ADIB مصرف أبوظبي الإسلامي

MAXIMIZING OUR **POSITIVE IMPACT**

2022 ESG SUMMARY REPORT

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GROUP CEO STATEMENT

As a Bank rooted in Shari'a principles of responsibility and compassion for others, we have always had a solid foundation in our ESG journey. The last year saw large strides forward in our Sustainable Future Plan, adding further rigour and ambition to our ESG Framework.

I am proud of the progress we are making to address some of society's greatest challenges. Transparent disclosure is an important aspect of this, which is why this report goes into detail on diverse topics – from governance, integrity and customer focus; to environmental protection, workforce diversity and community empowerment. Outstanding Innovation awards are testament to the emphasis we place on innovation, which is at the heart of the Bank's corporate vision and mission.

Our robust financial performance during the year delivered economic value to all stakeholders and society at large, supporting the Abu Dhabi Economic Vision 2030 and demonstrating that our purpose goes far beyond short-term profit. Shari'a-compliant financing rose to AED 113 billion. We also welcomed 5,280 new small and medium-sized enterprise (SME) customers, while youth account opening increased by nearly 29%.

Being a lifelong partner to our communities also means giving more directly to charitable causes, which is why I am pleased to say we increased philanthropic donations by 13.5%. Employees played their part too, with volunteering hours increasing 1.5-fold. Meanwhile, we scaled further our investment in local talent, achieving our highest Emiratisation rate (45%), with more than two thirds of Emirati employees being women.

On the environment, it is encouraging to see in this report that our carbon footprint fell by 14% during the year and that we recycled 30% more of our waste. Achievements such as these help to inspire the wider corporate community in contributing to the UAE's Net Zero 2050 roadmap, and the National Green Economy for Sustainable Development, especially with the UAE hosting COP 28.

Awarded "Safest Islamic Bank" by Global Finance

A MSCI Rating

MSCI Emerging Markets ESG Leaders Index

Governance excellence remains the bedrock of everything we do and evidence over the last year indicates that our systems of compliance, ethics and risk management are fit-for-purpose in an ever-changing world. The Board and Executive Management Team are deeply committed to overseeing this from the top. And lastly – but perhaps most importantly – is the commitment we make to our people. In 2022, we saw upward trajectories across many metrics, from training hours and retention, to female recruitment and engagement in health and wellbeing.

We are looking forward to the delivery of our three-year standalone ESG Strategy. Focusing our efforts further will accelerate progress towards national and global priorities, such as the UN SDGs. It will also bring forward more positive outcomes, with financial and non-financial value created beyond our business. We welcome your feedback on this report and our ESG journey to date.

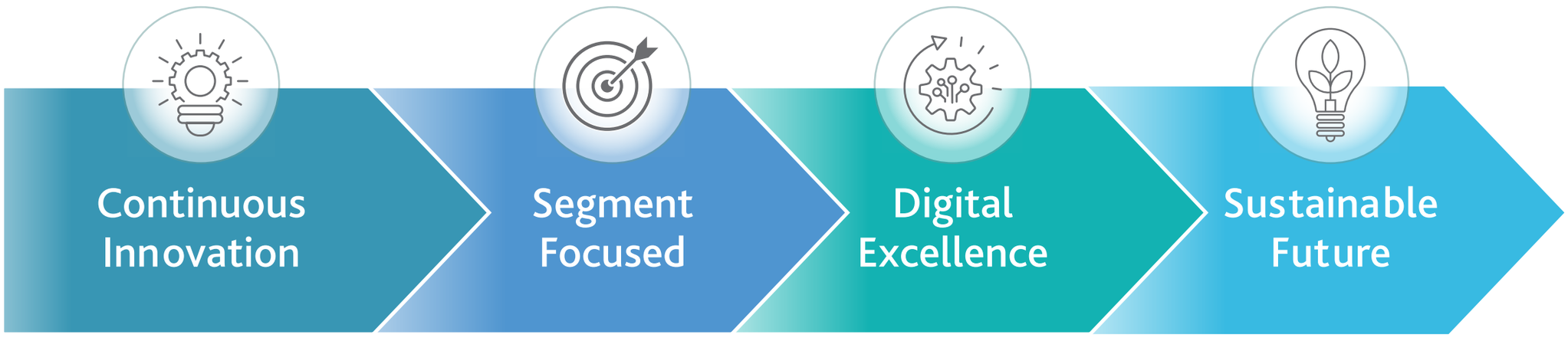
Nasser Al Awadhi
Group Chief Executive Officer

PURPOSE-DRIVEN **BUSINESS**

ADIB is committed to being a responsible corporate citizen and to managing its business in a way that creates value for customers, shareholders, employees and the communities in which it operates.

Incorporated in 1997, today ADIB is one of the largest Islamic banks globally by assets. It is headquartered and listed in Abu Dhabi but also has a strong presence in Egypt, the Kingdom of Saudi Arabia, the United Kingdom, Qatar, Sudan and Iraq. Over the last two decades, ADIB has demonstrated a consistent track record of growth with assets now totalling AED 169 billion. It currently serves more than a million customers through a balanced proposition that combines a highly personalised customer experience with world-class digital banking services.

ADIB conducted its 5-year strategic review which defined the bank's renewed purpose of becoming a lifelong partner for our clients, community and colleagues. Furthermore, ADIB's vision was revamped to be the world's most innovative Islamic bank.
The strategy is based on four pillars:



Our Purpose

To serve as a lifelong partner for our customers, colleagues and our community

Our Vision

To be the world's most innovative Islamic financial institution

Our Mission

Every day, simple banking empowered by people – centric innovation

Our Values

- Mutual benefit
- Transparency
- Simplicity and sensibility
- Hospitality and tolerance
- Alignment with Shari'a values

ESG APPROACH & SUSTAINABILITY FRAMEWORK

As a key pillar of its five-year strategic plan, ADIB recognises that a sustainable approach to address ESG issues is vital to deliver on its purpose and become the world's most innovative Islamic financial institution. To this end, ADIB is developing its ESG Policy Framework, which will be publicly available in 2023. The Bank's Sustainable Future plan to 2025 is being delivered through a six-point ESG Framework. Aligned with its corporate mission and values, ESG investor priorities, stakeholder interests, national goals and global standards and frameworks, the framework structures and articulates sustainability considerations that are important to ADIB.

Essential to the fruition of this approach is the Board's receival of periodic updates and their engagement with all ESG workstreams. Our ESG initiatives are monitored by the ESG team which has been established by the Executive Office.

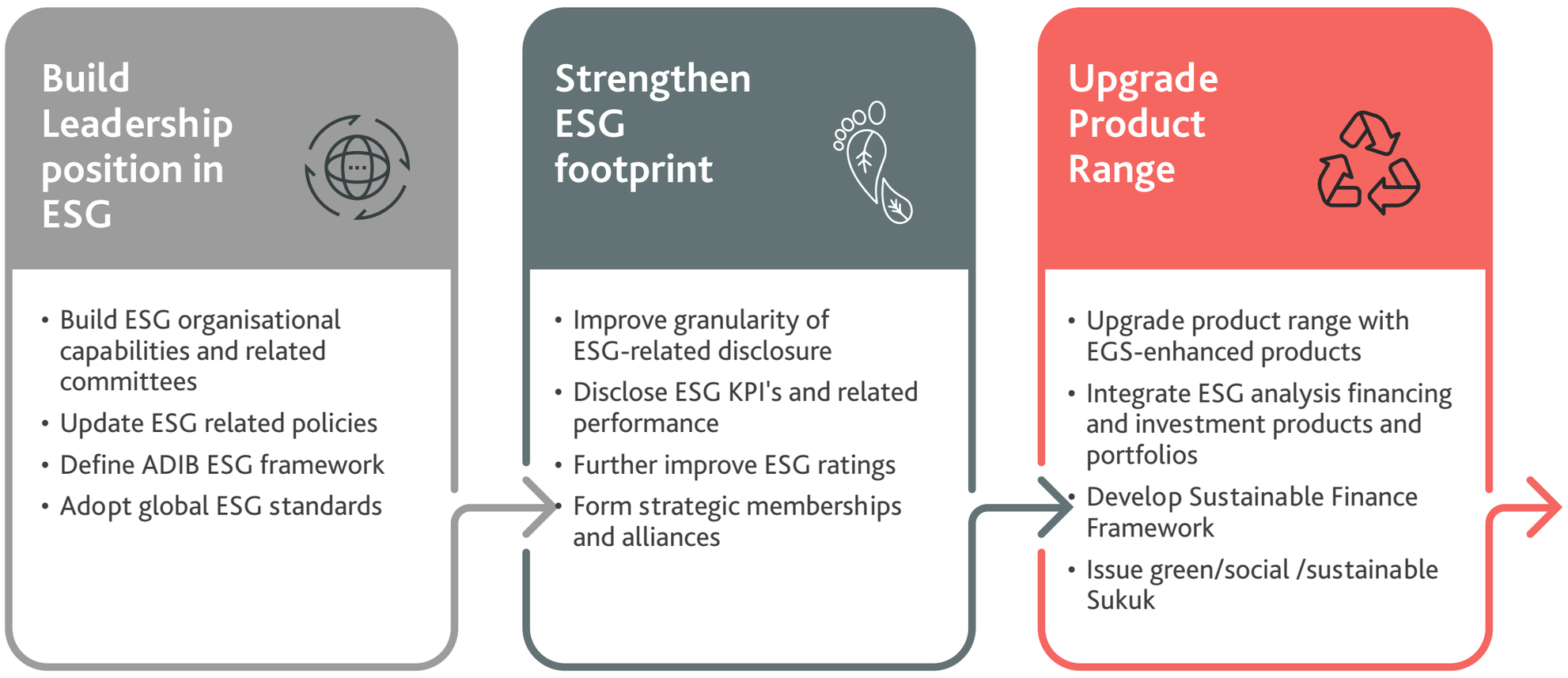


ESG STRATEGY

During the last quarter of 2022, ADIB has initiated the development of its standalone ESG Strategy, which includes a three-year detailed roadmap. This encompasses ADIB's vision and corporate strategy, as well as international standards, local regulations, regional, and industry ESG benchmarking.

Guided by the UN SDGs and the UAE Net Zero by 2050 goal; ADIB is looking to help build the UAE as a global sustainable finance hub. Moreover, by implementing carbon reductions and developing products related to financing for carbon emission reduction, thereby supporting the UAE's climate change agenda. The Bank is looking to adopt global ESG standards, frameworks, and alliances including Principles for Responsible Banking (PRB), and the Equator Principles (EP).

The strategy provides a clear roadmap towards sustainability, sets ambitious targets, and underscores the intersection between ESG and Shari'a principles. It also identifies a key objective for ADIB to be recognised as a leader in innovative and Islamic banking. ADIB aims to prioritise aspects of ESG that add the greatest value by implementing product innovation with a clear focus on positive sustainability impacts. By implementing the ESG strategy ADIB will further improve its ESG ratings and standout from other Islamic banks by integrating ESG analysis in financing and investment products and portfolios. ADIB intends to expand its retail and corporate products by integrating ESG features into the product range, and incentivise lifestyle shifts towards greater sustainability.



AWARDS, CERTIFICATIONS & MEMBERSHIPS

Evidencing our ESG achievements through certifications or external recognition helps drive forward our focus to deliver on our material issues. Below is a non-exhaustive list of 2022 recognitions.

ADIB is proud to be part of the Abu Dhabi Sustainability Group, and a signatory of UAE Sustainable Finance Declaration. We are also a banking partner with the Sheikh Zayed Housing programme, the Ministry of Finance and the Ministry of Energy and Infrastructure to provide affordable housing for low-income citizens.

Sustainability awards	Issuing body
ESG Certificates	Proshed and Enviroserve
Gold LEED Award	US Green building Council

Certifications

- LEED GOLD Certificate for Interior Design & Construction: ADIB HQ, Shell & Core, ADIB JAFZA, ADIB Delma Mall Branch, ADIB Bawadi Mall Branch, ADIB Rahmania Branch, and ADIB Deira Branch
- ADIB Delma Branch is the first Islamic bank branch to earn LEED Gold V4 globally
- ISO 45001 for Occupational Health and Safety
- ISO 9001 Quality Management System Certification
- ICXS - Customer experience certificate
- ISO 22301: 2019 Standard organisational continuity and resilience certification

Memberships

- International Financial Islamic Market
- Accounting and Auditing Organisation for Islamic Financial Institutions
- Islamic Financial Services Board
- General Council for Islamic Banks and Financial Institutions
- Union of Arab Banks
- UAE Banks Federation
- Securities and Commodities Authority
- ADX
- International Islamic Centre for Reconciliation and Arbitration

Overall Awards	Issuing body
Best Bank in the UAE	Banker Financial Times
Safest Islamic Bank Globally	Global Finance
Most Innovative Islamic Bank	IFN
Islamic Bank of The Year	Banker Financial Times
2022 Innovator of The Year	Global Finance
Best Islamic Bank	World Union of Arab banks

Digital and innovation Awards	Issuing body
Best Digital Platform	Asian Banker
Best Islamic Digital Bank in the UAE	Global Finance
Best Digital Bank in the UAE	Asiamoney
Best Transaction Banking Implementation Fintech Innovation Awards.	The IBS Intelligence Global

ESG HIGLIGHTS

Excellence in **Governance**

9 hours of Board training, of which **22%** covered ESG

Zero
data security breaches for a 3rd consecutive year

14% of board seats occupied by women

Strong **Economic Impact**

23% increase in revenue

60%
increase in Earnings per Share

305
local suppliers engaged

Maximising **Positive Impacts**

113 bn
AED of total Shari'a-compliant financing

6.2 bn
AED in Sustainable Finance

80m
online/mobile transactions

Lifelong Partner for our **Customers**

5,280
new SME customers

Nearly **2X**
increase in the value of finance provided for SMEs

Over **4,500** unbanked, underbanked, or underserved individuals reached in financial literacy programs

Lifelong Partner for our **Communities**

13.5%
increase in community giving

14%
reduction in total GHG emissions

26.1%
reduction in energy consumption intensity

An Organisation that is **People-centric**

+2X
increase in employee training

5X
increase in women recruited

Nearly **3X**
increase in women training hours

SCOPE OF REPORTING

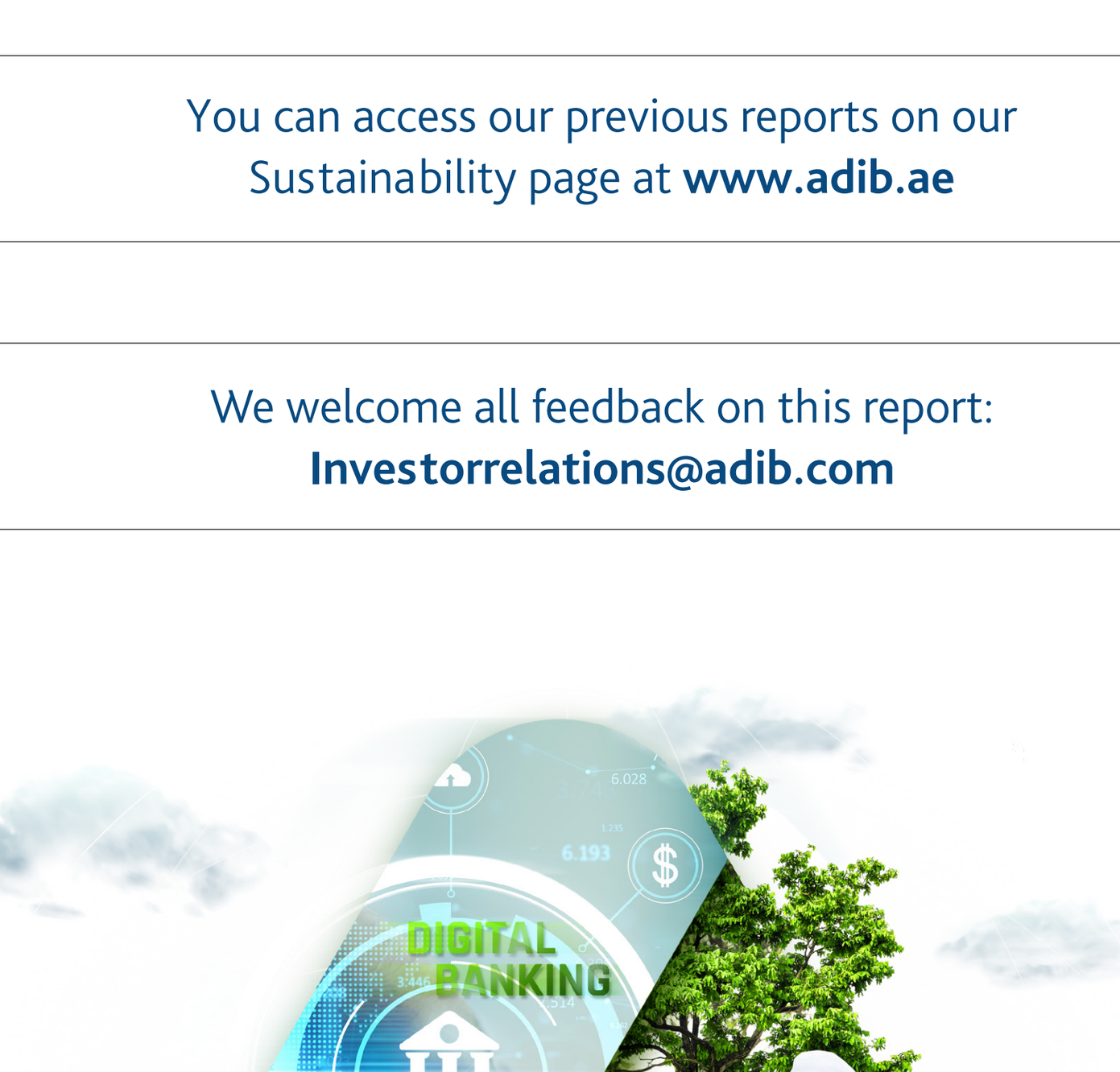
This ESG report has been prepared in accordance with the very highest standards of disclosure and responsible business principles, namely the Global Reporting Initiative, the United Nations' (UN) Sustainable Development Goals (SDGs) and the Abu Dhabi Stock Exchange (ADX) ESG Disclosure Guidelines.

Unless otherwise stated, all information is for the 2022 calendar year (ending 31 December). Financial performance and economic impact data cover the entirety of the ADIB Group, while material ESG topics are limited to operations in the United Arab Emirates (UAE). Non-financial data has been internally assured by relevant departments. Financial statements have been independently audited by Deloitte.

All monetary values in this report are expressed in Arab Emirates Dirhams (AED), unless otherwise stated.

You can access our previous reports on our Sustainability page at **www.adib.ae**

We welcome all feedback on this report:
Investorrelations@adib.com



ADX ESG DISCLOSURES

ENVIRONMENT

E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1		tCO2e	409.0	325.8	297.9	
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	GRI 305:Emissions 2016	tCO2e	21,000.0	20,112.1	17,268.9	
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)		tCO2e	NA	NA	NA	
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	GRI 305:Emissions 2016	tCO2e/ employee	10.5	11.0	8.2	
	E2.2) Total non-GHG emissions per output scaling factor		tCO2e/ employee	NA	NA	NA	
E3. Energy Usage	E3.1) Total amount of energy directly consumed	GRI 302:Energy 2016	GJ	5,954.5	4,704.7	4,279.1	
	E3.2) Total amount of energy indirectly consumed		GJ	117,573.3	107,047.5	91,914.1	
E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302:Energy 2016	GJ/employee	3.1	2.5	2.0	
E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016		NA	NA	NA	
E6. Water Usage	E6.1) Total amount of water consumed	GRI 303: Water and Effluents 2018	IG	NA	19,979,651.8	18,966,681.5	
	E6.2) Total amount of water reclaimed		IG	NA	NA	NA	
E7.Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No			No	No	No	Planned for release in 2023
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	GRI 103:Management Approach2016		No	No	No	
	E7.3) Does your company use a recognized energy management system?			Yes	Yes	Yes	ADIB BMS System
E8.Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No	No	No	Planned for 2023
E9. Environmental Oversight	Does your Board oversee and/ or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No	No	No	Planned for 2024
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	-		NA	NA	NA	

ADX ESG **DISCLOSURES** (Continued)

SOCIAL

S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	GRI 102:General Disclosures2016	NA	NA	NA	
	S1.2) Does your company report this metric in regulatory filings? Yes/No		No	No	No	
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	NA	NA	NA	
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	GRI 401: Employment 2016	NA	0.0	0.0	Turnover Rate (voluntary and involuntary)
	S3.2) Percentage: Year-over-year change for part-time employees		0.0	0.0	0.0	ADIB does not have part-time employees
	S3.3) Percentage: Year-over-year change for contractors/consultants		0.0	0.0	0.0	ADIB does not have contractor employees
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	659 : 1,284	645 : 1,207	1,309 : 852	Male to female ratio
	S4.2) Percentage: Entry and mid-level positions held by men and women		657 : 1,221	641 : 1,154	1,251 : 848	
	S4.3) Percentage: Senior and executive-level positions held by men and women		2 : 63	4 : 62	58 : 4	
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	GRI 102: General Disclosures 2016	0.0	0.0	0.0	
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants		0.0	0.0	0.0	
S6. Non-Discrimination	Does your company follow non-discrimination policy? Yes/No	GRI 103: Management Approach 2016	Yes	Yes	Yes	A stand-alone diversity and inclusion policy will be developed in 2023
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	0.0	0.0	0.0	No Work-related injuries
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016	Yes	Yes	Yes	ISO 45001 for Occupational Health and Safety
S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	GRI 103: Management Approach 2016	Yes	Yes	Yes	Not stand alone, part of the HR policy
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No		NA	NA	NA	
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	GRI 103: Management Approach 2016	NA	NA	NA	No stand alone policy
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No		NA	NA	NA	
S11. Nationalisation	Percentage of national employees	-	40.0	40.0	45.0	
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	GRI 413: Local Communities 2016	0.8	0.4	0.3	

ADX ESG **DISCLOSURES** (Continued)

GOVERNANCE

G1. Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	#	Men = 7 Women = 0	Men = 6 Women = 0	Men = 6 Women = 1	
	G1.2) Percentage: Committee chairs occupied by men and women		%	NA	NA	NA	
G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair? Yes/No	-		Yes	Yes	Yes	
G3. Incentivized Pay	G2.2) Percentage: Total board seats occupied by independent board members			4.0	4.0	5.0	
	Are executives formally incentivized to perform on sustainability?	-		NA	NA	NA	
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No			No	No	No	
	G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			NA	NA	NA	
	G5.1) Does your company follow an t and/or Prevention of Corruption policy? Yes/No	-		Yes	Yes	Yes	
	G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		%	100.0	100.0	100.0	
G5. Ethics & Prevention of Corruption	G6.1) Does your company follow a Data Privacy policy? Yes/No	-		Yes	Yes	Yes	
	G6.2) Has your company taken steps to comply with GDPR rules? Yes/No			Yes	Yes	Yes	
G6. Data Privacy	Does your company publish a sustainability report? Yes/No	-		Yes	Yes	Yes	
G7. Sustainability Reporting	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No			Yes	Yes	Yes	
G8. Disclosure Practices	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	-		Yes	Yes	Yes	
G9. External Assurance	G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No	GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards		No	No	No	
	Are your sustainability disclosures assured or verified by a third party audit firm? Yes/No			No	No	No	