asset. We are proud of our diverse workforce, which reflects our values of inclusion, respect, and equal opportunity. Guided by Shari’ah principles, we are committed to cultivating a workplace where every employee feels valued and empowered to thrive, irrespective of nationality, gender, age, religion, or ability. Our approach is anchored in wellbeing, professional growth, and ensuring that our employees are future-ready in an evolving digital landscape.



Commitments

AT ADIB, we prioritize your health and wellbeing.

At ADIB, we prioritize you and your family.

Employee Demographics

Understanding our employee demographics is key to effective talent management and inclusive workforce planning. It helps us assess diversity, identify gaps, and build policies that enhance engagement and retention. Our employee demographics showcase a balanced age and gender distribution across all the levels of the workforce.

Staff Demographics

	<30 years	30 - 50 years	>50 years
Top Management	0	2	8
Senior Management	0	163	75
Middle Management	33	840	136
Junior Management	234	532	43
Non- Managerial Staff	54	96	4
Total Employee	321	1633	266

Representation at levels of Management

	Male	Female
Top Management	8	2
Senior Management	218	20
Middle Management	784	225
Junior Management	306	503
Non- Managerial Staff	42	112
Total Employees	1358	862

Employee Turnover

Employee turnover is an important metric for organizations as it helps us in understanding the turnover rates across different grades and gender, which can provide insights regarding factors influencing employee exit. The table below presents a detailed breakdown of turnover data, highlighting variations across different job grades and between male and female employees.

In 2024, we achieved a significant reduction in our employee turnover rate—down by 23.5%. This reflects the positive impact of our strategic focus on employee wellbeing, inclusive culture, and capability development.

Our overall percentage of employee turnover, including both voluntary and involuntary, is 10%.

Category	Employee Turnover by grade and gender 2024 (including VRS, retirement and death)	
	Male	Female
Top management	2	0
Senior management	28	2
Middle management	81	22
Junior management	23	48
Non-Supervisors	3	6
Workers (Permanent)	137	78

Category	Employee Turnover by grade and gender 2024 (including VRS, retirement and death)		
	<30 years	30 - 50 years	>50 years
Top management	0	0	2
Senior management	0	20	10
Middle management	8	88	7
Junior management	38	32	1
Non-Supervisors	5	3	1
Workers (Permanent)	51	143	21

Gender Equality and Diversity

Diversity and inclusion are embedded in ADIB's identity and are fundamental to our ability to serve a broad and varied customer base. With employees from over 50 nationalities, we value the unique perspectives each team member brings to the organization. This diversity enhances innovation, strengthens our culture, and supports more informed decision-making.

We are committed to treating all our employees

People of Determination Inclusion

In partnership with *The Butterfly*, a leading advocate for people of determination in Abu Dhabi, we expanded our disability inclusion efforts. Through this collaboration, ADIB has access to tailored training, resources and initiatives designed to enhance disability awareness and inclusion within the organization including access to CVs of candidate with disabilities. All ADIB employees received disability awareness training, promoting a culture of understanding and support for colleagues with diverse needs. We also continue to take meaningful steps to build a diverse, accessible and equitable workplace. We actively recruit and

Gender Diversity

In alignment with the UAE strategy and ADIB's Diversity and Inclusion Policy, promoting gender equity is a strategic priority for us.

In 2024, women represented 39% of our total workforce, a testament to our efforts to empower women and enable inclusive career development. We are proud to report that 72% of Emirati employees are women, and 14% of our Board of Directors are female, reflecting progress in gender representation at all levels.

To support career advancement for women, we offer targeted development programs such as *Tamkeen and Qiyadat*, designed to prepare

equally and providing equal opportunities. Discrimination based on nationality, gender, religion, ethnic origin, disability, or age amongst others is prohibited. The Code of Conduct for employees sets out the key behaviors we expect from all employees and guides our employees on the path to being respectful and treating everyone equally. Our Employee Code of Conduct, Anti-Bullying and Harassment Policy and Diversity and Inclusion Policy sets out a clear standard for respectful, fair and non-discriminatory behaviour.

support employees with physical disabilities integrating them in various departments in the bank. Our recruitment efforts are guided by a principle of equal opportunities, ensuring that people are evaluated based on talent and potential, and not limitations.

We have invested in modifying our physical and digital infrastructure to ensure that all our offices, premises and systems are accessible. We also conduct regular inclusive leadership training for employees to foster a culture of inclusivity.

high-potential female talent for leadership roles. These are complemented by a suite of family-friendly benefits, including maternity leave, dependent allowances, and medical coverage for children and spouses. We are committed to promoting a fair and inclusive workplace. We have proactively taken measures to recruit from a diverse pool of candidates.

In 2024, all ADIB staff completed annual diversity and inclusion (D&I) training. This was complemented with storytelling sessions and expert-led workshops to deepen understanding of inclusion. Our recruitment practices are designed to be gender-sensitive and inclusive, ensuring balanced candidate pools and merit-based selections.

	New Hire 2024	
	Male	Female
Top management	1	0
Senior management	18	3
Middle management	89	30
Junior management	39	55
Non-Supervisors	7	14
Workers (Permanent)	154	102

	New Hire 2024		
	<30 years	30 - 50 years	>50 years
Top management	0	0	1
Senior management	0	16	5
Middle management	11	105	3
Junior management	59	34	50
Non-Supervisors	11	10	0
Workers (Permanent)	81	165	59

Women Workforce	Percentage
Share of women in total workforce (as % of total workforce)	39%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	36%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	48%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	13%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	40%



Equal Pay

ADIB remains committed to fostering a workplace rooted in equity and fairness. In line with this commitment, we practice equal pay

equal work, with salary structures based on managerial levels and role responsibilities, irrespective of gender.

The median gender pay for men to women is 1.22:1.

Collective Bargain and Freedom of Association- While collective bargaining and trade union representation are not legally permitted under UAE labour laws, ADIB adheres to applicable legislation across all jurisdictions in which we operate. We remain committed to upholding open and constructive channels of communication between employees and management.

Non-Discrimination

ADIB is committed to maintaining a respectful, inclusive, and discrimination-free work environment. In 2024, two cases of alleged discrimination were formally reported. Both cases were addressed through the Conduct Disciplinary Committee (CDC). The first was resolved amicably between the parties involved and appropriately documented. The second,

after a thorough investigation, was closed with no evidence of misconduct found.

Employees dissatisfied with the outcome of any internal investigation have the right to escalate concerns to the Grievances Committee, underscoring ADIB's commitment to fairness, accountability, and zero tolerance for discrimination.



Emiratization

As a leading Islamic financial institution, ADIB is committed to advancing national talent development as part of our broader contribution to the UAE's economic vision. Emiratization is a strategic priority within our human capital agenda, reflected in a 44% Emirati representation across our workforce—among the highest in the UAE banking sector. Notably, 72% of Emiratis at ADIB are women, and UAE nationals now hold 22% of senior leadership roles.

- 44%** Emiratization Rate
- 72%** Emirati women of the total number of Emiratis
- 22%** of Senior Management positions held by Emiratis
- 67%** of ADIB employees under age 30 are Emiratis

In 2024, we welcomed a strong cohort of Emirati professionals and graduates, with UAE Nationals comprising 67% of employees under the age of 30. This reflects our long-term approach to building a sustainable talent pipeline that drives innovation and excellence across the organization.

	2023	2024
Nationals among total full-time workforce (%)	43.80%	43.70%
Nationals among total full-time workforce (Number)	946	968
Female National full-time employees (Number)	681	697
Male National full-time employees (Number)	265	271

We continue to implement targeted programmes aimed at accelerating the career growth of Emirati talent. These include mentoring opportunities, exposure to strategic initiatives, and leadership development programs. Emiratis have been appointed to key positions across areas such as digital transformation, sustainability, liquidity management, and investment—strengthening our operational capabilities and reinforcing ADIB's future-readiness.

Our active participation in Tawdheef x Zaheb 2024, where ADIB served as Platinum Sponsor, further demonstrated our commitment to cultivating the next generation of Emirati banking leaders.

Case Study

ADIB Strengthens Emiratization Efforts at 'Tawdheef x Zaheb' 2024

ADIB was the platinum sponsor of Tawdheef x Zaheb 2024, a 3-day exhibition at the Abu Dhabi National Exhibition Centre (ADNEC), providing a crucial platform for career advancement, networking, and exploring employment opportunities across various fields.

Senior representatives from ADIB were present on site throughout the event and met candidates to discuss employment opportunities for current and potential positions across the Bank. At the event, ADIB showcased its flagship initiatives designed to support the UAE's next generation of leaders further reinforcing ADIB's unwavering focus on advancing Emirati talent through active recruitment and professional development.

Training and Development

At ADIB, we recognize that our people are the driving force behind our consistent performance and continued success. In 2024, we reinforced our commitment to investing in human capital. We are aligning our initiatives with our ADIB 2035 Vision and broader sustainability goals. This focused approach to talent development has been instrumental in creating a workforce that is not only highly skilled but also future-ready, innovative, and aligned with organizational goals.

“ In 2024, ADIB delivered 279,000 hours of training across the organization. ”

Our learning initiatives are guided by our publicly disclosed Learning & Development Policy covering training requirement, career development programs, talent development and succession planning, employee engagement, and performance evaluation.

Particulars	FY 2024	FY 2023
Permanent Employees (hours per employee)		
Management	56	79
Non-Management	66	74
Permanent Male Employees	49	57
Permanent Female Employees	70	114
Temporary/Contractual Workers (hours per employee)		
Temporary/Contractual Workers	40	44



*The numbers for the average hours per FTE trainings and development along with the amount spent for FY 23 have been restated based on updated methodology.

Digital Learning Transformation

In 2024, we substantially expanded our e-learning capabilities, implementing sophisticated digital platforms that enable our employees to access learning content anytime and anywhere. This digital transformation in learning has democratized access to knowledge and significantly increased training participation across the organization.

Our Learning Management System has been enhanced to provide highly personalized learning experiences, with over 90% of e-learning content customized to individual user needs and preferences. By incorporating gamified content, interactive videos, and engaging learning approaches through partnerships with Oracle and LinkedIn, we have significantly enhanced the

learning experience, making it more immersive and effective for our employees.

This digital-first approach to learning has not only expanded our training reach but also promoted a culture of continuous self-development among our employees. The flexibility and accessibility of our digital learning offerings have enabled our workforce to take greater ownership of their professional growth while balancing their daily responsibilities.

We have strategically transitioned to a blended learning approach, combining traditional in-person training with cutting-edge digital learning solutions. This hybrid model has provided employees the flexibility to access courses on an “anytime, anywhere” basis.

Upskilling Partnerships and Transition Assistance

Recognizing the evolving demands of the financial sector, ADIB has established a robust framework for upskilling and career development. We actively partner with leading institutions—including the Emirates Institute of Finance (EIF), LinkedIn Learning and other international training providers—to deliver tailored leadership development, technical certifications, and coaching programs aligned to business priorities. Each employee is encouraged to complete a minimum of five training days annually, with learning targets embedded into individual

performance KPIs. Individual Development Plans (IDPs) are a core element of our talent pipeline strategy, ensuring succession readiness and fostering internal mobility. Where required, Performance Improvement Plans (PIPs) are deployed to support employee growth and retention.

ADIB also provides scholarships for specialized learning and supports career transition efforts, reinforcing our commitment to the long-term employability and development of our workforce, including outsourced and contractual staff.

Partnership in Learning and Development

Alongside ADIB’s internal training suite, we have partnered with prestigious institutions such as the Emirates Institute of Finance (EIF) and

Harvard Business which support us in leadership development. Additionally, our employees also get to build professional accreditations and chartership from established institutions. These partnerships have been instrumental in elevating the strategic thinking and leadership capabilities of our management teams.



Programs for upgrading employee skills and transition assistance programs			
Employee Category	Training Topic/ subject	Quantitative impact of business benefits (monetary or non-monetary)	Number of FTEs that participated in this program
Junior Management	1175 courses attended by this category covering several topics	8.1 Average man-days for 2024, 36% of employees have development plans supporting succession planning	848
Middle Management	1215 courses attended by this category covering several topics		1057
Non Managerial	306 courses attended by this category covering several topics		156
Senior Management	300 courses attended by this category covering several topics		253
Temporary/Contractual Workers	1561 courses attended by this category covering several topics		2910
Top Management	8 courses attended by this category covering several topics		10

Our training programs are meticulously designed to address various competency requirements. These trainings include ADIB Retail Digital Products Program, Branch New Joiners' programs that cover all sales, service, and systems training, in addition to role-based Compliance,

Operational Risk, Business Continuity, and Health and Safety programs. ADIB mandates AML/KYC, and Ethical and Islamic Banking training programs to ensure best in class performance by an Islamic bank.

Employee Mandatory Trainings

Employee Education	2023	2024
Percentage of employees formally trained on information security, data privacy, and protection (%)	99%	100%
Percentage of workforce who have formally acknowledged compliance with the Employee Code of Conduct (%)	99%	100%
Percentage of workforce formally trained on the anti-corruption/ bribery policy (%)	96%	97%

The Bank's training suite encompasses Orientation, Cybersecurity, Fraud and Risk, and ESG programs. Every employee at ADIB now benefits from an individualized career development plan with specific learning indicators that align with both their

Performance Management

ADIB's career management system continues to be an important part of our talent development strategy. The system integrates strategic KPIs with individual development needs, creating clear pathways for advancement within the organization.

In 2024, we redesigned the bank's grading structure, that better reflects employees' experience, expertise, and professional development. This six-week transformation project involved a thorough and transparent assessment of roles, responsibilities, and competencies across the organization, resulting

aspirations and the bank's strategic needs. This structured approach to career development ensures that we are systematically building the capabilities required for our future success while supporting our employees' career ambitions.

in a more equitable system that provides enhanced opportunities for career progression.

ADIB's Performance Management System consists of three key cycles: goal setting, mid-year evaluation, and year-end evaluation. Our appraisal system is based on evaluating staff based on the balanced score card of employees, which incorporates the Bank's performance and a management by objectives system against individual KPIs. Where relevant, we have also introduced team-based appraisals. In the current year 100% of the employees, irrespective of gender and grade, have undergone a performance and career development review. This resulted in internal promotions of our employees as follows.

Employees	Number of employees promoted in 2024
Number of male employees promoted	71
Number of female employees promoted	30
Total number of employees promoted	101

At ADIB we have a High Potential (HIPO) identification process to build the pipeline of future leaders. All identified HIPOs undergo an accelerated growth and development program as per curated program.

We also have succession planning which is particularly focused on developing Emirati talent

for leadership roles, supporting both our Emiratisation objectives and our commitment to promote diverse perspectives in decision-making positions. In 2024, our efforts in this area led to a significant number of Emirati employees being promoted into positions of substantial responsibility (More details in Emiratisation section).

Employee Wellbeing

At ADIB, we prioritize the health, wellbeing, and resilience of our people. Recognizing that our employees are central to our continued success, we are committed to fostering a workplace culture that supports physical, emotional, and financial wellness. This commitment is embedded in our policies and demonstrated through a comprehensive suite of wellbeing initiatives designed to ensure our people feel valued, supported, and empowered.

All full-time employees are covered under comprehensive medical insurance plans, which include coverage for a wide range of illnesses, annual health check-ups, and mental health support. We also run regular awareness campaigns that encourage healthy lifestyles and promote wellbeing across our workforce.

To support work-life balance, ADIB has implemented progressive practices, including a four-and-a-half-day work week and flexible working hours, with remote work options also being available.

Key Wellbeing and Support Initiatives in 2024:

- **Flexible Work Arrangements:** ADIB promotes flexible working hours and hybrid work models to support employee productivity and wellbeing.
- **Staff Finance Benefits:** Employees can access ADIB's banking products and services at highly competitive rates or in some cases, at no cost.
- **Compassionate Leave:** Employees are granted leave in the event of personal or family bereavement or serious health challenges.
- **Maternity and Paternity Leave:**
 - Maternity leave is offered up to 90 calendar days at full pay for employees with over one year of service. Employees with less than one year of service are entitled to 45 days at full pay and 45 days at half pay.
 - Additional leave of 30 calendar days at full pay is provided for mothers of children of determination or those with significant health conditions, with a further option for an unpaid extension of up to 30 days.
- **Paternity leave** of five paid working days is available to fathers, with flexible usage within six months of the child's birth.
- **Breastfeeding Support:** Mothers are entitled to one hour per day for nursing during the first six months after childbirth. ADIB also offers access to dedicated lactation rooms equipped with refrigerators across UAE offices.
- **On-site Nursery:** A high-quality, affordable nursery is available at ADIB's Head Office, offering convenient access for working parents.
- **Support for Employees with Children of Determination:** In 2024, ADIB increased its educational support allowance by AED 10,000 annually, without age limits, to support children of determination until university graduation.

Employee Benefits & Staff Offers:

ADIB provides a broad range of lifestyle and leisure benefits to enhance employee satisfaction, including:

- Exclusive vacation and hotel discounts
- Preferred rates for children's sports and extracurricular activities
- Wellness club and fitness destination memberships
- Unlimited use ticketing discounts for entertainment and leisure

- Discount programs including Faza'a, Mazaya, ADIB Smart Deals, and more

In alignment with our Parental Leave Policy, 138 employees utilized leave in 2024, with a 100% return-to-work rate and a 82.84% retention rate—demonstrating our commitment to supporting working parents.



Health and Safety

At ADIB, we are committed to ensuring a safe, healthy, and secure working environment for all our employees. Our Occupational Health and Safety (OHS) system is certified under ISO 45001, reflecting our adherence to international best practices. This system is aligned with Occupational Safety & Health Abu Dhabi (OSHAD) regulatory standards and is supported by a publicly disclosed Health & Safety Policy Statement here.

In 2024, ADIB strengthened its safety culture through proactive risk management and targeted training initiatives. We conducted an internal health and safety audit to assess the effectiveness of our controls and safeguard our operational resilience. A total of 3972 employees received specialized training on occupational health and safety, with a focus on first aid, emergency preparedness, and fire safety.

Further embedding our safety-first approach, 192 health, safety, and environment (HSE) training sessions were delivered in collaboration

with ADIB's facility management partners, amounting to 254 training hours, a 51.19% increase compared to 2023.

To enhance accessibility and awareness, we launched the ADIB Health & Safety Awareness Online Training, hosted on the ADIB Online Training Academy. This digital module ensures consistent delivery of safety standards and continuous learning across the organization.

We are pleased to report zero work-related fatalities or serious injuries in 2024. Minor incidents were addressed swiftly by our on-site medical teams, with all affected employees receiving immediate attention. Root cause analysis was conducted to mitigate future risks and improve our overall safety management. ADIB remains dedicated to fostering a culture where employee wellbeing and safety are paramount, ensuring that all team members can thrive in a secure and supportive environment.

In 2024, ADIB undertook an evaluation of its health and safety protocols by conducting three distinct audits across its offices. These audits were designed to ensure compliance with international standards and improve the overall safety and efficiency of their operations.

1. ISO 9001 Quality Management System (QMS): This audit focused on assessing the bank's quality management practices. ISO 9001 is a globally recognized standard that ensures organizations consistently meet customer and regulatory requirements while enhancing customer satisfaction through effective quality management systems. For ADIB, this audit would involve evaluating processes related to service delivery, customer interaction, and continuous improvement practices.

2. ISO 14001 Environmental Management System (EMS): The ISO 14001 audit aimed at evaluating the bank's environmental management practices. This standard provides a framework for organizations to manage their environmental responsibilities in a systematic manner that contributes to sustainability. This audit would assess how well the bank is minimizing its environmental footprint, complying with applicable laws, and striving towards sustainable operations.

3. ISO 45001 Occupational Health and Safety Management System (H&S): This audit evaluated the bank's approach to managing health and safety risks within the workplace. ISO 45001 is designed to help organizations ensure safe and healthy workplaces by preventing work-related injuries and illnesses. For ADIB, the audit would focus on identifying potential hazards, evaluating current health and safety measures, and recommending improvements to create a safer working environment for all employees.

	2023		2024	
	Total Number of HSE Trainings	Total Training Hours	Total Number of HSE Trainings	Total Training Hours
ADIB	10	64	15	71
AGFS	27	27	33	33
IDAMA	24	24	55	55
IMDAAD	71	71	88	88
Total	132	168	192	254



Employee Satisfaction and Grievances

At ADIB, we strive to foster a culture of engagement, inclusion, and continuous improvement by listening to our employees and responding to their needs. In 2024, we reinforced our commitment to employee satisfaction through targeted initiatives, including an organization-wide employee survey aimed at assessing market competitiveness in remuneration, benefit and overall satisfaction levels.

The insights gathered from this survey informed the development of an updated salary scale and a review of our reward policies—ensuring alignment with evolving regulatory requirements and labor laws. These actions also helped us identify and begin to address gender-based disparities, reinforcing our commitment to equity and transparency.

No. of employee grievances filed: **80**

No. of these grievances addressed and resolved: **73**

Grievance Management Framework

ADIB is committed to providing a fair and transparent grievance management system that ensures all employee concerns are addressed promptly, respectfully, and confidentially. The foundation of this process is laid out in our Employee Handbook, which offers clear guidance on how employees can raise concerns related to employment, management, or peer interactions.

Employees may submit grievances directly to their People Leader or Human Resources representative, or formally through the confidential Grievance Committee email address. The Grievance Committee independently oversees this process, ensuring that cases are reviewed impartially and that employees feel heard and respected throughout the resolution process.

To ensure robust governance and accountability, ADIB has established three key committees to oversee grievance and disciplinary matters:

- **Disciplinary Committee:** Reviews cases referred by the Fraud Investigation Unit and enforces actions in accordance with the Bank's disciplinary framework.

- **Conduct Disciplinary Committee (CDC):** Investigates significant misconduct or ethical breaches and determines appropriate disciplinary measures.
- **Grievance Committee:** Evaluates formal grievances and appeals, ensuring fair treatment and equitable outcomes for all employees.

Each complaint is carefully investigated by a cross-functional team, including HR and business representatives, who provide written resolutions. Where applicable, policy amendments are proposed and implemented. Our Group Grievance Standards are reviewed regularly in collaboration with HR, Legal, and Compliance, ensuring our framework remains adaptive, fair, and in line with best practices.

ADIB also maintains multiple internal communication channels to enable employees to escalate concerns discreetly. Employees who believe disciplinary actions were unjust are encouraged to request a secondary review through the Grievance Committee. This open-door policy promotes a culture of trust.

Years	Open Grievances/Still Under investigation	Closed Grievances	Total
2024	7	73	80
2025	3	3	6

Technology-Enabled Workforce Transformation

Technology has fundamentally transformed how our employees work, creating a culture powered by data and efficiency. In 2024, we invested significantly in technological capabilities such as Cloud infrastructure, AI/Machine Learning, and advanced data analytics, equipping our workforce

with the tools needed to operate effectively in an increasingly digital environment.

These investments have enabled faster information sharing across teams, breaking down silos and facilitating more agile decision-making. Our employees are now empowered to leverage data-driven insights in their daily work, enhancing both their productivity and the quality of service they provide for our customers.





SOCIAL: CUSTOMER-CENTRICITY



CUSTOMER COMMITMENT AND EXPERIENCE

Putting Customers First

At ADIB, our commitment to exceptional customer experience is deeply rooted in transparency, accessibility, and fairness. We serve over 2 million customers, with 216,000 new customers onboarded in 2024 – 70% joining us through our digital onboarding channels.

Today, 91% of our customers are digitally active, reflecting our continued investment in Shari'a-compliant, innovative digital solutions tailored to diverse customer needs.

New customers in 2024:

216,000

Total customers banking with ADIB:

2 million

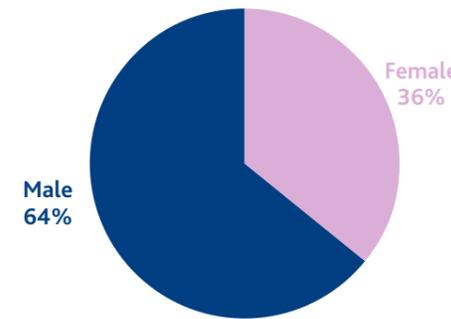
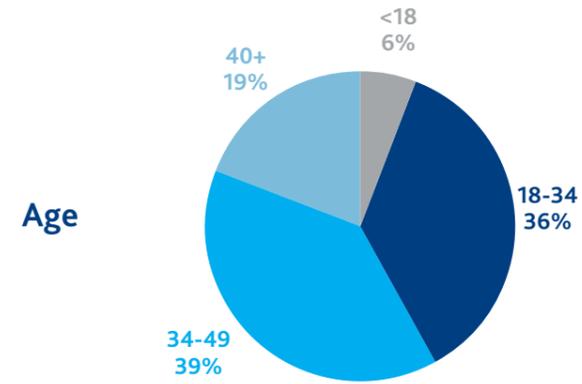
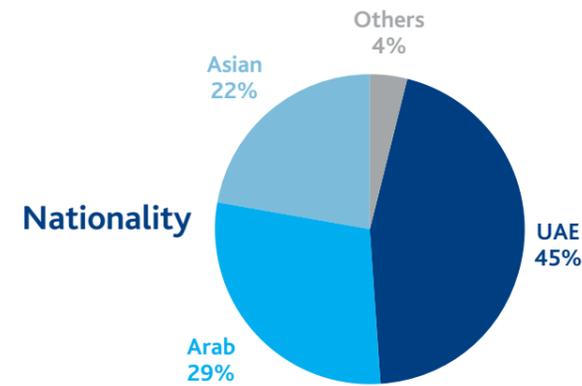
Digitally active customers:

91%

Number of SME customers:

40,800

Over 9,700 new youth accounts opened a 47% increase from 2023



Digital Innovation and Transformation

We made remarkable progress in 2024, introducing over 80 digital enhancements, driving operational efficiency, engagement, and acquisition. Our redesigned mobile app offers intuitive user experiences, including instant card issuance and self-service card management. More than 1 million customers are registered on

Our Promise

To be a lifelong partner for customers, colleagues and communities. Living on this promise, we will: treat our customers with respect, courtesy and professionalism

Shari'a inspired and compliant in all our products and services

Provide customers with easy and convenient banking round-the-clock

Understand customers' financial needs and offer them customized financial solutions.

Be transparent about our products, services and charges.

Ensure timely response to all request and inquires

Keep customers' personal and financial information confidential

Collect and respond to their feedback and suggestions in a timely manner.

our mobile app, which enjoys high ratings across platforms.

We introduced the Central Bank-endorsed "Aani" instant payment system, enabling real-time transfers via phone number, email, or QR code. For corporate clients, ADIB launched the fully digitized "ADIB Direct" onboarding platform, streamlining account setup and integrating Emirates Face Recognition technology for secure, paperless banking.

Customer Excellence and Protection

The Customer Excellence group plays an important role in enhancing customer-centric practices across the organization. This group is structured into three main departments: Customer Experience, Complaints and Customer Protection Rights, each reporting to the Group Customer Officer, who in turn reports directly to the Group CEO. The Chief Customer Officer holds ultimate responsibility for managing complaints, ensuring that customer concerns are addressed promptly and effectively.

The Customer Experience department focuses on capturing the voice of the customer and improving service delivery through various initiatives. It plays a crucial role in the product launch process, providing final feedback before any campaign goes live, thus ensuring that customer perspectives are integrated into new offerings. The Complaints and Customer

Protection Rights department is dedicated to handling customer complaints and safeguarding their rights, adhering to the standards set by the ISO 10002:2018 and ISO 10004:2018 certifications, which guide the bank's approach to complaints handling and service monitoring.

ADIB's commitment to quality management is further demonstrated by our ICXS certification, which reflects international standards for customer experience. We achieved a 95% score globally for customer satisfaction in the current year. Our Group CEO reviews complaints and service excellence KPIs monthly at the service council where all the group heads share their performance report to ensure that we are consistently offering best-in-class services. These meetings serve as a platform for continuous improvement and accountability, ensuring that ADIB consistently meets our customers' expectations.

The Customer Excellence Group launched a Customer Service Charter to improve employee-customer relationships through open and honest communication.

Customer Majlis and Feedback Integration

At ADIB, we are always listening to our customers' reviews and reevaluating all highlighted areas of concern. We hold the Customer Majlis to facilitate dialogue between customers from all segments and the senior bank executives to directly engage in dialog and share their feedback.

Customer Majlis paves way for an open and transparent communication channel with our customers and strengthens our partnership with them.

We have incorporated 12+ initiatives that are based on our discussions during various Customer Majlis. These initiatives include improving our digital products, customer experience and branch networks. We are inspired by the vision of our customers who are motivating us to constantly improve our digital banking services, enhancing our reach and allowing us to offer one of a kind Islamic Banking service.

Key initiatives implemented in 2024:

- Two smart branches in Dubai
- Digitized account opening for minor-to-adult account
- 80+ new mobile app services
- 30% reduction in home finance turnaround times
- 10% increase in ATM and CCDM network
- Enhanced user interface on ADIB Direct
- Cash delivery services for HNWIs
- Cardless ATM withdrawals and investment journey enhancements



Responsible Marketing Policy

ADIB places emphasis on responsible marketing as a fundamental aspect of our operations, highlighting our commitment to customer-centricity and ethical business practices. Our Responsible Marketing Policy ensures that all marketing efforts are aligned with internal policies, national standards, and industry best practices, thereby promoting ethical and customer-focused communication. The strategic communication and marketing department, along with the customer excellence departments, are tasked with implementing and overseeing the policy, working closely with executive management and all business units to ensure understanding and compliance.

ADIB provides fair and honest treatment to all our customers and eliminating discrimination based on gender, income, age, or marital status. We strive to offer clear, accurate, and unbiased information in line with Shari'a rules and principles. Additionally, we ensure that our financial products and services are suitable for customers' needs, respecting and protecting customer data privacy for legitimate business purposes.

The bank has established mechanisms for handling customer complaints effectively and is committed to educating consumers about financial risks, enabling informed decision-making.

Case Study

New Smart Branches opening in Dubai

We continuously monitored the customer experience at our branches. Our insights showed that Dubai had the highest waiting time amongst all our branches.

To address the issue, our Branch Network's team responded by opening two new branches in Dubai at Al Nahda Center in Dubai and a smart branch in Emirates Airlines Headquarters in Dubai. The "Smart Branches" are equipped with

Teller Machines that can perform functions like cash deposit, cash withdrawal, instant cheque encashment, instant personal information update, instant account activation, etc.

Our Smart Branches are a perfect example of our vision to bring digital solutions to enhance customer experience and improve ease of banking.

More details on our branches and teller machines can be found on our website. (Read here)

Key Highlights

+1 million customers on ADIB mobile app up 21% versus last year

91% of customers are registered for digital channels

17% increase in logins on ADIB mobile app

Services completed through digital channels increased by 53%

Mobile Application

We have redesigned the user interface of our mobile app to make it more effortless and personalised. Our users can now perform several functions easily like conducting transactions, opening accounts, getting finance and covered cards, etc.

We have added a noteworthy feature wherein ADIB customers can apply for covered cards on

their mobile apps and get instant approval within agreed-on limits. Customers can also adjust their card limits and payment preferences using the mobile app, thus enjoying seamless flexibility.

We have received exceptional reception from our customers with over 1 million registered customers through our app. Our app is also highly rated on both android and iOs devices, further strengthening our position as a leading Islamic bank.

Among the highest-ranked digital apps in the UAE

4.7
star rating



4.6
star rating



Aani payment system

We have introduced "Aani"- a revolutionary central bank endorsed instant payment system on our mobile app. Our users can now transfer funds using phone number, email addresses and

QR codes to any other UAE-based bank account in real time. This has made payments quick, easy and safe and is set to bring exponential growth in digital payments.

ADIB Direct Digital Platform for Corporate Business

Customers Business Banking Platform

One of the latest digital offerings is ADIB Direct Digital Corporate Account Opening for our wholesale banking customers. It introduces a completely digitised onboarding process that enables customers to open accounts digitally through our ADIB Direct App or ADIB Direct online portal providing speed, efficiency and

flexibility to our customers. Our objective is to streamline the onboarding process, cutting down waiting times while leveraging advanced digital technologies to eliminate delays and traditional onboarding paperwork. We have also incorporated secure digital verification through Emirates Face Recognition technology and Optical Character Recognition for document uploads, ensuring accuracy and efficiency.

With this product, our customers also get immediate access to "ADIB's Direct" a cutting-edge platform for managing banking needs in real-time that offers a full suite of core online banking and payment solutions.

Customer Complaint and Protection

ADIB has established a Customer Complaints Charter to ensure effective handling of customer feedback and maintain high service standards. The charter outlines our commitment to provide exceptional services that meet or exceed global standards. In the event of customer complaints, ADIB employs a robust, independent complaints handling framework, utilizing Root Cause Analysis (RCA) to investigate issues and implement improvements based on insights gained.

ADIB takes any verbal or written expression related to products or services with utmost gravity. Customers can seek clarification or feedback on various aspects, including bank products, servicing channels, system performance, Shari'a compliance, fees, promotional activities, and more. ADIB offers multiple channels for filing complaints, such as a 24/7 call center, customer

service email, chat banking via WhatsApp, mobile banking, and its website. Once a complaint is logged, customers receive an SMS with a reference number, and a complaints handling specialist acknowledges the complaint within two working days. We aim to resolve complaints within four working days, providing updates and new timelines if delays occur. Upon resolution, staff contact customers to explain the outcome and confirm closure.

If customers are dissatisfied with the resolution, they can escalate their complaint within ADIB. The escalation process involves contacting the Head of the Complaints Resolution Unit, followed by the Chief Customer Officer if necessary. For unresolved issues, customers can approach "Sanadak," an independent Ombudsman Unit, to impartially settle disputes. For more details, please refer to the Customer Complaints Service Charter.

All customer complaints received in 2024 have been resolved.

Customer Complaints received in 2024: 45,633

Complaints outstanding: 0

Complaints with FCR team closed on day zero: 4769

SUSTAINABLE PROCUREMENT

Stakeholder expectations for transparency and accountability are soaring, so ADIB is stepping up by incorporating ethical standards, sustainability and social responsibility into our procurement practices. Our procurement decisions consider

environmental and social factors in addition to financial aspects. We partnered with local suppliers and actively engage with small and medium-sized enterprises as well as women-owned businesses.

Total Number of SME Suppliers engaged in 2024: 220

Our procurement activities are guided by established policies and processes, such as our Group Procurement Policy. These policies detail our approach to procure goods and services while reducing risks and ensuring value creation.

The policies also specify our expectations for suppliers to uphold health and safety standards, environmental sustainability, business integrity and ethics, data privacy and confidentiality, and adherence to ADIB's Human Rights Policy.



Procurement Policy Manual

ADIB's procurement practices are governed by a robust framework that ensures integrity, fairness, and accountability across all sourcing activities. With a majority of the Bank's spending directed toward services, we recognize the strategic importance of embedding sustainability and risk awareness within our procurement lifecycle.

Governance and Ethical Procurement

Procurement activities are centralized within the Strategic Vendor Management Department, which oversees the development and enforcement of sourcing policies, supplier engagement protocols, and onboarding procedures. Our Procurement Policy Manual outlines clear expectations for ethical behavior, professional conduct, and risk management, and is applicable to all ADIB employees, contractors, and consultants involved in third-party procurement.

Responsible Supplier Partnerships

Before formal engagement, potential suppliers are vetted by ADIB's Group Procurement department before any business agreements are made. Suppliers must complete a digital onboarding process through our online vendor registration platform. Suppliers are required to accept ADIB's Supplier Onboarding Terms & Conditions before registering online and

Following are the analytics on our vendor due diligence and risk assessments:

Parameters	2023	2024
Number of suppliers assessed against Procurement Policy	458	495

We implement a series of processes and tools repeatedly to manage our suppliers. This approach helps us to prioritize local procurement

Vendor due diligence forms a critical part of our governance model. All new suppliers undergo a rigorous risk assessment process, which includes:

- Comprehensive vendor due diligence and screening
- Competitive tendering procedures
- Ongoing risk identification and assessment

All ADIB staff involved in supplier interactions are trained to remain vigilant against bribery, corruption, and conflicts of interest, in line with ADIB's Outside Business Interest Policy, Gift and Entertainment Policy, and Conflict of Interest Policy. By employing responsible sourcing methods, we seek to identify supply chain opportunities and work to mitigate risks, enhancing our operations and performance.

adherence to ADIB's Code of Conduct. We also ensure strict compliance with UAE labor laws throughout our procurement process. ADIB does not knowingly engage with vendors involved in unethical practices, including modern slavery and human trafficking. A risk-based approach underpins our sustainability assessments, and supplier performance is continuously monitored to ensure ongoing alignment with our ethical standards and management of sustainability within our supply chains

and actively pursue opportunities to source goods and services from local suppliers whenever possible



Engagement with Local Suppliers

We remain dedicated to supporting the national economy by prioritising partnerships with local suppliers. By investing in this approach, we promote and enhance local capabilities and support job creation to build a stable business

environment. We actively seek out opportunities to source goods and services domestically.

The following local procurement data showcases our dedication to supporting the local economy and suppliers, aligning with the UAE's national goals:

Parameters	2023	2024
Total number of suppliers engaged	458	490
Total number of local suppliers engaged	381	403
Total procurement spending (AED Mn)	793.29	1,190
Procurement spending on local suppliers (AED Mn)	696.4	880
Spending on local suppliers (%)	87.78	73.95

Our strategic partnerships with local suppliers have led to a notable increase in local procurement spending.

Looking ahead, ADIB will continue to strengthen its sustainable procurement practices, ensuring

long-term value creation across its supply chain. We will further integrate ESG principles into our supplier assessments and build stronger partnerships that contribute to both organizational resilience and national prosperity.

COMMUNITIES

Abu Dhabi Islamic Bank (ADIB) has consistently demonstrated its dedication to community welfare. Our efforts are deeply rooted in Islamic Shari'a principles and reflect our commitment to creating lasting positive impacts. In 2024, this commitment was further strengthened through active contributions to the social and environmental well-being of communities we serve.

Strategic Approach

Community investment at ADIB is governed by a clear and ethical framework. **Our Donations and Sponsorship Policy**, approved by the Board of Directors, ensures that all contributions are aligned with our values, Code of Conduct, and Shari'a principles.

Our structured engagement approach enables us to respond to the evolving needs of the communities we serve. Each initiative undergoes an internal assessment to ensure alignment with local priorities and measurable societal impact. ADIB's strategic focus in 2024 was rooted in

140+
Community
organizations
engaged with

sustainability and social responsibility. We believe in the collective well-being of the community we serve, and our initiatives are aligned with this sentiment to create a positive and sustainable impact on society. Believing in collective well-being of the community, we adopted a multi-faceted approach towards positively influencing society on the social front this year, details of which can be read under 'Our Initiatives'. We ensure ethical and transparent practices in all our initiatives. The Board approves our Donations and Sponsorship Policy, guiding all donations and sponsorships.

Focus Areas

Our engagements are strengthened through strategic collaborations with local NGOs and community-based organisations.

Our Approach

ADIB's community engagement strategy reflects a thoughtful approach to interacting with various stakeholders. We understand that the needs and priorities of communities vary significantly and thus, once an organisation approaches us, we discuss internally to ensure our initiatives are relevant and impactful. We focus on

Volunteering

We at ADIB value the importance of community involvement and actively encourage our employees to participate in volunteer activities. By promoting this culture of volunteering, we aim to strengthen our connections with local

Community Investment and Sponsorship

We actively engage with local communities through a robust approach that includes partnerships with non-profit organizations, social investment programs, cultural and social events. Complementing our direct community initiatives, our sponsorships and donations are carefully selected to amplify positive impact. This structured engagement strategy ensures that the bank's initiatives effectively address real community needs and create a meaningful

We actively fund projects in these focus areas:

1. Education
2. Healthcare
3. Social well-being
4. Environment stewardship

environmental and economic initiatives as well as focusing on tree plantations and financial literacy drives; more on the latter can be read in the 'Financial Inclusion' chapter. Additionally, we encourage employee participation in community engagement, and we establish partnerships with various organisations in our projects.

communities and gain a deeper understanding of their needs. Through various volunteering programs, we integrate our employees into community engagements, allowing them to contribute meaningfully to social initiatives.

impact. We have established long-standing partnerships with key national organisations including **Emirates Red Crescent, the Zakat Fund, and the General Authority of Islamic Affairs & Endowments**, ensuring our efforts are impactful and locally relevant. By working closely with these organizations, we leverage their expertise and local reach to enhance the effectiveness of our community development projects.



Number of Employees Volunteered 1147
Hours Dedicated 1295

Our Initiatives

In 2024, our community engagement initiatives in our wider operational network have been aligned with key areas where we believe we can make a tangible difference.

Healthcare

Blood Donation Drives

18 Blood Donation Drives

As part of our commitment to community health and well-being, ADIB continued its support for national healthcare priorities by organizing 18 blood donation drives across its UAE branch network in 2024. In collaboration with local healthcare providers, these initiatives mobilized employees, customers, and members of the public to donate blood—culminating in the collection of **over 363 litres**, a critical contribution to the national blood supply.

This initiative underscores ADIB’s belief in the power of collective action to support life-saving efforts and reflects our broader mission to contribute meaningfully to public health and community resilience.

Breast Cancer Awareness Webinar

656 Attendees in the webinar on women health and well-being

3462 Views recorded

In the fight against breast cancer, we understand the importance of promoting preventive healthcare and early detection. We aimed to empower women with the knowledge to recognise early signs, understand risk factors and take proactive steps towards their health.

We partnered with Mediclinic and organised 2 webinars to promote women’s health and wellbeing. Both these webinars were in dual languages, English and Arabic. Additionally, we also partnered with Pink Caravan to conduct clinical breast examination and awareness session and giveaway mammogram vouchers for ADIB staff.

Social Well-Being

Ramadan Initiatives

In 2024, ADIB reinforced its commitment to social responsibility by undertaking initiatives that support laborers and vulnerable groups.

Midday Break

In collaboration with the Ministry of Human Resources and Emiratisation (MOHRE), ADIB participated in the national **Midday Break** initiative—supporting over **3,100 workers** with water coolers and meal boxes. This program aligns with regulations that prohibit outdoor labor during peak heat hours (12:30 p.m. to 3:30 p.m.), promoting worker welfare and heat safety.

Iftaar Meal Distribution

100,000+ Iftaar meal boxes distributed **4075** Volunteers **1937** Staff Volunteers

In partnership with the Ministry of Interior and police authorities across all seven emirates, ADIB distributed over 100,000 hot iftar meals to labor camps and mosques. This initiative—supported by employee volunteers—reflects our values of charity and collective well-being.

Empowering Emirati Families through Mass Weddings

As part of our long-standing commitment to social well-being, ADIB has supported mass wedding ceremonies for over a decade—providing young Emirati couples with a meaningful and financially accessible start to married life. These initiatives aim to ease the financial pressures often associated with traditional weddings, while reinforcing Emirati heritage and values.

In 2024, ADIB partnered with the **Ministry of Community Development (MOCD)** to sponsor a mass wedding for **70 young Emirati couples**, reinforcing our role in fostering community cohesion and economic empowerment.

UAE National Day

ADIB proudly hosted its 53rd National Day celebrations on November 28th and 29th, 2024, honoring the rich heritage and vibrant culture of the UAE. The event, held at the ADIB headquarters, commenced with a grand parade featuring camels, a traditional band, and captivating performances that celebrated Emirati traditions.

For those unable to attend in person, the event was also broadcasted live on a branded microsite, connecting all ADIB branches across the UAE.

The event was live-streamed, captivating an audience of 2,117 users through interactive activities and garnering an impressive 5,492 page views.

Emirati's Women's Day:

The bank celebrated Emirati Women's Day, acknowledging the dynamic role and remarkable achievements of Emirati women who contribute to the development and prosperity of the UAE. ADIB proudly hosted a remarkable celebration at its headquarters on August 28, 2024. The event seamlessly combined a vibrant bazaar with an insightful panel session, offering a memorable experience for all employees.

The event was live-streamed, showcasing interactive activities that engaged around 912 users and accumulated an impressive 5,815 page views.

Environment Stewardship

Case Study: AlGhaf Tree Plantation:

50 Ghaf trees planted on World Environment Day

400 Ghaf trees planted in Abu Dhabi 20 Volunteers

We acknowledge the critical importance of environmental sustainability for the long-term well-being of our communities and future generations. On World Environment Day, with a theme of "Land Restoration- and Resilience Against Desertification", we planted UAE's national trees, the Ghaf. These are resilient trees that hold immense ecological and cultural significance. Additionally, on the same day, we organised a workshop where seeds and pots were handed to all ADIB staff.

To maximise our efforts, we also collaborated with Saeed association and planted 400 AlGhaf Trees, in Al Samha Area Abu Dhabi with the help of 20 volunteers.

Ethical Finance

Case Study: Innovate. Inspire. Impact.

450 Applicants till date 5 Leaders honored with lifetime achievement awards till date

USD 1,000,000+ Awarded to 8 winners till date 24 Unique initiatives shortlisted till date

Since its inception in 2013, Ethical Finance Innovation Challenge and Awards (EFICA), organized by Abu Dhabi Islamic Bank in partnership with London Stock Exchange Group - Data & Analytics, has aimed to recognize groundbreaking solutions in the Islamic finance industry. It offers up to USD 120,000 in awards to inspire initiatives in ethical finance.

Ethical Finance Initiative Award

Promotes emerging and existing talent providing ethical financial solutions or initiatives

Islamic Finance Disruptor Award

Celebrates an outstanding initiative

Lifetime achievement award

Recognizing a notable contribution to ethical practices in the financial services sector

Financial Inclusion

Financial inclusion is a cornerstone of ADIB's community engagement strategy, and central to our role as a responsible financial institution. Access to affordable and appropriate financial services is essential for reducing inequality and promoting inclusive economic growth. At ADIB, we are committed to expanding access to affordable and appropriate Shari'ah compliant financial services to underserved populations, reducing inequality, and fostering inclusive economic growth.

Inclusive Banking Solutions

ADIB's approach towards financial inclusion extends beyond offering conventional access to banking services by incorporating innovative digital solutions, specialized products, and strategic partnerships aimed at reaching underserved segments, including women and youth. While adhering to Shari'a principles.

- **Amwali:** The first Islamic digital youth banking platform, promoting financial literacy and responsible financial behavior among customers aged 8 to 18.
- **EXCEED:** A loyalty program that rewards engagement via the mobile app, offering redemption benefits to enhance customer value.

- **Fractional Sukuks:** ADIB is the first UAE bank to test fractional Sukuks for retail investors, reducing the investment threshold from USD 200,000 to USD 1,000 and democratizing access to Islamic fixed-income products.

International Footprint

ADIB's inclusion strategy extends to its physical presence in the form of an extensive distribution network of more than 150 branches worldwide. ADIB has around 60 Branches and over 500 ATMs across the UAE. Internationally, the bank maintains a presence in six strategic markets, including Egypt (where it operates 70 branches), Saudi Arabia, the United Kingdom, Qatar, Sudan, and Iraq. This geographic diversification ensures financial services reach communities across different regions.

The bank's customer base continued to expand in 2024, with approximately 216,000 new customers joining ADIB, bringing the total to around 2 million customers. While maintaining its position as the go-to bank for UAE nationals, ADIB has strategically expanded into new segments, including expatriates and customers outside Abu Dhabi, broadening the demographic reach of its financial services. ADIB has made a public Financial Inclusion Statement (read here) that provides information on our FI products and commitments for public.



Case Study: Grace Period and Instalment Flexibility

ADIB introduced targeted financial relief measures to ease pressure on household cash flows, particularly for vulnerable customer segments.

As part of this initiative, ADIB extended a seven-month grace period on its personal finance programme, allowing eligible customers a longer runway before their first repayment is due. Additionally, customers are offered the option to defer one monthly instalment annually at no additional cost, providing flexible financial breathing space during periods of peak expenditure.

These proactive measures reflect ADIB's commitment to responsible banking and its role in supporting financial resilience during periods of economic uncertainty. By reducing the

short-term burden of repayments, the Bank enables customers to manage their finances more sustainably while maintaining access to essential credit services.

Internationally, ADIB's commitment to inclusive finance is further demonstrated through its Egyptian subsidiary, ADIB-Egypt, which operates a microfinance arm under the brand Arzak. Focused on advancing economic participation among underserved communities, Arzak delivers working capital and small business loans to low-income individuals, farmers, and entrepreneurs.

With a microfinance portfolio exceeding EGP 157 million, Arzak has enabled thousands of individuals to participate more actively in the formal economy. Notably, 38% of its lending supports women, reinforcing ADIB's efforts to foster economic empowerment and gender equity through financial inclusion.

Case Study: Digital Collaboration for Financial Inclusion

In 2024, ADIB continued to invest in new technologies and digital innovation to make banking simpler and more accessible, introducing industry-leading digital capabilities while redesigning the client experience. By year-end, 99% of retail payment transactions were completed digitally.

The bank's partnership with Botim marked a first-of-its-kind collaboration to integrate Shari'a-compliant financial services into daily digital interactions, making banking accessible through a platform millions use daily. Similarly, the launch of ADIB Ventures aims to accelerate innovation and collaboration within the global

financial technology sector, creating a robust ecosystem that connects with emerging fintech players to enhance the banking experience for customers.

A standout initiative was our partnership with Botim, enabling Shari'a-compliant financial services through a widely used communication platform—broadening access to everyday banking.

We also launched ADIB Ventures, fostering innovation by connecting with emerging fintechs to co-create solutions that enhance the digital banking experience. These initiatives reflect our commitment to inclusive, accessible, and future-ready financial services.

The Money Management Tracker offers a variety of features aimed at enhancing financial oversight for users:

Expense Tracking and Categorization: Users can easily monitor their income and expenses, with the option to categorize expenditures into areas

such as groceries, transportation, and entertainment. This categorization enables better insights into spending habits.

Interactive Visualizations: The tool provides interactive visualizations of cash flow, offering clear and actionable insights into users'

financial situations. This feature is designed to empower individuals to make informed financial decisions and plan for both short-term and long-term goals.

The tool is now available to all ADIB customers via the mobile app, offering a seamless experience in financial management.

Case Study: Empowering SMEs through Digital Enablement

Small and medium enterprises (SMEs) are a vital engine of economic growth, and ADIB is committed to enabling their success through tailored financial solutions and innovative digital tools.

In 2024, ADIB became the first bank in the UAE to offer **remote SME account opening** via mobile, leveraging **Emirates Face Recognition (EFR)** technology. This breakthrough removed traditional onboarding barriers by eliminating the need for branch visits or physical documentation, simplifying

Comprehensive Financial Planning: By simplifying financial planning, the tool facilitates users in preparing for future milestones and managing day-to-day spending more effectively.

access to financial services for entrepreneurs and small businesses.

Complementing this, ADIB launched **Business Souq**— an innovative digital marketplace designed to provide support to small and medium-sized enterprises. This all-in-one digital platform aims to significantly reduce the cost of doing business by offering a wide range of exclusive offers and discounts, creating an online ecosystem where businesses can digitally access multiple services. This integrated platform supports cost efficiency, accelerates digital adoption, and creates a supportive ecosystem for business growth.

Fractional Sukuks

A landmark initiative in ADIB's financial inclusion strategy was becoming the first UAE bank to test fractional Sukuk offerings for retail investors. This innovation significantly lowers the barrier to entry for Islamic fixed-income investments, allowing customers to invest as little as USD 1,000

compared to the conventional minimum of USD 200,000.

The fractional Sukuk program represents a paradigm shift in Islamic finance, giving retail investors access to the benefits of fixed-income financial products that were previously available only to high-net-worth individuals and institutional investor.

Amwali – Financial Literacy for 8 – 18 year olds

Launched in 2021, Amwali is the world's first Islamic digital banking proposition tailored for youth aged 8 to 18. Designed to foster early financial literacy and responsible money management, Amwali offers a fully digital, paperless, and branchless banking experience—anchored in Shari'a principles.

savings goals, peer-to-peer transfers, and real-time spending insights. Each Amwali account includes a debit card, which can be added to Apple Pay, enabling seamless and secure payments for shopping, entertainment, and more.

The platform provides young users with practical tools to manage their finances, including features such as balance tracking,

Through Amwali, ADIB is investing in the next generation—empowering youth with the knowledge, confidence, and capabilities to make informed financial decisions and build strong financial habits from an early age.

"9,766 new youth accounts opened - a 56% increase"

Financial Education Program

ADIB is a strong advocate for financial education, seeing it as the best way for young people to develop sound financial practices and contribute to the future stability of the economy. Our objective is to spread financial awareness and help individuals and businesses make informed financial decisions and adopt safe online practices.

Our Financial literacy initiatives include:

- The Moneysmart online community
- Complimentary webinars for SMEs
- Financial literacy programs in schools and corporates

The Moneysmart online community

Moneysmart is ADIB's digital platform aimed at improving financial literacy amongst teenagers and adults. ADIB posts articles about financial awareness and latest developments in the financial industry on the platform.

The platform shares accessible content on building smart financial habits and emerging topics such as cryptocurrency, fraud prevention, cybersecurity, and smart financial habits.

In 2024, the platform expanded to support single mothers, offering content on business and investment opportunities tailored to their needs.



Complimentary webinars for SMEs

ADIB organizes complimentary webinars to assist SMEs progress in their business journeys. These webinars are focused on providing valuable business insights and addressing common challenges faced by SMEs covering topics such as finance, marketing, operations, accounting etc, assisting SMEs to scale their businesses.



Financial literacy programmes in schools and corporates

ADIB offers free financial literacy programs across the UAE for children aged 7 and above through to pre-retirees, conducted in both English and Arabic. These sessions focus purely on education as per our policy, no ADIB products are promoted- and parents are encouraged to participate alongside their children.

Content is age-tailored to enhance impact. For children, sessions cover basics like budgeting, early financial planning, and entrepreneurship, fostering smart money habits from a young age.



Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers

2023

2,715

2024

767

Organization/Event	Location	Emirate	No.of Attendees
Young Investor's Program	Mohammed bin Khaled Al Nahyan Association for Future Generations	Al Ain	30
Ministry of Education	Al Royah Girls School	RAK	72
Ministry of Education	Al Ameer Boys School	UAQ	60
Ministry of Education	Ajman Girls School	Ajman	50
ADNOC	ADNOC Onshore Main Office	Abu Dhabi	80
ADNOC Pre-Retirement Program	Emirates Energy Centre	Abu Dhabi	69
Dubai Kids City	Dubai Kids City	Dubai	40
ADNOC Pre-Retirement Program	Emirates Energy Centre	Abu Dhabi	60
Young Investor's Program	Mohammed bin Khaled Al Nahyan School for Future Generations	Al Ain	42
Bani Yas Football Club	Bani Yas Football Club	Abu Dhabi	30
Mohammed bin Khaled Association for Future Generations	Mohammed bin Khaled Association for Future Generations	Al Ain	30
Abu Dhabi School of Management (Webinar)	Webinar	Abu Dhabi	60
RAK Youth Summer Activities	RAK Creative Hub	RAK	25
Department of Finance Ajman	Ajman Youth Hub	Ajman	14
Department of Finance Ajman	Ajman Youth Hub	Ajman	14
ADNOC Pre-Retirement Program	Emirates Energy Centre	Abu Dhabi	60
ADNOC Pre-Retirement Program	Emirates Energy Centre	Abu Dhabi	40
UAQ Youth Summer Activities	Falaj Al Mualla Creative Hub	UAQ	20
Department of Community Development	Ministries Complex	Abu Dhabi	21



GOVERNANCE





CORPORATE GOVERNANCE STRUCTURE

ADIB has adopted a strong corporate governance framework in line with CBUAE Corporate Governance Regulations No. 83 / 2019 to support a resilient high performing and accountable culture to enable achievement of long-term financial growth. The framework is implemented across the Group's entities to promote collaboration and alignment. It is operationalized through intra-group service level agreements, group-wide policies, and effective representation on the boards of ADIB's subsidiaries, ensuring comprehensive governance integration

2024 Strategic Enhancements

In 2024, we continued to refine our governance practices with targeted initiatives designed to boost efficiency and align with evolving regulatory demands. A significant part of this enhancement involved a strategic benchmarking exercise, which led to the streamlining of our management committee structure—from 19 to 10 committees. This restructuring has not only simplified decision-making processes but also enhanced governance oversight, resulting in a more agile and responsive organizational structure.

New Board Committees

Reflecting our strategic focus, two new Board committees were established:

- **ESG Committee:** Dedicated to propelling the bank's sustainability agenda forward.
- **Profit Equalization Committee:** Concentrates on fulfilling the requirements specific to Islamic finance regulations.

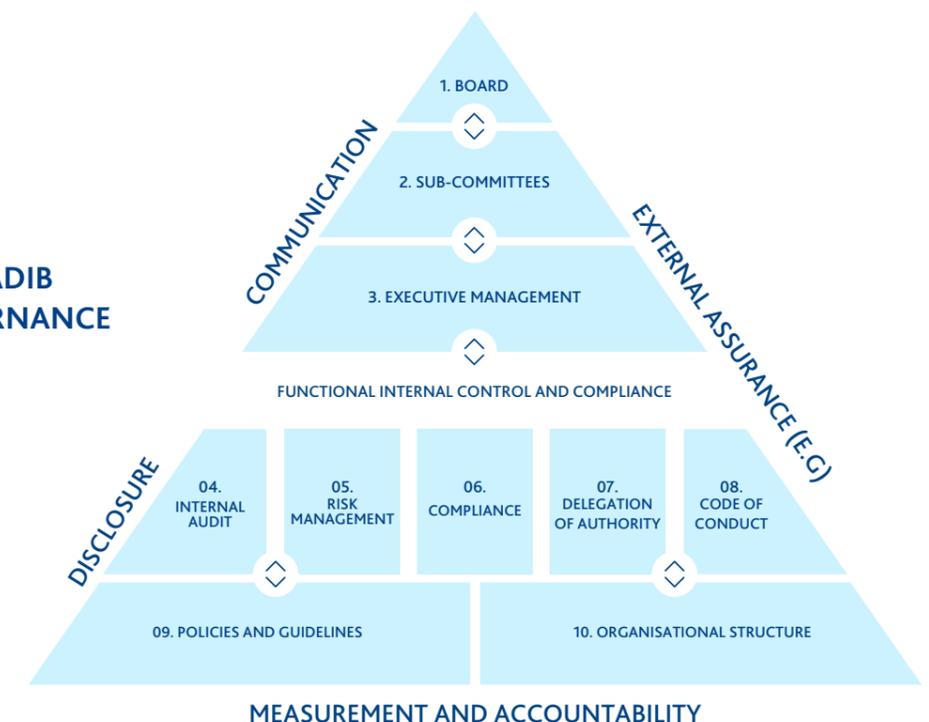
Through these governance measures, ADIB is committed to protecting and advancing the interests of our shareholders and stakeholders, fostering trust, and ensuring the integrity of our operations.

GOVERNANCE

At Abu Dhabi Islamic Bank (ADIB), we uphold the highest standards of corporate governance, fostering accountability and transparency across our operations. Our Corporate Governance Framework is deeply rooted in principles of accountability, transparency, and ethical conduct, which are seamlessly aligned with Shari'a principles, reflecting our dedication to ethical leadership and strict compliance with

applicable laws. By adhering to these governance practices, we aim to protect and advance the interests of our shareholders and stakeholders, promoting trust and confidence. We believe that effective corporate governance is essential for promoting accountability, enhancing corporate value, and supporting sustainable growth, ensuring our long-term strategic objectives are met.

COMPONENTS OF ADIB CORPORATE GOVERNANCE FRAMEWORK





GOVERNANCE STRUCTURE

Our Board

ADIB's Board consists of seven highly qualified members. The Board is chaired by H.E. Jawaan Awaidha Suhail Al Khaili, who is responsible for ensuring and maintaining the effectiveness and integrity of the Board, ensuring robust leadership and acts as the primary representative in interactions with senior management, shareholders, and regulators.

Board Composition

The Board prides itself on having 71.4% independent directors and 100% non-executive directors, ensuring unbiased decision-making and adherence to the highest governance standards. This includes five out of seven directors classified as independent under stringent criteria set forth in ADIB's Director's Independence Guideline. The Board includes one female director, Maha Mohammad Al Qattan, accounting for 14% of its composition, underscoring ADIB's commitment to promoting gender diversity within its leadership.

Board Selection Process and Training

Section Process

Directors are elected through an Ordinary Resolution at the General Assembly Meeting, with appointments subject to approval by the CBUAE. The selection process, managed by the Board Nomination and Compensation Committee, adheres strictly to the Corporate Governance Code, the Director's Code of Ethics, UAE Commercial Companies Law, and the Bank's Articles of Association. At least 20% of the candidates considered for Board appointment are women, reflecting ADIB's dedication to promoting gender diversity.

Board Responsibilities and Expertise

The Board members possess diverse expertise across critical areas including risk management, strategic planning, capital markets, financial analysis, Shari'a compliance, governance, sustainability, ESG, and digital innovation. This diverse expertise ensures that the Board can provide comprehensive oversight and strategic guidance across all aspects of the bank's operations.

In 2024, the Board has engaged in extensive training with a significant focus on ESG-related topics.

In 2024, no new appointments or re-appointments were made to the ADIB Board. This stability in board membership allows for continued strategic oversight and deepened expertise within the existing framework. Detailed biographical information on each board member is available on page 31 of the Annual Report, providing transparency and insight into the qualifications and roles of our directors.

Director Name	Category and Board Independence	Number of board meetings anticipated to attend	Board attendance in FY 2024	No. of other directorships held	Board committees
H.E. JAWAN AWAIIDHA SUHAIL AL KHAILI	Chairman, Non-Independent, Non-Executive Director	6	100%	3	1. Committee Chair 2. Credit & Investment Committee (BCIC) 3. Nomination & Compensation Committee (NCC)
DR. FAISAL SULTAN NASER SALEM AL SHUAIBI	Vice Chairman, Independent, Non-Executive Director	6	100%	1	1. Committee Chair 2. Risk Committee (BRC) 3. Nomination & Compensation Committee (NCC) 4. Strategy Committee (BSC)
MR. ABDULLA ALI MUSLEH JUMHOUR AL AHBABI	Independent, Non-Executive Director	6	100%	-	1. Credit & Investment Committee (BCIC) 2. ESG Committee (ESG) 3. Audit Committee (BAC)
MR. ABDUL WAHAB AL HALABI	Independent, Non-Executive Director	6	100%	5	1. Credit & Investment Committee (BCIC) 2. ESG Committee (ESG) 3. Committee Chair 4. Strategy Committee (BSC) 5. Audit Committee (BAC) 6. Risk Committee (BRC)
MR. KHALIFA MATAR KHALIFA ALMHEIRI	Independent, Non-Executive Director	6	100%	3	1. Committee Chair 2. Strategy Committee (BSC) 3. Credit & Investment Committee (BCIC) 4. Nomination & Compensation Committee (NCC)
MS. MAHA MOHAMMAD AL QATTAN	Independent, Non-Executive Director	6	100%	4	1. Committee Chair 2. Strategy Committee (BSC) 3. Nomination & Compensation Committee (NCC) 4. ESG Committee (ESG)
MR. NAJIB YOUSSEF FAYYAD	Non-Independent, Non-Executive Director	6	100%	1	1. Strategy Committee (BSC) 2. Audit Committee (BAC) 3. Risk Committee (BRC) 4. Nomination & Compensation Committee (NCC) 5. Credit & Investment Committee (BCIC)

Board Effectiveness and Evaluation

The governance of ADIB is underpinned by a rigorous annual performance evaluation led by the Board Nomination and Compensation Committee (NCC), ensuring the Board's effectiveness aligns with the bank's strategic goals. This evaluation is pivotal for maintaining governance excellence and is carried out under the stewardship of the Board Chairman, H.E. Jawaan Awaidha Suhail Al Khaili, a Non-Executive Chair dedicated to fostering effective leadership.

The ADIB Board is dedicated to maintaining and enhancing its effectiveness through a structured and comprehensive performance evaluation process conducted annually in accordance with the Board Assessment Policy. The average tenure of a board member is five years, and the responsibility for the evaluation has been delegated to the Board Nomination and Compensation Committee (NCC). This process is conducted under the guidance of the Board Chairman, H.E. Jawaan Awaidha Suhail Al Khaili, a Non-Executive Chair responsible for ensuring the Board's effectiveness and leadership, with support from the Board Secretary.

The annual evaluation encompasses the performance of the Board as a whole, its committees, and individual Directors, focusing on critical areas such as Board structure and composition, strategic oversight and alignment

with the Bank's objectives, governance and internal controls, risk management and compliance, and the effectiveness of Board committees in fulfilling their mandates. In addition to the annual internal assessment, ADIB engages an independent external consultant every three to five years to provide an objective evaluation of the Board's performance, as mandated by CBUAE regulations. This external review benchmarks the Board against global best practices and identifies actionable improvements.

The findings from these evaluations are reviewed by the NCC, which ensures that recommendations are implemented effectively. The Corporate Governance department monitors progress on the resulting action plans to ensure continuous improvement in governance practices.

The 2024 evaluation specifically focused on assessing the strength and resilience of corporate governance practices across five key areas: Board structure and practices, strategic planning and performance, governance and internal controls, risk management, and Board committee structures and practices. This evaluation highlighted several areas of good governance and opportunities for further enhancement, reinforcing ADIB's commitment to effective leadership and strategic oversight.



Board Evaluation Process

- **Annual Internal Assessment:** This assessment scrutinizes the performance of the Board, its committees, and individual directors, covering key areas like strategic alignment, governance, risk management, and compliance.
- **External Review:** Every three to five years, an independent consultant conducts a comprehensive review to ensure alignment with global best practices, as required by CBUAE regulations. This helps in identifying areas for improvement and implementing best practices.

Focus Areas of the 2024 Evaluation

The 2024 evaluation concentrated on:

- **Board Structure and Practices:** Ensuring optimal composition and functionality of the Board.
- **Strategic Planning and Performance:** Evaluating the alignment of Board activities with the bank's long-term goals.
- **Governance and Internal Controls:** Assessing the effectiveness of internal controls and governance frameworks.
- **Risk Management:** Reviewing the adequacy of risk management policies and procedures.
- **Board Committee Effectiveness:** Analyzing the performance of Board committees in fulfilling their designated roles.

Board Composition and Tenure

Board Member	Tenure
H.E. Jawaan Awaidha Suhail Al Khaili	17
Khalifa Matar Al Mheiri	9
Abdulla Ali Musleh Jumhour Al Ahbabi	6
Faisal Sultan Naser Salem Al Shuaibi	6
Najib Youssef Fayyad	6
Abdul Wahab Al-Halabi	3
Maha Mohammad Juma Abdel Rahman Alqattan	3





ESG RISK GOVERNANCE

Board Remuneration

At ADIB, the compensation strategy for the Board and senior executives is managed and overseen by Nomination and Compensation Committee (NCC). This committee ensures that pay practices align with the company's goals and governance standards. Remuneration includes fixed and variable pay, sign-on bonuses to attract top talent, and deferred bonuses including provisions for clawbacks ADIB to claw back discretionary rewards for senior positions. While termination payments are not applicable, retirement benefits follow standard labor laws.

ADIB values the perspectives of its stakeholders, including shareholders, in shaping its

remuneration policies. Regular engagements with stakeholders including shareholders, are considered through meetings, surveys, and direct engagement. Independent remuneration consultants assist in determining pay to ensure objective and unbiased recommendations. Senior Management compensation is closely tied to the Balance Scorecard approach whereby performance is evaluated by 'Financial' performance and economic achievements and 'Sustainable Future' evaluating contributions towards environmental sustainability and social.

The shareholders can vote for the remuneration of the Board of Directors during the AGM meeting however this is not applicable in the case of the senior executives as their pay is governed by the Board Remuneration Committee.

Board Committees

The Board of Directors at ADIB is supported by six specialized committees, each playing a crucial role in governance and strategic oversight.

These key committees include:

- Nomination and Compensation Committee
- Credit and Investment Committee
- Audit Committee
- Environmental, Social, and Governance (ESG) Committee
- Risk Committee
- Strategy Committee.

Throughout the year, the Board and its committees have convened and held 6 meetings to effectively fulfill their responsibilities. These committees are essential in distributing the Board's workload and enabling focused oversight of the Group's operations. Their specialized nature allows them to delve into complex matters, such as technological and operational

issues, and propose actions or changes for final Board approval, ensuring effective decision-making processes. The functioning of each of these Committees can be found in detail in our Annual Report (Read here).

ADIB is dedicated to integrating environmental, social, and governance principles into every part of its operations. We recognize the importance of ESG governance in driving organizational success and resilience. These principles are essential for identifying risks, uncovering opportunities, and enhancing long-term value creation. To facilitate the smooth integration of ESG considerations, ADIB has adopted comprehensive policies and frameworks that guide our strategic initiatives and operational practices.

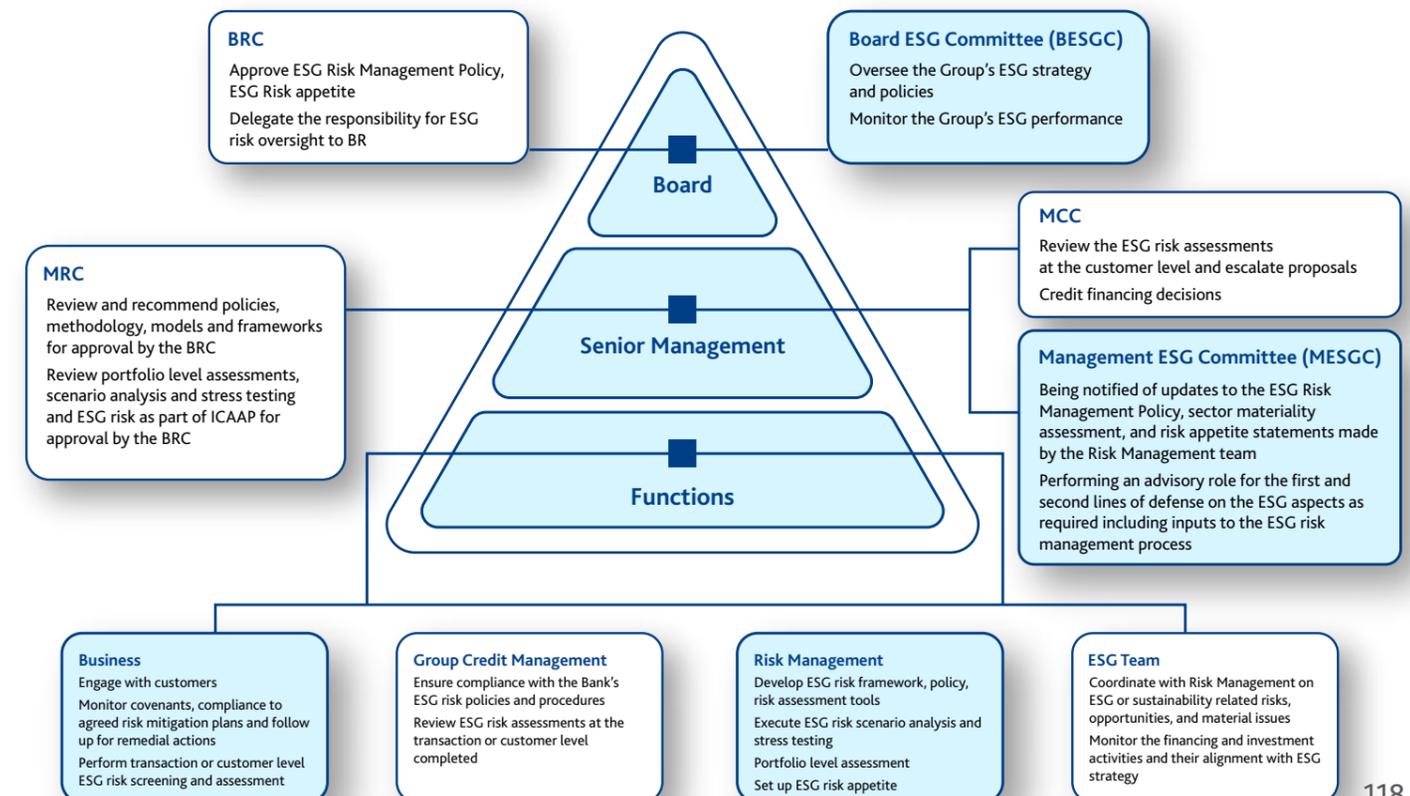
Abu Dhabi Islamic Bank (ADIB) has taken a significant step towards embedding environmental, social, and governance (ESG) principles across its operations by adopting a comprehensive group-level ESG risk management policy. This policy outlines an ESG risk governance structure aimed at fulfilling the Board of Directors' governance responsibilities. Central to this framework is the establishment of management-level committees dedicated to integrating ESG considerations throughout the ADIB Group's activities.

These committees collectively ensure effective oversight and management of ESG risks

1. **Board Risk Committee:** This committee is tasked with the approval and review of the Group's ESG Risk Management policy. It delegates ESG risk oversight and management to relevant personnel, units, and other committees as necessary.

1. **Board ESG Committee:** This committee oversees ADIB's ESG strategy and policies, ensuring they align with applicable laws, regulations, and Shari'a requirements.
2. **Management Risk Committee:** This committee reviews and recommends the ESG Risk Management Policy, including aspects such as ESG risk appetite, risk assessment methodology, models, and frameworks. These recommendations are made for approval by the Board Risk Committee. Additionally, the Enterprise Risk Committee is responsible for reviewing and recommending portfolio-level assessments, scenario analysis, and stress testing results as part of the Internal Capital Adequacy Assessment Process (ICAAP), again for approval by the Board Risk Committee.

For a detailed information on ESG Risk Governance please refer to the ESG Risk Policy document.



ESG BOARD COMMITTEE

The Board has established the Board ESG committee to provide detailed governance and guidance over our sustainability vision including Net Zero commitment, which is a strategic priority for the bank. The committee is chaired by Mrs. Maha Al Qattan who brings a wealth of experience in sustainability and ESG, with membership by Mr. Abdullah Al Ahababi and Abdul Wahab Al Halabi who come from different business backgrounds and bring together complimentary skills and experience.

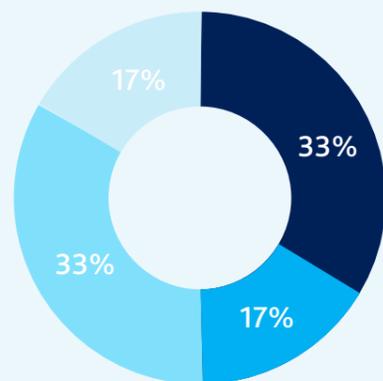
During the year 2024 the committee held 2 meetings, to discuss Environmental, Social, and Governance (ESG) and Corporate Social Responsibility (CSR) plans, and their alignment with the bank's strategic objectives and sustainability goals. The committee reviewed ESG ratings and conducted gap assessments to identify areas where the bank needs to improve to meet regulatory requirements. Group ESG updates were provided to ensure consistency and progress across all branches and subsidiaries. Additionally, the committee reviewed and updated ESG policies to ensure they remain relevant and effective.

Key objectives of ESG Committee are:

ESG / Sustainability goals, targets, policies, strategies, initiatives, programs, and related plans (e.g.: short-term and long-term) proposed by the ESG Department; taking into consideration the following:

- ADIB's ESG / Sustainability targets and annual budget requirements.
- Alignment with ADIB's corporate strategy.
- Actions related to ESG / Sustainability-related risks, opportunities, and material issues.
- Recommendations proposed by the ESG Department to enhance ADIB's ESG Sustainability-related progress.

TIME ALLOCATION FOR 2024 ESG COMMITTEE MEETINGS



- ESG & CORPORATE SUSTAINABILITY STRATEGY PLAN
- ESG RATINGS & GAP ASSESSMENTS (INCLUDING REGULATORY REQUIREMENTS)
- GROUP ESG UPDATE
- REVIEW OF ESG POLICIES





ESG MANAGEMENT COMMITTEE

At the management level, the Group ESG committee oversees the execution of sustainability initiatives across the bank. The committee is chaired by the Group CEO and comprises of senior managers from various business and support units.

The committee meets frequently, monthly where possible. The committee coordinates sustainability efforts and serves as an executive forum for discussions and operational decision-making on sustainability matters.

Risk Management and Compliance

ADIB has established an overarching Risk Management Framework to proactively manage risks across the Group. This framework is built on well-defined principles, policies, organizational structures, approval authorities, and processes for risk measurement, monitoring, and control. It ensures that risk management practices are embedded across all areas of the Group's operations.

This is based on 3 lines of defense to proactively manage risks across the Group, well-defined principles, policies, organizational structures, approval authorities, and robust processes for risk measurement, monitoring and control.

- First Line of Defence - Business Units and RM's: Being originators of ESG risks, the first line identifies, assesses and monitors risks to ensure the ESG risk Policy is implemented.

- Second Line of Defence - Credit and Risk Management: The second line ensures compliance with the Bank's ESG risk policies and procedures, sets the ESG risk Appetite, reviews ESG risks at the customer and portfolio levels and performs an advisory role for the first line of defence.
- Third Line of Defence- Group Internal Audit: The third line is responsible for independently evaluating the credit and investment portfolio's quality and associated risk management processes for compliance with ADIB Group's policies and procedures.

This aligns with the CBUAE Corporate Governance regulations. It provides a clear segregation of responsibilities, controls, monitoring and reporting tailored to the size, nature and regulatory environment of the Bank.

The Board Risk Committee (BRC)

The BRC has held 5 meetings, during 2024, to ensure that the Bank's enterprise risk management framework, related policies, systems and practices are fully aligned with regulatory expectations and the board approved strategy and risk appetite. During the meetings, the BRC approved the formation of a Profit Equalization subcommittee to fully comply with the CBUAE Standard Regarding Profit Equalization for Islamic Banks, linked to the Risk Management Regulations. The committee also conducted performance evaluations to assess their effectiveness and identify areas for improvement.

ADIB faces a broad range of risks outlined by the Group Risk Appetite Statement. The Risk Appetite Statement approved by the Board defines thresholds and boundaries to ensure the Group operates within its risk tolerance levels.

The Board is further supported by an internal control framework, which provides assurance on both financial and non-financial operations,

complemented by internal and external audit functions. In 2024, the BRC monitored the consistent application of risk standards to ensure compliance with CBUAE requirements.

Throughout the year 2024, the BRC received periodic reports on stress testing conducted by the Senior Management Risk Committee (MRC). These reports demonstrated ADIB's resilience in various scenarios, confirming alignment with the Group's risk appetite. Additionally, the BRC monitored the effectiveness of risk management systems and the overarching Risk Management Framework to ensure sustainability and scalability as part of ADIB's approved five-year strategy.

The GCRO oversees the implementation of ADIB's Risk Management Framework and reports directly to the BRC. The GCRO is also a member of the MRC and is responsible for the comprehensive management of all risks, including credit, market, and operational risks. This structure ensures effective governance and alignment with ADIB's strategic goals.

ESG Policies and Frameworks

ADIB recognizes that the integration of ESG (Environmental, Social, and Governance) factors Shari'a compliant financing and investment decisions, to identify key ESG risks and opportunities. Guided by this vision, ADIB has designed and implemented an ESG Policy

Framework, and ESG Risk management Policy and framework to be integrated into the sustainable practices across all organizational functions. This document serves as the foundation for ESG Risk Governance as well.

Please find the ADIB Policies, Statement and Disclosures for your reference.

ESG Policy

ADIB's Environmental, Social and Governance (ESG) Policy Framework defines the Bank's ambitions and approach to incorporate ESG across its banking operations through its alignment with national and international principles such as UNEP-PI, The equator principles, Basel committee on Banking Supervision of climate related financial risks etc.

It describes the general guiding principles and philosophy that support the Bank in nurturing the overlap between ESG and Shari'a by ensuring that bank's financing activities are consistent with sustainable and responsible business practices.

You can read about this in more detail in our ESG Policy document here.



ESG

ENVIRONMENTAL SOCIAL GOVERNANCE

ESG Risk Management Policy

ADIB's Environmental, Social and Governance Risk Management (ESG Risk Management "Policy") is designed to integrate ESG risks, emanating from credit customers and investees within its enterprise risk framework to ensure that ADIB Group is within its risk appetite whilst being aligned with their overall ESG strategy. The policy is aligned with many national and international standards such as: Shari'a principles, Equator principles, IFC, Basel Committee Supervision, and European Bank for reconstruction and Development. The policy is applicable to all entities of ADIB Group, and lays out the principles of ESG Risk management, addressing the indirect ESG risks and impacts from customer, excluding direct risks from own internal business activities. The implementation of the ESG Risk Policy follows a phased approach across different financial segments.

Some of its key objectives of the risk management policy include:

- Incorporating material ESG risks into the overall risk appetite framework of ADIB Group
- Establish an effective ESG risk governance structure
- Creating a common definition for ESG risks across the Group.
- Define the framework to identify, assess, monitor and report material ESG risks
- Promote capacity development ESG risk management
- Developing ESG risks awareness and understanding at all levels.

The policy outlines ADIB Group's ESG risk governance, strategy, appetite identification, assessment, mitigation and reporting methodologies. The Policy also includes as annexures, the ESG exclusion list, ESG restricted list and ESG high sector list.

[You can read about this policy in more detail here.](#)

ESG RISK MANAGEMENT

ADIB has assessed the various ESG risks and opportunities and their impact over different time horizons and how these risks have transmitted into conventional risk types such as credit risk or market risks. ADIB Group manages ESG risks at 3 levels as follows:

- Transaction and customer level
- Portfolio level
- Enterprise level (Stress testing and Scenario Analysis)

At portfolio level ADIB conducts a materiality assessment to identify the group's exposure to ESG risks sectors and issues specific to the stakeholders and investors and to proactively manage them. The outcome of this assessment guides credit decision making through the identification of high-risk sectors.

At the customer level, ESG risks are identified, evaluated and managed in financing and investment processes. Frontline units conduct

screening for "Exclusions" and ESG restricted Areas and then determine the potential ESG risk exposure through an ESG Risk Assessment. The policy incorporates material ESG risks into the overall risk appetite of the ADIB Group by identification, assessment monitoring and reporting. As a part of the ESG risk assessment, the screening of deals and transactions is done with a proprietary ESG risk due diligence toolkit, leveraging global standards and best practices. This ensures that the transactions are screened and given ESG risk ratings accurately.

ADIB has integrated ESG and sustainability related risks into its bank-wide risk management by creating and implementing ESG Risk Management Policy (available here) throughout their over-all risk management policy. The policy also outlines an effective ESG risk governance structure with clear delegation of roles and responsibilities.

ESG Training

We have tailored ESG training to support our employees in building skills and awareness related to sustainability, ESG and related topics. We believe that knowledge and training on ESG topics facilitate the effective implementation of our ESG strategy across the organization. We have made these trainings mandatory for all employees within the ADIB Group.

ADIB Group regularly conducts ESG-related training for its staff in accordance with the training calendar developed by the Group Learning and Development in agreement with business and other functions. Tailored training is conducted for the audience depending on their role in the ESG and ESG risk management process.

Identifying Risks

At ADIB, a comprehensive risk management framework is essential for ensuring long-term success. This framework facilitates the proactive identification of potential risks and the development of effective strategies to mitigate their impact on the business. By doing so, ADIB remains ahead of emerging threats and protects its strategic objectives, consistently delivering value.

93%

**of staff
completed
ESG training**





Business Continuity

The primary objective of our operational framework is to identify and effectively manage risks that could impact business continuity. We have integrated business continuity into our operations to ensure uninterrupted services. Risks that might disrupt our services can stem from events such as natural disasters, terrorist attacks, or significant technological failures, to name a few. Our governance structures focus on identifying and managing these risks to prevent

them from threatening business continuity. We achieve this through a comprehensive business continuity framework, supported by a crisis management plan and incident reporting procedures. Our goal is to be prepared for any challenges, so our customers can depend on us. All measures related to business continuity are regularly tested and reviewed to ensure organizational resilience in the event of a major crisis.

Business Ethics and Compliance

ADIB Group entities adhere to leading international practices by conducting all business activities with honesty, integrity, and compliance with applicable laws against corporate wrongdoing, corruption, fraud, and bribery. Employees across the Group are expected to uphold the highest ethical standards and report any suspected or actual misconduct in good faith.

ADIB's Board is responsible for the Group's compliance implementation and adherence to relevant laws and regulations, such as the CBUAE, and other national and international laws. We also have a very strict policy against non-compliance. To reflect on our commitment to transparency and regulatory conformity, any

compliance issues are reported every quarter to the Compliance and Control Committee. We provide training to all employees and new hires on an yearly basis through ADIB Academy as well as role-based training to keep them updated with the Bank's policies and procedures. ADIB also has a separate Anti- Money Laundering and Counter-Terrorist Financing & Anti Bribery and Anti-Corruption and whistle-blowing policy in place to protect the integrity and reputation of the Group, which fits within the core values of its Code of Conduct. This protects the bank from any misconduct and malpractices that could negatively affect ADIB and allows them to address, mitigate and prevent them in the future.

Code of ethics and professional conduct

ADIB aims to establish an ethical, moral and professional work environment within ADIB Group by following the principles stated in the Code of ethics and standards of professional conduct. The Board Audit Committee (BAC) is responsible for overseeing the policy's effectiveness and ensuring its consistent application throughout the organization. The Employee Code of ethics and standards of professional framework is applicable to UAE based employees and group companies.

The framework is in compliance with UAE Federal Law and defines the Bank's approach to addressing instances of misconduct, along with the associated disciplinary measures. The code of conduct lays down strong values regarding topics such as data security and confidentiality, commercial activities and conflict of interest, group properties, fair treatment and conduct at work, discrimination and rumors and gifts. In the current year 100% of the workforce formally acknowledge compliance with the employee code of conduct.

The framework covers the following offences:

- Offences concerning conduct
- Offences concerning proprietary ADIB information
- Offences concerning medical information
- Offences related to Uniforms / Dress Codes
- Offences concerning electronic systems and e-mail
- Offences concerning attendance, official working hours, unauthorized absences and other
- Offences concerning ADIB property
- Fraud-related Offences
- Offences concerning work performance
- Offences concerning ADIB accommodation
- Financial Offences
- Offences concerning security, health and safety regulations and instructions
- Gifts and Entertainment Policy breaches



ADIB is ISO 9001 for Quality Management System certified.

Whistle Blowing and Grievance Mechanism

Along with the establishment of a Grievance Committee for the employees to raise their concerns without the fear of retaliation we have also created a Whistle Blowing policy document. The policy applies to all employees of ADIB Group, including all branches, subsidiaries, its management, and all other parties such as consultants, third parties and service providers. In case there is a difference in any local laws and regulations, the branches/subsidiaries should ensure adherence to stringent requirements. The Whistle Blowing Policy is enabled through a range of secure and anonymous channels for ensuring transparency and safeguarding against retaliation.

E-mailing to hotline - [wbhotline@adib.ae](mailto:w hotline@adib.ae)
ADIB's intranet site - <http://intranet.adib.ae/>
ADIB's website www.adib.ae

After the grievance/issue is raised, a preliminary investigation is carried out to assess whether the entire investigation should be carried out and who would be the person responsible for the same. The Whistle blower has the right to be notified of the result of their disclosure, as well as the findings of any investigation. All reportable cases are processed by a relevant investigation team following Whistleblowing Committee Approval.

In the year 2024, total number of whistleblowing cases filed in the reporting period were 41 cases, of which 34 were reportable. Of the total, 36 were closed in 2024.

Anti-Money Laundering and Anti-Corruption

The Group Anti-Bribery and Anti-Corruption (ABAC) Policy provides the guiding principles that set the tone and provide the direction or course of action to ensure compliance with relevant and applicable laws and regulations relating to bribery and corruption. The AML/CFT Compliance Programme has been implemented to manage compliance with relevant and applicable laws and regulations relating to Money Laundering and terrorist financing. The ABAC policy prohibits giving, receiving, requesting or promising of bribe or facilitation of payments in return for business advantage or favorable treatment and governs gift policies as well. It also includes guidelines regarding permissible charities and donations that have been set up independently. In the current year, there were no reported cases related to breaches in AML.



Anti-Corruption – Data

In 2024, 100% of business units were screened for risks related to money laundering and CTF, including the introduction of a 24/7 real time fraud monitoring system.

In 2024, mandatory training and assessments were delivered to those in roles exposed to any of the risk areas above. Financial crime compliance training was also provided to ADIB Board and Senior Management.

ADIB conducted an assessment of all 12 business units for corruption-related risks in 2024. In the current year, there were 62 incidents of corruption were highlighted. The Disciplinary Committee (DC) addressed these incidents with actions involving both full-time and outsourced employees across ADIB and its subsidiaries. The disciplinary measures varied and addressed breaches such as code of ethics violations, staff misconduct, false attestations,

information leakage, negligence at work, sales malpractice, kickbacks, signature forgery, and KYC violations. The bank promptly addressed these incidents according to its policies, resulting in disciplinary actions, including the dismissal of employees involved in 35 of the 62 cases. The language used reflects the sensitivity of the matter, emphasizing the organization's commitment to maintaining ethical standards and integrity.

In the fiscal year 2024, a comprehensive suite of training programs was conducted across to enhance the knowledge and skills of employees across all levels within the UAE, focusing particularly on anti-corruption, ethical practices, and financial crime compliance. The training initiatives aimed at prompting a culture of integrity and compliance within the organization in all business operations.

Training Programs conducted in 2024

1. Anti-Money Laundering (AML) and Financial Crime Compliance
2. Ethical Policies and Practices
3. Fraud Awareness and Management
4. Market Conduct and Regulatory Compliance
5. Specialized Topics

Human Rights

At ADIB, we continue to adopt principles of the UN Convention on Human Rights and SDG 8, advocating and practicing decent work conditions, and adherence to UAE labour laws. Our Human Resources policies and ESG Policy Framework are a testament to this commitment, ensuring the protection of the rights of people of

The Anti-Money Laundering and Counter-Terrorist Financing & Anti-Bribery and Anti-Corruption (ABAC) Policy prohibits all interactions with a domestic or foreign government public official for the purpose of influencing a business decision or securing an improper advantage are strictly prohibited. Any facilitation of payments to foreign officials or political parties, intermediaries for the purpose of expediting or securing the performance of a routine governmental action is strictly prohibited. In the current year 97% of the workforce was formally trained in anti-corruption and bribery policy.

determination, upholding workers' rights, addressing reports of discrimination, and actively opposing human trafficking. Furthermore, the Bank remains dedicated to supporting women's rights within the UAE. Training on human and labour rights is accessible to all employees through ADIB's LinkedIn learning platform.

Tax Strategy

The bank calculates its current income tax based on the tax laws of the countries where it operates. It regularly checks its tax positions to ensure they comply with these laws and sets aside money to cover any potential tax payments. For deferred taxes, the bank recognizes potential future tax effects from differences between how assets and liabilities are shown in financial statements and their actual

tax values. It records deferred tax assets only if it's likely there will be enough future profits to use these assets. The tax rates used for deferred tax calculations are based on what is expected to be in effect when these assets or liabilities are settled. The bank regularly reviews its deferred tax assets to make sure they can still be used against future profits. Additionally, it combines deferred tax assets and liabilities when it's legally allowed to do so, and if they're under the same tax authority, to simplify its tax management.

Economic Prosperities

ADIB's economic performance in 2024 has been outstanding, marked by significant growth and strategic progress. Total assets have risen to AED 226 billion, driven by a remarkable 17% year-on-year increase in customer financing, which highlights our expanding market share in both retail and corporate banking. This growth was supported by a substantial AED 26 billion increase in deposits, including a notable AED 9 billion rise in low-cost Current and Savings accounts, reflecting strong customer trust.

Our customer base has expanded to approximately 1.5 million. We have strengthened our balance sheet, achieving a non-performing asset ratio of 4%, the lowest since Q1 2017, due to proactive management and robust underwriting standards. Investments in new technologies, such as Generative AI, have improved efficiencies, reducing our Cost-to-Income Ratio to 29.6%. This performance guides organizations in reporting economic value generated and distributed, ensuring transparency and accountability in economic impacts.

Description	Units	FY 2024	FY 2023	FY 2022
Economic value distributed				
Operating cost (including Provision for impairment, net)	AED ('000)	3,764,293	3,821,504	3,155,576
Employee wages and benefits (Employee costs)	AED ('000)	1,894,632	1,851,336	1,540,896
Payments to providers of capital (Distribution to depositors and sukuk holders)	AED ('000)	4,540,691	3,099,342	890,951
Payments to providers of capital (Dividends)	AED ('000)	3,030,337	2,595,469	1,779,312
Payments to government by country	Total Group Zakat & Tax (AED '000)	765,279	220,749	60,473

Sustainable Finance Initiatives

ADIB has been progressing in its sustainable finance journey over the previous years. Historically, the bank has assets covering renewable energy, water desalination and wastewater management, clean transport, energy efficiency, and affordable housing, among others.

In 2023, ADIB also published a second-party opinion approved Sustainable Finance Framework (read here), that covers the eligible assets and categories for sustainable finance instruments use of proceeds. This framework leverages global standards such as the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA), as well as the Green Loan Principles and the Social Loan Principles, issued by the Loan Market Association (LMA). It also covers ADIB's exclusion list which expands the Shari'a exclusion list of activities to ESG related exclusions. Furthering Green Finance solutions in line with

the UAE National Sustainability Agenda where ADIB expanded its sustainable initiatives and offering to clients to support their transition to a net zero economy.

Also in 2023, ADIB issued a USD 500 million green sukuk which was rated, A+ by Fitch are priced at a profit rate of 5.695 percent per annum and are payable semi-annually. The issuance was met with exceptional demand with the final orderbook closing at USD 2.6 billion, representing an oversubscription rate of 5.2 times. In 2024, \$451 million has been directed toward eligible green projects under Renewable Energy, Energy Efficiency, and Sustainable Water and Wastewater Management aligning with ICMA's Use of Proceeds guidelines.

The bank has also finalized its Sustainable Finance Strategy to 2030 by increasing its commitment to AED 60 billion for sustainable product development as well as financial targets by segment.

Supporting Local Economies

We are committed to creating a positive and lasting impact on the communities we serve. We are actively working to support local communities by funding projects that enhance education, healthcare and social wellbeing. We are committed to supporting our customers on their transition to a net zero economy, providing a range of green products and services to corporate and individual customers.

Community Organizations | **140+**

Sustainable Finance | **₹17.3 Bn**

Number of volunteers | **1140**



DIGITAL PATHWAY TO PROSPERITY



DIGITAL PATHWAY TO PROSPERITY

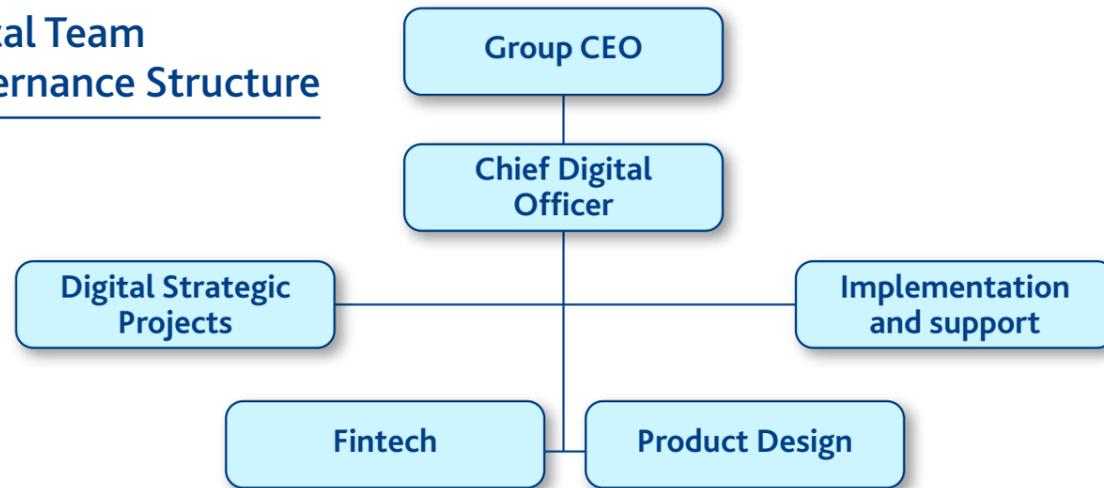
Digitalization is an important aspect in the banking sector that has redefined the banking experience and has enhanced operational efficiency. ADIB's 2035 vision highlights its commitment to transforming Islamic banking by seamlessly integrating cutting-edge technology with personalized customer experiences. This strategic focus not only aligns with global advancements but also positions ADIB as a leader in innovative financial solutions.

In 2024, ADIB is prioritizing the adoption of digital technologies to deliver various services across retail, wealth, and wholesale banking. Our

digital transformation initiatives are crucial in maintaining our competitive edge by adapting to the evolving demands of our customers and ensuring a seamless banking experience.

By integrating these advanced digital solutions, ADIB is not only enhancing customer service and operational efficiency but is also driving significant sustainability outcomes. Our commitment to digital innovation is intrinsically linked with our goal to promote responsible and sustainable banking practices, ensuring that we remain at the forefront of the industry while contributing positively to the environment and society. By adopting energy-efficient cloud technologies and reducing resource use through digital processes, we contribute to environmental sustainability while enhancing operational efficiency.

Digital Team Governance Structure



The digital team governance structure is organized with the Group CEO at the top, overseeing the entire operation. The Chief Digital Officer (CDO), a role currently held by Fernando Plaza oversees all digital related activities. Under Chief digital Officer (CDO), the digital team is divided into four key areas, each focusing on a specific aspect of the organization's digital strategy. These areas include the Head of Digital Strategic Projects, responsible for leading and managing strategic

initiatives; Fintech Integration, which focuses on incorporating fintech solutions into the organization's operations; Product Design, which handles the design and digitization of products; and Implementation and Support, which ensures the effective implementation and support of digital projects across the group, maintaining governance standards. This structure allows for a streamlined approach to digital transformation, with each team playing a critical role in achieving the organization's strategic objectives

Highlights of digitalization in 2024

ADIB is committed to strategic investments in cloud technologies and artificial intelligence. These initiatives are designed to significantly

enhance the efficiency, reliability, and scalability of our IT infrastructure. This transformation not only supports our ongoing digital transformation initiatives but also positions us to adeptly handle future technological demands and challenges.

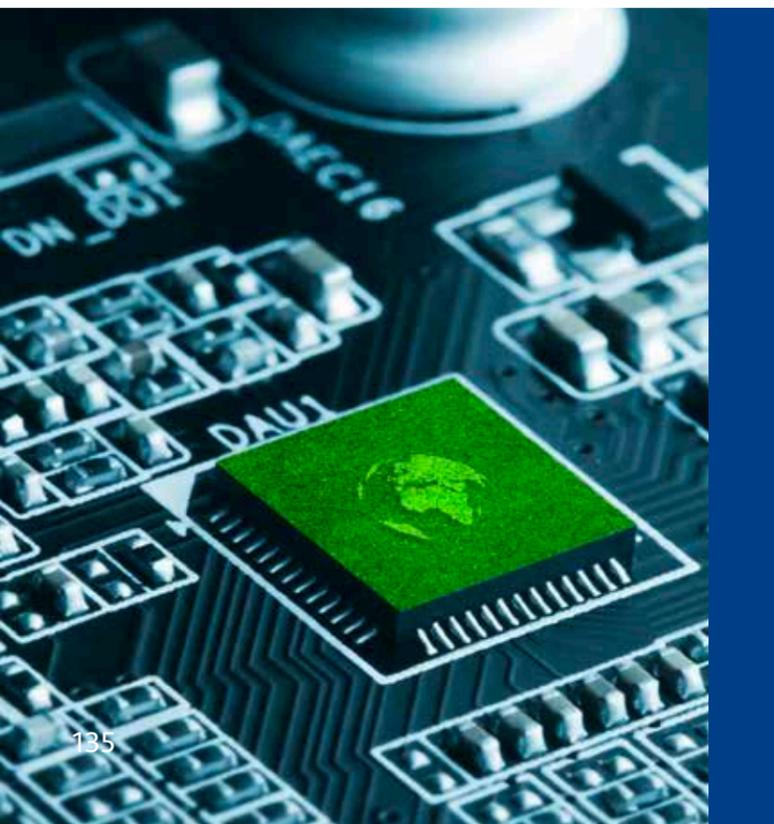
Exadata X10 Cloud @ Customer Migration	Technology Operations Centre	SaaS / PaaS Adoption
<ul style="list-style-type: none"> This year we completed a significant upgrade to our Exadata systems from the older X6 models to the advanced Exadata X10 Cloud@Customer. This transition modernises our infrastructure but also enhances its scalability and robustness, crucial for supporting our growing digital workloads and mission critical applications. 	<ul style="list-style-type: none"> We have established a state-of-the-art Technology Operations Center (ToC) equipped with cutting-edge AI for IT operations (AIOps). The ToC serves as the operational backbone of our IT infrastructure, crucial for maintaining the stability, availability and optimal performance of our digital and critical systems leveraging continuous monitoring, incident management and proactive issue resolution powered by AI. 	<ul style="list-style-type: none"> Strategically advanced our digital transformation by migrating 76% of our cloud based applications to Software as a Service to Platform as a Service (PaaS) models. The remaining 24% of our applications continue to be supported on Infrastructure as a Service (IaaS) platforms, tailored to meet specific, more complex infrastructure requirements. This transition reflects our strategic shift towards managed hosting solutions, where hardware and platform management are efficiently outsourced, allowing us to focus more on core software utilization and development.
Securing Robust and Scalable Infrastructure	Ensuring IT System Integrity and Performance	Enhancing Scalability and Operational Efficiency



DIGITAL INNOVATION IN BANKING SERVICES

ADIB Digital Lab

ADIB's innovation center, known as the 'ADIB Digital Lab,' serves as a dynamic hub where technology and banking experts collaborate to transform innovative concepts into practical solutions, enhancing customer banking experiences. Located on the full floor of ADIB's former head office in Abu Dhabi, the lab features glass-walled rooms, communal areas, breakout spaces for brainstorming, and an amphitheater for events. This stimulating environment encourages out-of-the-box thinking and close collaboration between ADIB's innovation team and the FinTech community, leading to rapid progress and successful implementation of initiatives. The Digital Lab has delivered over 80 new features and enhancements on ADIB's mobile app, underscoring its commitment to digital innovation.



Functional Sukuk Offering

The first bank in the UAE to offer retail access to Sukuks, allowing investments starting at just USD 1,000- paving the way for financial inclusion in Shari'a-compliant fixed income assets.

Money Manager

This tool enables customers to track income, categorize expenses and gain insights into cash flow-all seamlessly integrated within our mobile app.

Remote account opening for SMEs

ADIB uses mobile app using Emirates Face Recognition (EFR) technology, This allows businesses to open a Business Account without physical presence and physical documentation securely.

Wealth Management Integrated

We introduced wealth management capabilities within our app, providing our customer with the convenience to invest anytime

AI-Driven Advancement

Through the integration of GitHub Copilot our digital engineering team experienced a 20% increase in productivity, hastening the delivery of solutions tailored for our customers.

Case Study

Abu Dhabi Islamic Bank's Launch of Fractional Sukuks in 2025

In a pioneering move, Abu Dhabi Islamic Bank (ADIB) has set a new benchmark in the Sukuk market by introducing fractional Sukuks. This innovative financial product significantly lowers the investment threshold from USD 200,000 to just USD 1,000, democratizing access to fixed-income investments. Scheduled for public

offering in 2025, following successful tests in November 2024 and approval from the UAE's Regulations Lab under the oversight of the Securities and Commodities Authority (SCA), this initiative opens the Sukuk market to a broader array of retail investors.

Benefits to Retail Investors:

- **Accessibility:** The entry barrier is significantly reduced, allowing investments as low as USD 1,000.
- **Customization:** Investors have the flexibility to tailor their investment portfolios

according to personal financial goals and risk tolerance.

- **Diversity:** Introduces new investors to the Sukuk market, expanding their investment options within the Islamic financial services sector.

Launch of the ADIB Money Management Tracker

As part of its strategic vision for 2035, Abu Dhabi Islamic Bank (ADIB) has introduced its first personal finance management tool integrated within its mobile app, the ADIB Money Management Tracker. Developed in

partnership with Lune, a leading Emirati fintech company, this tool is designed to empower ADIB's customers by providing enhanced control and deeper insights into their personal finances.

Objective of the Money Management Tracker

The ADIB Money Management Tracker aims to transform the way customers handle their finances, making the management process simple, comprehensive and user-friendly. This innovation underscores ADIB's dedication to customer-centricity, utilizing advanced technology to adapt to and anticipate the changing needs of its users.

Features and Capabilities

The Money Management Tracker includes several key features designed to improve financial oversight and empower users to make smarter financial decisions:

ADIB Ventures: Accelerating Innovation in Fintech

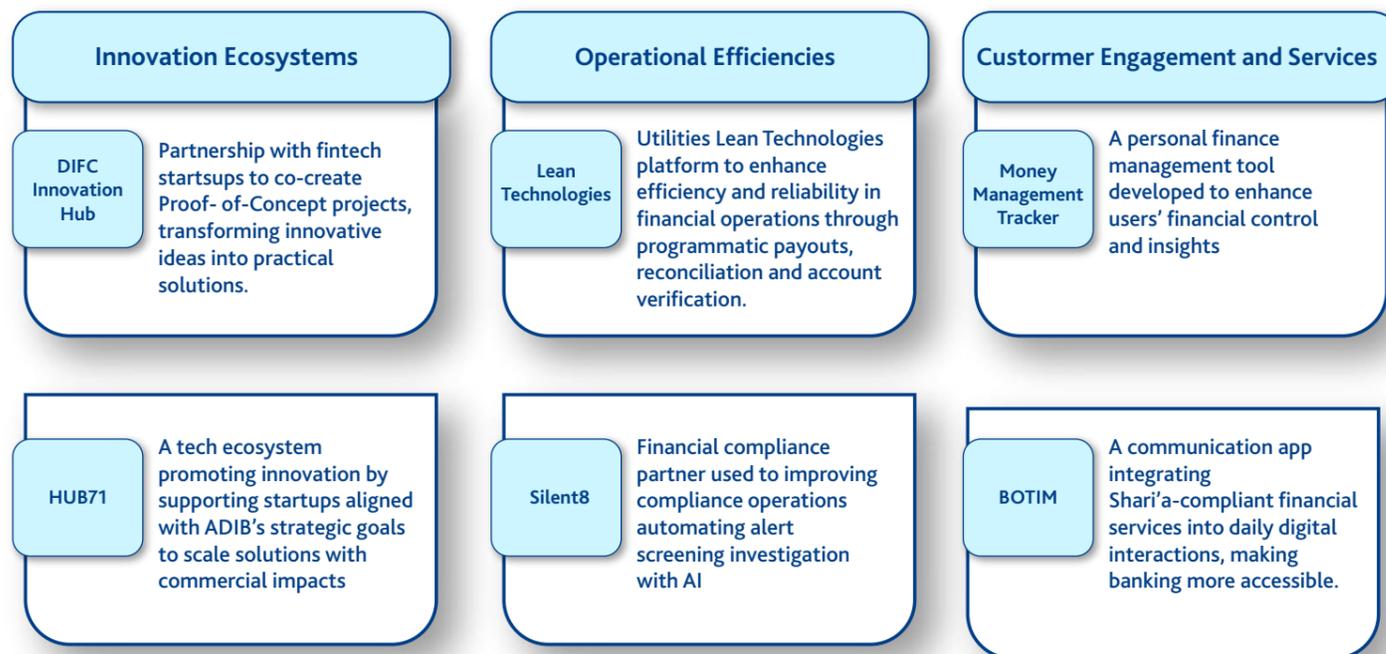
ADIB Ventures is a strategic initiative launched by Abu Dhabi Islamic Bank (ADIB) to drive innovation and collaboration within the global fintech sector. The program aims to position ADIB as a leader in digital transformation by

promoting a robust ecosystem of emerging fintech players. The objective of the initiative is to enhance the banking experience for 1.4 million customers by integrating advanced technologies and Generative AI.

Collaborations and Innovations

ADIB has partnered with various startups and platforms to strengthen its position as a leader in digital transformation. By leveraging these

partnerships, the bank aims to drive advancements in fintech and enhance its offerings



1. DIFC Innovation Hub

The DIFC Innovation Hub, located in Dubai International Financial Centre, which serves as a vibrant ecosystem for promoting fintech and innovation in the Middle East. It provides a collaborative environment where startups, entrepreneurs, and financial institutions can come together to drive technological advancements. Through its partnership with

- Collaboration with fintech startups to co-create Proof-of-Concept projects.

Abu Dhabi Islamic Bank (ADIB), the DIFC Innovation Hub played an important role in launching the Generative AI (Gen AI) Innovation Challenge. This collaboration not only showcased cutting-edge Gen AI solutions but also facilitated the integration of these innovations into real-world banking environments.

- Focuses on solving real-world challenges with innovative solutions.

2. HUB71

Hub71 is Abu Dhabi's global tech ecosystem, designed to foster innovation and entrepreneurship by providing startups with the resources and support needed to grow. In collaboration with Abu Dhabi Islamic Bank (ADIB), Hub71 aims to strengthen the startup ecosystem by offering expert mentorship and commercial opportunities, aligning with ADIB's strategic goals. This partnership facilitates the growth of fintech startups by enabling them to

- Partnership to support startups aligned with ADIB's strategic goals.

conduct paid pilot projects, scale solutions with commercial impact, and receive sector-specific guidance in areas such as risk management and regulatory compliance. By integrating ADIB's expertise, the collaboration ensures startups are well-equipped to navigate complex challenges, ultimately strengthening Abu Dhabi's position as a leading global hub for innovation and entrepreneurship.

- Aims to scale solutions with significant commercial impact.

3. Botim

ADIB has partnered with AstraTech Botim is a widely used communication app in the MENA region, known for its messaging and voice call features. Through a pioneering collaboration with Abu Dhabi Islamic Bank (ADIB), Botim is enhancing its platform by integrating Sharia-compliant financial services directly into its user interface. This partnership allows users to access ADIB's banking products seamlessly

- A pioneering integration of Sharia-compliant financial services into daily digital interactions.

within the Botim Ultra app, thereby transforming everyday digital interactions into convenient banking opportunities. By merging traditional banking reliability with fintech innovation, this collaboration not only improves financial accessibility for millions of users but also sets a new standard for integrating banking services into daily digital life.

- Makes banking accessible through a widely used digital platform.

4. Silent8

Silent Eight is a RegTech company that specializes in AI and machine learning solutions to enhance compliance workflows and prevent financial crime. Through its strategic partnership with Abu Dhabi Islamic Bank (ADIB), Silent 8 is set to transform the bank's compliance operations by automating the alert screening investigation process. This collaboration will

- Automates alert screening investigations with AI.

5. Lean Technologies

ADIB's partnership with Lean Technologies highlights its commitment to enhancing operational efficiency and reliability by integrating Lean's advanced platform offerings. By utilizing Lean's solutions, ADIB is able to streamline its financial operations through features such as programmatic payouts,

- ADIB utilizes Lean Technologies' platform for efficient programmatic payouts, reconciliation, and account verification.

enable ADIB to significantly reduce false positive alerts, improve accuracy, and enhance auditability without human intervention. By integrating Silent 8's advanced platform, ADIB aims to lower operational costs, reduce reliance on human investigators, and improve the customer experience by minimizing delays caused by compliance checks.

- Improves compliance operations, reduces false positives, lowers costs, and enhances customer experience.

reconciliation, and account verification. This collaboration not only simplifies and automates key processes within the bank but also strengthens the overall customer experience by ensuring more seamless and accurate transactions.

- Enhances operational efficiency and reliability in financial operations.

Digital Transformation Initiatives for Enhanced Operational Efficiency

As technology drives various aspects of businesses these days, ADIB is focused towards introducing digital transformation initiatives to enhance operational efficiency. By integrating advanced digital solutions and leveraging cutting-edge technologies, ADIB is streamlining

- **Managed Printer Services (MPS):** This outsourced solution optimizes and manages an organization's printing infrastructure, including printers, copiers, and document workflows. It reduces costs, improves efficiency, enhances security, and minimizes environmental impact by streamlining print management and automating supply replenishment.

By adopting MPS, ADIB has significantly enhanced its operational efficiency as it

- **Cloud Adoption:** ADIB Technology has migrated 68% of its applications to Microsoft Azure, benefiting from energy-efficient, renewable-powered data centers to reduce its carbon footprint. Additionally, it leverages multiple SaaS platforms for various needs to optimize resource utilization, minimize waste, and enhance operational efficiency.

Cloud adoption refers to the strategic shift by organizations to move their IT infrastructure, applications, and services from on-premises data centers to cloud-based platforms.

- **ADIB Direct Digitalization Initiatives:** These initiatives focus on reducing paper wastage, with all approvals and workflows processed digitally. Debit confirmations and statements are available in digital format, further reducing paper usage.

This initiative aims to enhance operational efficiency and sustainability by minimizing

processes, reducing costs, and improving service delivery. These efforts not only strengthen the bank's internal operations but also ensure a seamless and enriched experience for its customers, setting a new benchmark in efficient banking practices.

provides predictable monthly costs, eliminating the unpredictability of purchasing printers and supplies. It optimizes fleet management by aligning equipment with actual needs, reducing waste and energy consumption. By streamlining printing workflows and providing remote monitoring and support, it reduces the time spent on printing-related tasks. Enhanced security measures ensure compliance and protect sensitive information, while data-driven insights enable ADIB to make informed decisions about its printing needs, further refining its processes.

ADIB has migrated 68% of its applications to Microsoft Azure which has enhanced its operational efficiency. By utilizing energy-efficient, renewable-powered data centers, ADIB reduces its carbon footprint while benefiting from the flexibility to quickly scale resources up or down in response to market demands. This agility eliminates the need for substantial upfront investments associated with traditional infrastructure, allowing ADIB to swiftly adapt to changing conditions and manage workload fluctuations seamlessly

paper use and promoting digitization. By digitizing approvals and workflows, the bank accelerates decision-making and reduces manual processing bottlenecks, allowing staff to focus on more valuable tasks. The shift to digital formats for confirmations and statements cuts costs on printing and storage while reducing environmental impact.



- **Aldar Smart Sign Initiative:** This initiative reduces the carbon footprint by eliminating
- **Corporate Relationship and Digital Implementation for ADJD Payments Disbursements:** This initiative involves using
- **Emirates Red Crescent Initiative:** This initiative aims to reduce carbon emissions by
- **GitHub Co-Pilot Integration for Operational Excellence:** This solution addresses key business requirements in various categories, including enhancing productivity for developers, QA, and DevOps engineers. It also

the need for customers to travel to the office physically.

virtual accounts to reduce carbon emissions, lessening the need for customers to visit branches physically.

minimizing the need for customers to visit branches physically.

reduces infrastructure costs for CI/CD pipelines and optimizes Azure-hosted IaaS VMs to reduce current cloud consumption, while modernizing outdated tools.

CYBER SECURITY AND CUSTOMER PRIVACY

As digital solutions expand and become more integrated into our daily lives, concerns over privacy and security breaches are on the rise. ADIB understands the critical importance of data protection for both its stakeholders and the organization itself, prioritizing data security and customer privacy at every level. As cybersecurity threats continue to grow globally, robust data

protection measures have become essential for organizations aiming to protect personal and financial information from breaches and unauthorized access. Cybersecurity efforts are crucial in preventing these evolving threats and ensuring the integrity and confidentiality of data.

Highlights and Initiatives from 2024

- Achieved ISO/IEC 27001:2022 Information Security Management Systems and Data Privacy Certifications for ADIB Group.
- Implemented the latest Artificial Intelligence (AI) and Machine Learning (ML) technologies for 24/7 cyber defense center operations.
- Secured Second Place in the "National Cyber Wargaming" event organized by the UAE Banks Federation
- Enhanced ADIB's Digital Journey by securing SWIFT Cloud Alliance migration, Azure cloud migration, and adopting agile security practices.
- Successfully completed the 2024 Information Security & Data Privacy Awareness Month.
- Partnered with AQDAR (Khalifa Empowerment Program) for the Safer Internet Day initiative.

GOVERNANCE MECHANISM AND OVERSIGHT

The Board of Directors at ADIB plays a pivotal role in overseeing the Bank's cybersecurity framework, ensuring that strong measures are in place to protect sensitive information and mitigate potential risks. By actively engaging with the Information Security team and staying informed about the latest cybersecurity trends and threats, the Board provides strategic guidance and oversight to uphold the integrity and confidentiality of the Bank's digital assets. This proactive approach enables ADIB to navigate the evolving landscape of cybersecurity with confidence and resilience, safeguarding both the organization and its customers.

The Information Security department, led by the Group's Chief Information Officer (CIO), oversees the data privacy and security program. This includes planning, directing, and coordinating information security policies, alongside setting procedures and guidelines to ensure the functional, secure, and protected status of all information systems across the Bank.

ADIB has a dedicated Cybersecurity Strategy that helps to systematically detect cybersecurity vulnerabilities, which is audited monthly by the Compliance and Control Committee. The cybersecurity team is composed of specialists in various domains, ensuring a holistic approach to digital security.

The organizational structure includes a dedicated Data Security department managed by the Head of Data Security & Access Management, and a Data Privacy function led by the Data Protection Officer (DPO).

Cybersecurity is independently managed by the Group Chief Information Security Officer (CISO), who reports directly to the Group Chief Risk Officer (CRO), highlighting the specialized focus and importance placed on cybersecurity within the governance structure

DATA PROTECTION PROCESS AND MEASURES

ADIB evaluates the security of the IT infrastructure through various assessments and cybersecurity stress tests to ensure preparedness in the event of cyberattack and to track vulnerabilities. To maintain the highest standards

of privacy and security management, ADIB conducts thorough internal and external audits annually, performed by both the internal audit team and external qualified third-party assessors, including NESAS, PCI DSS, and SWIFT.

This approach encompasses penetration testing, vulnerability assessments, red teaming, cyber risk assessments, and data privacy risk and impact assessments.



Annual Data Privacy Assessment

Our annual data privacy assessment is a cornerstone of our strategy to protect sensitive information. ADIB's Data Security and Privacy policies are comprehensive, extending across the

Training

ADIB has established a robust training and awareness program to enhance the cybersecurity skills and data privacy awareness of both our staff and customers. This program includes a variety of educational tools such as direct communications, email campaigns, tests, and

Group and to our suppliers, integrating risk and compliance management into our core operational processes.

competitions. Each year, we dedicate a month to Information Security & Data Privacy Awareness, engaging our community with activities designed to foster a deeper understanding of these critical issues.

DATA PRIVACY FRAMEWORK

To enhance the Bank's defenses, a standard privacy risk assessment process is applied to critical business areas where personal data is collected and processed, ensuring a robust privacy framework. ADIB adheres to the UAE Central Bank's Consumer Protection Regulation (CPR) for safeguarding customer data and privacy. The Global Information Security Department (GISD) collaborates closely with the fraud management and investigation teams to address any incidents or breaches related to data

privacy and information security. Furthermore, GISD maintains a specialized team tasked with evaluating the risks and threats posed by emerging technologies, responsible for devising and applying appropriate mitigations and controls, ensuring the Bank's resilience against evolving cybersecurity challenges.

The total number of identified leaks, thefts, or losses of customer data in the current year was Nil.

WAY FORWARD

Digital innovation at ADIB is centered on the strategic integration of Gen AI and Machine Learning (ML) to drive productivity and enhance customer engagement. By leveraging AI/ML, ADIB aims to refine its business ecosystem partnerships, allowing for precise identification of existing customer segments that can be profitably targeted with tailored product offerings. The deployment of generative AI in software engineering has already yielded significant productivity gains by automating code writing and testing processes. Furthermore,

ADIB is committed to harnessing machine learning technology to deliver personalized customer experiences, crafting bespoke offers that meet individual needs. As technology continues to reshape the workplace, ADIB is building a culture rooted in data-driven efficiency, promoting swift decision-making and collaboration across teams. The investment in cloud infrastructure has not only enhanced resiliency and scalability but also positioned ADIB to revolutionize the future of banking, ensuring it remains at the forefront of digital transformation and innovation.





APPENDICES



ABBREVIATION LIST- ADIB SUSTAINABILITY REPORT

ABBREVIATION	FULL FORM
ABAC	ANTI-BRIBERY AND ANTI-CORRUPTION
ADX	ABU DHABI SECURITIES EXCHANGE
ADIB	ABU DHABI ISLAMIC BANK
ADSG	ABU DHABI SUSTAINABLE GROUP
ADSF	ABU DHABI SUSTAINABLE FINANCE DECLARATION
AML	ANTI-MONEY LAUNDERING
AML/KYC	ANTI-MONEY LAUNDERING/KNOW YOUR CUSTOMER
BAC	BOARD AUDIT COMMITTEE
CDC	CONDUCT DISCIPLINARY COMMITTEE
COP	CONFERENCE OF THE PARTIES
CSRS	CORPORATE SUSTAINABILITY REPORTING STANDARDS
CTF	COUNTER-TERRORIST FINANCING
DEFRA	DEPARTMENT FOR ENVIRONMENT, FOOD & RURAL AFFAIRS (UK)
DEWA	DUBAI ELECTRICITY AND WATER AUTHORITY
DG SET	DIESEL GENERATOR SET
EGP	EGYPTIAN POUND
ESDD	ENVIRONMENT SOCIAL DUE DILIGENCE
ESG	ENVIRONMENTAL, SOCIAL, AND GOVERNANCE
ESMS	ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM
FCR	FIRST CONTACT RESOLUTION
FI	FINANCIAL INCLUSION
FTES	FULL-TIME EQUIVALENTS
GCEO	GROUP CHIEF EXECUTIVE OFFICER
GCFC	GLOBAL CLIMATE FINANCE CENTRE
GHG	GREENHOUSE GAS
GRI	GLOBAL REPORTING INITIATIVE
HIPO	HIGH POTENTIAL
HSE	HEALTH, SAFETY, AND ENVIRONMENT
HVAC	HEATING, VENTILATION, AND AIR CONDITIONING

ABBREVIATION	FULL FORM
ICAAP	INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS
ICMA	INTERNATIONAL CAPITAL MARKET ASSOCIATION
ICT	INFORMATION AND COMMUNICATION TECHNOLOGY
IEA	INTERNATIONAL ENERGY AGENCY
IFC	INTERNATIONAL FINANCE CORPORATION
LMA	LOAN MARKET ASSOCIATION
LEED	LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN
LTS	LONG-TERM STRATEGY
MBTU	MILLION BRITISH THERMAL UNITS
MEED	MIDDLE EAST ECONOMIC DIGEST
MSCI	MORGAN STANLEY CAPITAL INTERNATIONAL
NDC	NATIONALLY DETERMINED CONTRIBUTIONS
NZE	NET ZERO EMISSIONS
OHS	OCCUPATIONAL HEALTH AND SAFETY
OSHAD	OCCUPATIONAL SAFETY & HEALTH ABU DHABI
PCAF	PARTNERSHIP FOR CARBON ACCOUNTING FINANCIALS
PEI	PHYSICAL EMISSION INTENSITY
PRB	PRINCIPLES FOR RESPONSIBLE BANKING
RCA	ROOT CAUSE ANALYSIS
SAF	SUSTAINABLE AVIATION FUEL
SDGS	SUSTAINABLE DEVELOPMENT GOALS
SFCC	SUSTAINABLE FINANCE CATEGORIZATION COMMITTEE
SME	SMALL AND MEDIUM-SIZED ENTERPRISES
TCFD	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE
TCO2E	TONNES OF CARBON DIOXIDE EQUIVALENT
UAE	UNITED ARAB EMIRATES
UNEP-PI	UNITED NATIONS ENVIRONMENT PROGRAMME - PRINCIPLES FOR RESPONSIBLE INVESTMENT
UNSDGS	UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

GRI and other content index

STATEMENT OF USE

ADIB has reported in reference to the GRI Standards for the period 1st January 2024 to 31st December 2024.

GRI 1 USED

GRI 1: Foundation 2021

GRI STANDARD/
OTHER SOURCE

DISCLOSURE

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General disclosures

"GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report-Page No. 1-2
	2-2 Entities included in the organization's sustainability reporting	About the Report-Page No. 1-2
	2-3 Reporting period, frequency and contact point	Overview- Reporting Period and Scope Page No. 1-2
	2-4 Restatements of information	
	2-6 Activities, value chain and other business relationships	Activities, Annual Report 2024 Page No. 27. Value chain, this report Page No. 98-100
	2-7 Employees	People First-Page No. 75-76
	2-9 Governance structure and composition	Corporate Governnace Structure Page No. 112-113
	2-10 Nomination and selection of the highest governance body	"Annual Report, 129, Board Selection Process", This report Page No. 113
	2-11 Chair of the highest governance body	Board Effectiveness and Evaluation, Page No. 115 Board Selection Process-Page No. 113
	2-12 Role of the highest governance body in overseeing the management of impacts	Board Selection Process-Page No. 113
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	ESG Management Committee Page No. 121-122
	2-15 Conflicts of interest	"Annual Report 137 Code of Ethics and Proffessional Conduct", This report, Page No. 128
	2-16 Communication of critical concerns	Feedback Page No. 2, Whistleblowing and Grievance Mechanism Page No. 129
	2-17 Collective knowledge of the highest governance body	Annual Report 108-114t

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General disclosures

"GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	Board of Effectiveness and Evaluation-Page No. 115
	2-19 Remuneration policies	Annual Report-415
	2-20 Process to determine remuneration	Annual Report-138,415
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	Page No. 1-2
	2-23 Policy commitments	Details can be found on link
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	Employee Satisfaction and Grievance Page No. 89-90
	2-26 Mechanisms for seeking advice and raising concerns	Whistle Blowing and Grievance Mechanism Page No. 129
	2-27 Compliance with laws and regulations	Overview- Reporting Standards, Business Ethics and Compliance Page No. 1-2
2-28 Membership associations	Strategic ESG Partnerships, Standards & Global Alignment Page No. 23-24	
2-29 Approach to stakeholder engagement	Stakeholder Engagement-Page No. 31-32	
2-30 Collective bargaining agreements	Collective Bargain and Freedom of Association Page No. 79	

Material topics

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment-Page No. 25
	3-2 List of material topics	Materiality Assessment-Page No. 27-30

Economic performance

GRI 3: Material Topics 2021	201-1 Direct economic value generated and distributed	Economic Prosperities-Page No. 131
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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	ADIB REPORT 2024 PAGE NO./SECTION NAME
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Market presence

GRI 3: Material Topics 2021	202-2 Proportion of senior management hired from the local community	Emiratization, Page No. 80
GRI 202: Market Presence 2016		

Procurement practices

GRI 3: Material Topics 2021	204-1 Proportion of spending on local suppliers	Sustainable Procurement, Page No. 98-100
GRI 204: Procurement Practices 2016		

Anti-corruption

GRI 3: Material Topics 2021	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken	Anti-Money Laundering and Anti-Corruption, Page No. 129-130
GRI 205: Anti-corruption 2016		Anti-Money Laundering and Anti-Corruption, Page No. 129-130
		Anti-Money Laundering and Anti-Corruption, Page No. 129-130

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Tax

GRI 3: Material Topics 2021		
GRI 207: Tax 2019	207-1 Approach to tax 207-2 Tax governance, control, and risk management	Tax Strategy, Page No. 131 Tax Strategy, Page No. 131

Energy

GRI 3: Material Topics 2021		Greener Steps Forward and Transition to Net Zero
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	Energy Management, Page No. 45-46 Energy Management, Page No. 45-46 Energy Management, Page No. 45-46 Energy Management, Page No. 45-46 Energy Management, Page No. 45-46

Water and effluents

GRI 3: Material Topics 2021		Water Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource 303-5 Water consumption	Water Management, Page No. 51-52 Water Management, Page No. 52

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Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	Our Operational Emission Management, Page No. 43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Operational Emission Management, Page No. 43-44
	305-2 Energy indirect (Scope 2) GHG emissions	Our Operational Emission Management, Page No. 43-44
	305-3 Other indirect (Scope 3) GHG emissions	Our Operational Emission Management, Page No. 43-44
	305-4 GHG emissions intensity	Energy Management, Page No. 43-46
	305-5 Reduction of GHG emissions	Energy Management, Page No. 43-46

Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management, Page No. 52-54
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, Page No. 52-54
	306-3 Waste generated	Waste Management, Page No. 52-54
	306-4 Waste diverted from disposal	Waste Management, Page No. 54

Employment

GRI 3: Material Topics 2021	3-3 Management of material topics	People First, Page No. 75-76
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Turnover Page No. 76 Gender Diversity Page No. 77 & 79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellbeing, Page No. 85-86
	401-3 Parental leave	Employee Wellbeing, Page No. 85

GRI STANDARD/
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ADIB REPORT 2024
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Occupational health and safety

GRI 3: Material Topics 2021		Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety, Page No. 87
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety, Page No. 87
	403-3 Occupational health services	Health and Safety, Page No. 87
	403-5 Worker training on occupational health and safety	Health and Safety, Page No. 87
	403-6 Promotion of worker health	Health and Safety, Page No. 87
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety, Page No. 87

Training and education

GRI 3: Material Topics 2021	3-3 Management of material topics	Training and Development, Page No. 81
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Development, Page No. 81
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development, Page No. 82
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Management, Page No. 84

GRI STANDARD/
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Diversity and equal opportunity

GRI 3: Material Topics 2021	3-3 Management of material topics	Gender Equality and Diversity Information, Page No. 77
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	Corporate Governance Structure, Page No. 112-113 Equal Pay, Page No. 79

Non-discrimination

GRI 3: Material Topics 2021		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Non- Discrimination, Page No. 79

Freedom of association and collective bargaining

GRI 3: Material Topics 2021		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Collective Bargain and Freedom of Association, Page No. 79

Rights of indigenous peoples

GRI 3: Material Topics 2021		
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No such cases have been identified

GRI STANDARD/
OTHER SOURCE

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PAGE NO./SECTION NAME

Local communities

GRI 3: Material Topics 2021		Communities
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Communities, Page No. 101-110

Public policy

GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Money Laundering and Anti-Corruption, Page No. 129
GRI 415: Public Policy 2016	415-1 Political contributions	Anti-Money Laundering and Anti-Corruption, Page No. 130

Customer privacy

GRI 3: Material Topics 2021		Data Security and Customer Privacy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy Framework, Page No. 143

TCFD ALIGNMENT TABLE

PILLAR	DISCLOSURES	SECTION AND PAGE NUMBERS
Governance	<p>Describe the board's oversight of climate-related risks and opportunities</p> <p>Describe management's role in assessing and managing climate related risks and opportunities</p>	<p>ESG Board Committees, Page No. 119</p> <p>ESG Policy, Page No. 122</p> <p>ESG Risk Management Policy, Page No. 123</p> <p>Corporate Governance Structure, Page No. 112-114</p>
Strategy	<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p> <p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.</p>	<p>Materiality Assessment, Page No. 25-30</p> <p>Strategic Integration of ESG Risks, Page No. 57</p> <p>Net Zero, Page No. 33-42</p> <p>Climate Risk Management, Page No. 61-64</p>
Risk Management	<p>Describe the organization's processes for identifying and assessing climate related risks.</p> <p>Describe the organization's processes for managing climate related risks.</p> <p>Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management"</p>	<p>Risk Management and Compliance, Page No. 121</p> <p>Climate Risk Management, Page No. 61-64</p>
Metrics and Target	<p>Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.</p> <p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>Climate Risk Management, Page No. 61-64</p> <p>Our Operational Emission Management, Page No. 43-44</p> <p>Sector Assesst Classes, Page No. 36-42</p>

DATA DISCLOSURES

GOVERNANCE EXCELLENCE KPIS

	2022	2023	2024
Total number of board members	7	7	7
Total number of independent members	5	5	5
Total number of non-independent members	2	2	2
Total number of executive members	0	0	0
Total number of non-executive members	7	7	7
Total board seats occupied by men	6	6	6
Total board seats occupied by women	1	1	1
Total number of whistleblowing cases filed in the reporting period	12	26	41
Total number of whistleblowing cases addressed or resolved in the reporting period	0	16	36
Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) (AED mn)	4.33	5.71	3.5
Activity from card-not-present fraud (%)	99.6	97.5	100
Activity from card-present and other fraud (%)	0.4	2.5	0
Number of business units analysed for risks related to AML and CTF	12	12	12
Business units analysed for risks related to AML and CTF (%)	100	100	100
Number of high data security breaches	0	0	0
Number of high data security breaches involving customers' personally identifiable information	7	7	0
Percentage of high data security breaches involving customers' personally identifiable information (%)	6	6	0
Number of account holders whose information is used for secondary purposes	1	1	0
Total training related to data security & customer privacy (Hours)	12	26	0
Attempted cyberattacks	0	16	114
Actual high cyberattacks	2	1	0

STRONG ECONOMIC IMPACT KPIS

	2022	2023	2024
Number of retail banking customers	1,101,000	1,200,000	1,500,000
Value of retail banking portfolio (AED bn)	53.74	60.4	77
Corporate and institutional banking (AED bn)	45.3	50	56
Total number of suppliers engaged	383	458	490
Total number of local suppliers engaged	305	381	403
Total number of SME suppliers engaged	171	179	220
Total number of women-owned suppliers engaged	19	21	20
Total procurement spending (AED mn)	578.7	793.29	1190
Procurement spending on local suppliers (AED mn)	510.4	696.4	890
Spending on local suppliers (%)	88.21	87.78	74.79
Number of suppliers assessed against sourcing code of conduct	383	458	495

LIFELONG PARTNERS FOR OUR COMMUNITIES KPIS

	2022	2023	2024
Digitally active customers (%)	73.8	76.4	91
New customers onboarded digitally (%)	40	59.2	65
Credit cards sold digitally (%)	5.9	4.4	6
Number of online/mobile transactions, (mn)	76.37	95.33	120.5
Employees participating in volunteering programs	2,869	1,895	1,147
Nationals FTE (%)	45	44	44
Female national FTE	700	682	697
Male national FTE	278	265	271
Nationalisation among the total workforce (%)	45	44	44
Nationalisation in senior management (%)	22.5	20	22
Total number of nationalities	53	52	50+

LIFELONG PARTNER FOR OUR CUSTOMERS KPIS

2022 2023 2024

Mystery Shopper (%)	95	96	97
Number of complaints received	4,412	5,813	45,633
Number of complaints resolved	4,305	5,743	45,633
Number of First Call Resolution	84,457	123,652	4,769
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	4,595	2,715	817
SME customers ('000)	29.1	32.3	40.8
SME value of transactions (AED mn)	1,715	2,051	2,503
All new youth accounts opened	6,731	6,604	9,766
Sheikh Zayed Housing Programme (AED mn)	52	1,063	1,173
Number of Branches in low populated and economically disadvantaged areas*	9	9	9
Number of ATMs in low populated and economically disadvantaged areas*	16	16	35

* Low populated and economically disadvantaged areas include: Dibba, Ghayathi, Hayer, Hisn, Liwa, Madam, Mirfaa, Ruwais, Qidfaa, Silaa, Sweihan, Wagan, Yahar

MAXIMISING POSITIVE IMPACT

2022 2023 2024

Direct GHG emissions (Scope 1) (tCO2e)	2,905.70	522.98	190.82
Indirect GHG emissions (Scope 2) (tCO2e)	12,367	13,310.45	12,905.89
Other indirect GHG emissions: air business travel (Scope 3), (tCO2e)	70.82	100	347
Total GHG emissions (tCO2e)	15,343.60	13,933.42	13,443.71
GHG emissions intensity (tCO2e / employee)	6.98	6.45	6.06
Energy from petrol consumption (GJ)	1,998	2,454.74	2,045.18
Energy from diesel consumption (GJ)	24	536.25	295.32
Energy consumption from fuel consumption (GJ)	2,022	2,990.99	2,340.5
Electricity consumption (office, storage, facilities, etc.) (kWh)	31,171,512	28,192,196	28,679,764
Energy from electricity consumption (GJ)	112,217	93,278.64	103,247
Energy consumption intensity (GJ/employees)	53.6	46.28	47.56
General waste (Kg)	156,600	194,870	341,520
Non-hazardous waste recycled (Kg)	25,920	38,567	44,410
Total water consumption (m3)	93,114	44,410	79,809
Water consumption intensity (m3/employees)	42.4	40.9	35.95

PEOPLE-CENTRIC ORGANISATION KPIS

2022 2023 2024

Senior management training (Hours)	12,040	13,085	15,330
Middle management training (Hours)	171,304	102,848	90,810
Non-management employees training (Hours)	217,329	209,191	183,267
Total number of employees who left the bank	247	281	215
FTE turnover	247	281	215
Percentage of employee turnover (voluntary and involuntary) (%)	11	13	19.00
New female employees	270	66	288
New male employees	235	196	798
New employees age 18-29	287	63	379
New employees age 30-50	206	195	686
New employees age 51+	12	4	119
Total number of employees	2,197	2,161	2,220
FTE employees	2,197	2,161	2,220
FTE in senior management	63	66	238
Female FTE	4	4	20
Male FTE	59	62	218
FTE employees in middle management	1,997	1,974	1,009
Female FTE	767	745	225
Male FTE	1,230	1,229	784
FTE employee staff (other levels)	137	121	963
Female FTE	102	86	615
Average training per employee in alignment with Islamic principles (Hours)	182.4	150.4	130.7
Total training delivered in alignment with Islamic principles (Hours)	28,693	17,846	271,305
Male FTE	35	35	348
Total Female FTE	873	835	862
Total Male FTE	1,324	1,326	1,358
Age 18-29 FTE	415	359	321
Age 30-50 FTE	1,569	1,572	1,633
Age 51+ FTE	213	230	266

PEOPLE-CENTRIC ORGANISATION KPIS	2022	2023	2024
Median gender pay gap (ratio men : women)	1.2:1	1.2:1	1.22:1
Male employees training hours	270,466	204,356	194,964
Female employees training hours	130,207	120,768	94,443
Number of grievances filed	36	108	80
Number of these grievance addressed or resolved	20 closed with no action. 8 out of scope. 6 closed with action. 2 under review	9	73
Percentage of employees formally trained on information security, data privacy and protection (%)	86	99	100
Percentage of workforce who have formally acknowledged compliance with the Employee Code of Conduct (%)	99	100	100
Percentage of workforce formally trained on the anti-corruption/bribery policy (%)	85	96	97
*Number of employees that took parental leave	128	133	138
*Number of employees who returned to work after parental leave ended (return to work)	123	134	133
*Number of employees returned from parental leave who were still employed twelve months after return to work (retention)	43	115	111
*Return to work rate (%)	98	99	100
*Retention rate (%)	91	93	83
Employee absentee rate (% of total days scheduled)	1.4	1.74	1.33
Number of employees who completed health, safety, and wellbeing training	196	201	3,972

*All the data related to FY 2023 has been restated