



البنك العربي المتحد
UNITED ARAB BANK

2021 Environmental, Social, and Governance Report



**UNITED ARAB BANK (P.J.S.C.)
IS LICENSED BY THE CENTRAL BANK OF THE UAE**

2021 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

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1. INTRODUCTION



ABOUT THIS REPORT

United Arab Bank is honored to present its second ESG report. Within the pages of this report, we share an overview of the Bank's Environmental, Social, and Governance performance during 2021 reported according to the Abu Dhabi Securities Exchange ESG Guidelines.

REPORTING PERIOD

This report covers the calendar year from January 1st to December 31st, 2021. Information from previous years is provided when available for comparison purposes.

REPORTING GUIDELINES

As part of our commitment to transparency and international best reporting practices, this report is developed in accordance with the SDGs, the UAE Vision 2021, and the ADX ESG Disclosure Guidance for listed companies, the index of which is presented in the Appendix.

REPORT BOUNDARY

This report covers UAB operations in the UAE only. Financial data is expressed in AED.

CONTACT POINT:

We always value feedback and strive to improve our reporting. Hence, we welcome any questions or feedback you may have on our progress and ambitions.

Email: sustainability@uab.ae

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1.1. ABOUT UAB

UNITED ARAB BANK, P.J.S.C. (UAB) was incorporated on the 21st of January, 1975 as a joint venture between UAE investors and the French international financial conglomerate, Société Générale (SG). Today, the bank is considered among the longest-standing and most innovative banking and financial services providers in the United Arab Emirates.

Headquartered in Sharjah, UAB operates through six branches, 30 ATMs, and 12 cash and cheques deposit machines (CCDM) across the UAE offering retail and corporate banking services. The bank succeeded to establish itself as a partner of choice for corporate clientele with a comprehensive suite of Wholesale Banking services supported by Trade Finance, Retail Banking, and Treasury services, in addition to Islamic Banking solutions.

OUR VISION

United Arab Bank seeks to be a trusted and stalwart partner to its customers, shareholders, and employees. Being the bank of choice in the UAE, it will lead the way to greater financial prosperity while keeping the highest standards of integrity.

OUR MISSION

United Arab Bank is committed to building sustainable long-term partnerships with our key stakeholders, offering a superior client experience, creating shareholder value, and adopting an innovative banking approach while remaining loyal to our nation's heritage and contributing to the overall development of the UAE.

OUR COMMITMENTS

| | | | | |
|---|---|---|---|--|
|  <p>FOR OUR CUSTOMERS</p> |  <p>FOR OUR PEOPLE</p> |  <p>FOR OUR COMMUNITY</p> |  <p>FOR OUR SHAREHOLDERS</p> |  <p>FOR OUR REGULATORS</p> |
| <p>Committed to consistently deliver a superior customer experience and adopt an innovative banking approach.</p> | <p>Committed to helping our people grow within a high-performance culture that attracts, develops, and rewards talent and contribution.</p> | <p>Committed to contributing to our community to make a difference.</p> | <p>Committed to creating consistent and long-term shareholder value and ensuring its sustainable growth.</p> | <p>Committed to applying the highest standards of corporate governance and work ethics.</p> |

OUR VALUES

| | | | |
|---|--|--|---|
|  <p>INTEGRITY</p> |  <p>CUSTOMER FOCUS</p> |  <p>COMPETENCE</p> |  <p>CONSISTENCY</p> |
| <p>our business and managing stakeholder relationships.</p> | <p>Orienting our activities to achieve optimum customer satisfaction.</p> | <p>Delivering exemplary standards of performance.</p> | <p>Respect and courtesy are the primary and only benchmarks for our behavior and conduct.</p> |

OUR OWNERSHIP STRUCTURE

UAB is listed on the Abu Dhabi Stock Exchange (ADX) with a diversified ownership structure of local, regional, and foreign shareholders.

List of major shareholders who own 5% and above of the share capital as of December 31, 2021

| Shareholder | Percentage |
|---|------------|
| The Commercial Bank P.S.Q.C. | 40.00% |
| Sheikh Faisal bin Sultan Al Qassimi | 11.13% |
| Al Majed Investment Company (WLL) | 5.47% |
| Jumaa Al Majed Abdullah Muhairi | 5.31% |
| Sheikh Sultan Saqer Sultan Salem Al Qassimi | 5.20% |

Shareholders by Nationality as of December 31, 2021

| Shareholder | Percentage |
|-------------|------------|
| UAE | 56.13% |
| Qatar | 43.86% |
| Other GCC | 0.01% |
| Other Arabs | 0.00% |
| Others | 0.00% |

Shareholders by Investor Type as of December 31, 2021

| Shareholder | Percentage |
|--------------|------------|
| Banks & FI | 41.68% |
| Individuals | 38.08% |
| Corporations | 20.24% |

FINANCIAL PERFORMANCE

| | 2021 | 2020 | CHANGE (%) |
|-------------------------------|------------|------------|------------|
| Total Assets | 15,180,042 | 14,849,149 | 2.23% |
| Profit before Impairment Loss | 205,918 | 140,828 | 46.22% |
| Net Profit | 70,191 | (667,295) | 111% |

AED'000

United Arab Bank announced a Net Profit of AED 70 million for the year 2021, compared to a net loss of AED 667 million in 2020 representing an increase of 111%. The growth in net profit is a result of improved operating performance and lower expected credit losses, coupled with disciplined cost control and a prudent approach to risk management. The successful execution of its Transformation Strategy paved the way for a return to sustainable profitability.

UAB's financial performance was aided by a significant progress within the 'core' businesses recording a 12% growth in its total operating income in FY 2021 as compared to FY 2020. Provision charges have significantly reduced by 83% in 2021 as compared to 2020 and are expected to improve with new portfolio underwritings in high-quality assets. The Bank maintained adequate levels of capital with a capital adequacy ratio of 13.8% and a CET1 ratio of 12.6%, both of which remain well above the regulatory requirements currently applicable. The Bank's NPL ratio improved from 15.7% in FY 2020 to 12.6% in FY 2021.

The Bank continues to focus on growing its core businesses and revenues across its Wholesale Banking, Retail Banking and Financial Markets whilst moving towards a more agile operating model incorporating digital solutions and capabilities thereby positioning itself as the partner of choice among major corporate clientele segments.

The Bank's robust liquidity profile is also demonstrated by an advances to stable resources ratio of 81% and an eligible liquid asset ratio of 19%, both comfortably above regulatory thresholds (for more information on the financial performance, please visit our Investor Relations section on www.uab.ae)

CREDIT RATING

| Rating Agency | Long term | Short term | Outlook |
|---------------------------|-----------|------------|----------|
| Moody's Investors Service | Ba1 | NP | Negative |
| Fitch Rating | BBB+ | F2 | Stable |

1.2. MESSAGE FROM OUR INTERIM CEO

The past two years have been unparalleled with unprecedented challenges brought by the pandemic across the globe. However, these challenges were also great lessons for people and businesses, as we transformed our way of living and conducting business to cope with the new reality.

As we emerge from the pandemic, and despite the grave impact we have faced, we are proud of the resilience and zeal demonstrated by our Bank to achieve success and continue being a creator of value for our customers and community.

2021 has been a flourishing year for United Arab Bank with many achievements paving the way to more prosperity. We recorded a Net Profit of AED 70 million for the year 2021, reflecting a successful execution of our Transformation Strategy. We actively collaborated with different institutions and organizations to foster a positive impact on the UAE's economy and communities such as our collaboration with the Emirates Securities & Commodities Authority (SCA) and UAE Ministry of Economy (MOE) in the nation-wide SCA Fintech Megathon 2021, to promote further development of the Fintech industry in the UAE. We also continued to provide financial support to our customers and integrated several technological innovations to improve our customer experience and satisfaction.

Our bank has been taking adequate steps towards adopting and integrating sustainability practices. This year we are publishing our second ESG report highlighting our performance in ESG metrics defined by ADX. We announced the Middle East's first payment card made of 100% recycled material which generates a carbon footprint reduction of 8%, compared to conventional PVC cards. Our Financial Institutions Department invested in ESG-linked loans for regional banks with a total value of circa AED 90m. We also collaborated with the Storey Group and Eco-Matcher to launch the One Billion Trees Initiative (OBTI) where we already purchased 1,000 trees to plant in 2022. And we were successful in reducing our electricity and water consumption in our facilities by ~3% each. Furthermore, alongside our financial literacy and CSR activities, we engaged through our sponsorships with several organizations to enable their youth-focused initiatives.

Alexander Thomas
Interim Chief Executive Officer



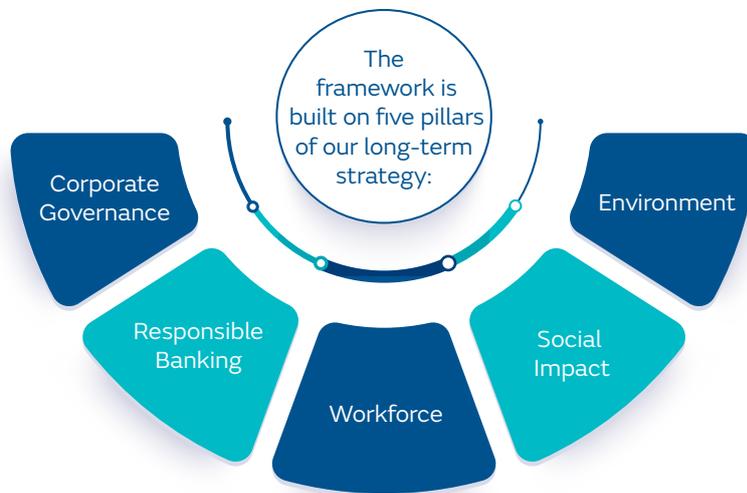
Alexander Thomas
Interim Chief Executive Officer

2. OUR SUSTAINABLE FUTURE



OUR SUSTAINABILITY MANAGEMENT APPROACH

At UAB, we believe that managing ESG risks and driving a strong sustainability agenda contributes to long-term value creation for our stakeholders, future-proofing our business and the economy at large. To achieve this agenda, we developed a sustainability approach that articulates our commitment and discloses it to our stakeholders known as UAB Sustainability Framework. The framework guides the bank in making better CSR investments, improving operations, and increasing efficiency in our sustainability agenda.



In creating the approach, we consulted various stakeholders to get their feedback on material issues. We also ensured its alignment with the UN Sustainable Development Goals, the UAE's Vision 2022, and the ADX ESG Disclosure Guidance for Listed Companies.

UAB has continuously invested in CSR, especially in community and environmental conservation projects. To reduce the bank's carbon footprint and contribute to climate change mitigation, we have invested in environmental conservation programs. A partnership with Storey Group org., a UAE based social enterprise aims to plant trees to contribute to the united nation's Billion tree campaign, the project is expected to kick off in 2022.

3. OUR CORPORATE GOVERNANCE



Robust corporate governance is a fundamental attribute to the success of any business. It sets the tone as to how the organization operates and behaves both internally and to the market generally and is a key to increasing a company's competitiveness and investment attractiveness. Stemming from these beliefs, UAB Bank has been working to bolster the effectiveness of our governance by continuously reviewing our ways and adopting best practices.

3.1. GOVERNANCE, COMPLIANCE, AND ETHICS

UAB's Corporate Governance Framework and Operating Model enable the board of directors to maintain effective and regular oversight over the inherent risks in the business of the bank. The board approves strategic objectives, appropriate risk strategies, as well as policies and procedures to ensure that business plans and budgets are properly aligned with business activities. The board also has the responsibility to set corporate governance values, codes of conduct, and standards of compliance with banking laws and regulatory guidelines. To learn more about our governance structure and management please refer to our 2021 Corporate Governance Report that is published on our website (www.uab.ae) under the Corporate Governance section.

OUR BOARD STRUCTURE

| Name | Role |
|--|---------------|
| H.E. Sheikh Faisal bin Sultan bin Salem Al Qassimi | CHAIRMAN |
| Mr. Omar Hussain Alfardan | VICE-CHAIRMAN |
| Sheikh Abdulla bin Ali bin Jabor Al Thani | DIRECTOR |
| H.E. Sheikh Mohammed bin Faisal Al Qassimi | DIRECTOR |
| Mr. Ahmed Mohamad Bakheet Khalfan | DIRECTOR |
| Mr. Fahad Badar | DIRECTOR |
| Mr. Joseph Abraham | DIRECTOR |
| Ms. Najla Al Midfaa | DIRECTOR |
| Mr. Abdul Wahab Al Halabi | DIRECTOR |

OUR BOARD COMMITTEES

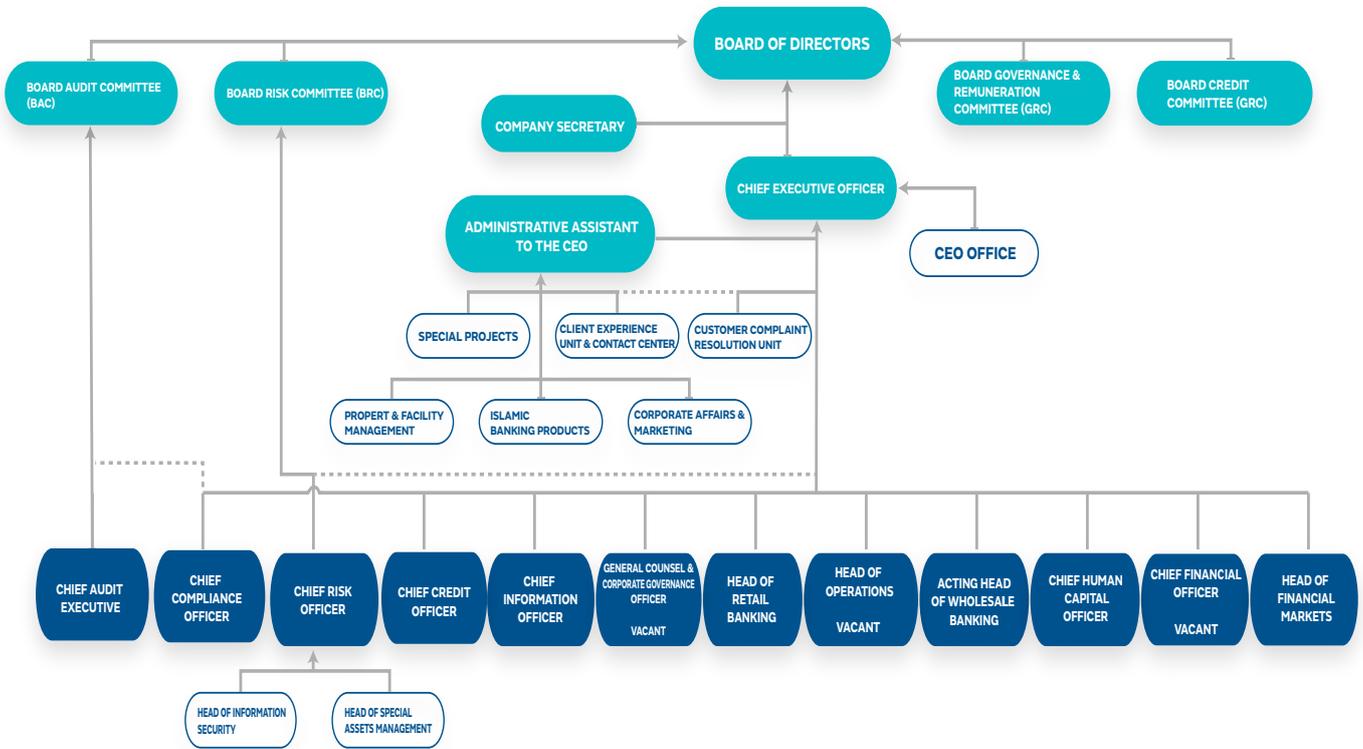
Board Audit Committee

Board Governance and Remuneration Committee

Board Risk Committee

Board Credit Committee

OUR ORGANIZATIONAL CHART



Management Committees (formed by the CEO)

Executive Management Committee (MANCOM)

Credit Committee (CC)

Asset, Liabilities & Investment Committee (ALICO)

Risk Committee (RC)

Special Assets Committee (SAC)

Business Technology and Information Committee (BTIC)



CONFLICT OF INTEREST

UAB has various sets of policies and procedures in place across relevant departments that ensure effective management of conflicts of interest of UAB employees with regards to customers. Our Conflict-of-Interest section, as outlined in the UAB Code of Conduct, identifies employees' responsibilities concerning conflicts of interest that are most likely to occur in the Bank, as well as the employee's duty to exercise discretion in determining whether a conflict occurs and whether it would warrant remedial action. Employees must report any conflicts of interest, protect customer confidentiality and Bank confidential information, declare any outside business interests, and obtain approval before engaging in personal dealing.

COMPLIANCE

Ensuring that our Bank is in full compliance with laws and regulations is imperative to guarantee fair and transparent customer treatment and is a testament to the Bank's vigorous risk management system. UAB is in full compliance with the laws and regulations of the Central Bank of UAE. We are proud to have maintained a clean record of compliance for the past year.

| Incidents of Non-compliance | 2019 | 2020 | 2021 |
|--|------|------|------|
| Total incidents of non-compliance with laws and regulations (#) | 0 | 0 | 0 |
| Total number of non-monetary sanctions (#) | 0 | 0 | 0 |
| Percentage of legal and regulatory fines and settlements that resulted from whistleblowing | 0 | 0 | 0 |

WHISTLEBLOWING POLICY

To ensure that our customers, employees, shareholders, and different stakeholders trust that the Bank adheres to the highest levels of ethics, integrity, and transparency. The Bank has in place a Whistleblowing Policy that dictates the procedures, confidentiality measures and actions to be taken in the event of receiving a report of misconduct or illegal behavior.

A Designated Whistleblowing Officers (DWO) oversee maneuvering the cases or concerns submitted to them by employees through approved networks, such as email addresses, phone numbers, and anonymous letters, as outlined in this policy. All covered disclosures are brought to the Investigation Team and are thoroughly investigated, reasonably, and promptly. Subject to legal, legislative, and internal policy requirements, the DWOs and the Team keep the employee's identity private.

3.2. DATA PRIVACY AND SECURITY

As the world continues to digitalize, data and cyber security risks continue evolving and escalating to represent more material business threats across industries. In particular, financial institutions, protecting our customers' data privacy and security is of utmost importance to us. Under our Data protection addendum, we address the intellectual property rights of UAB and any other relevant data protection and privacy laws that we adhere to.

In line with the Central Bank of UAE consumer data protection, we have established a detailed data privacy policy that describes the rights of customers, retention of data, protection requirements known as the "**UAB consumer Data Protection and Privacy Policy**".

Further, as required by the CBUAE, the bank prepared the requisite Regulatory Implementation Plan (RIP) with actions owners spanning across all functions of the bank, which was approved by the board and submitted to the CBUAE. The bank conducted **Consumer Protection Regulations** related training for the board members. Various changes in relation to the CPR have been implemented across the bank and the bank is in process of complying with the CPR.

INFORMATION SECURITY FRAMEWORK

To set a guideline and define the scope of information security, UAB established an information security management framework ("IS"). The framework establishes the following objectives.

ENSURES THE OVERALL SECURITY FOR INFORMATION ASSETS OF THE BANK, THEREBY MANAGING THE BUSINESS RISKS



THE FRAMEWORK ENABLES THE BANK TO APPLY THE PRINCIPLES OF INFORMATION SECURITY TO IMPROVE THE SECURITY AND RESILIENCE OF THE INFORMATION SYSTEMS



THE FRAMEWORK PROVIDES ORGANIZATION AND STRUCTURE TO TODAY'S MULTIPLE APPROACHES TO INFORMATION SECURITY BY ASSEMBLING STANDARDS, GUIDELINES, AND PRACTICES THAT ARE WORKING EFFECTIVELY IN THE INDUSTRY TODAY



RISK MANAGEMENT

Under the framework, Information Security has established a comprehensive risk management procedure to identify various risks pertaining to technology and are calculated using the threat actor, vulnerability, probability, and impact. Such residual risks are reported to the Risk Management Committee and Board Risk Management Committee for risk mitigation status.

SECURITY STANDARDS ALIGNMENT

UAB is aligned with the following security standards;

- National information Assurance standard (UAE IA Standard)
- Industry regulated standard - PCI DSS (Payment Card Industry Data Security Standard)
- Industry regulated standard - SWIFT CSP (SWIFT customer security program)
- UAB information security framework developed in line with ISO 27001 standard.

Information Security framework and Operating Model in line with standards defined in ISO 27001, NESA, and PCI DSS were implemented.

Security Awareness conducted monthly with a participation rate of 90%

AWARENESS CAMPAIGNS AND TRAINING

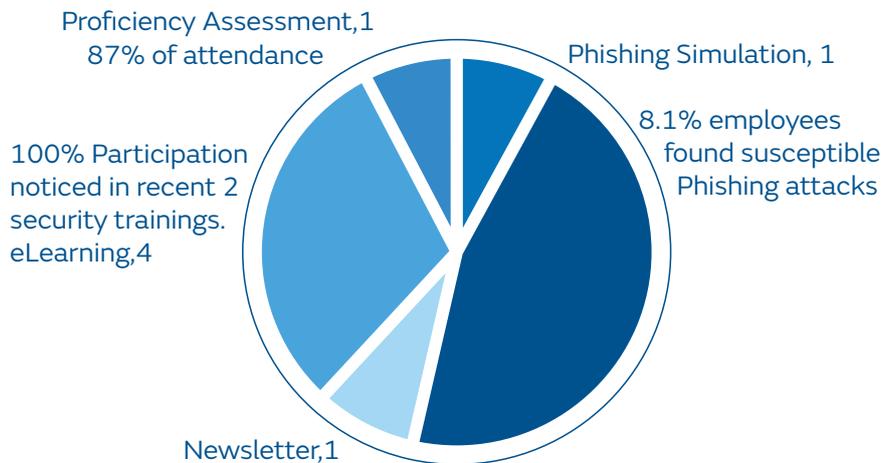
We believe that establishing a strong infrastructure and the latest technologies only is not sufficient in combatting cybercrimes as human errors are still plausible. Therefore, the Bank takes a preventive approach to achieve this by equipping our customers and employees across the bank with the needed knowledge to protect themselves and avoid falling victims to fraud. To this end, the Bank worked on installing a culture of continual fraud risk awareness campaigns internally and externally.

| Employee Awareness | Customer Awareness |
|--|--|
| <p>The Bank conducts various information security awareness and training sessions for employees. The training is conducted in coordination with HR L&D where all sessions are followed up by HR to ensure participation from all departments Furthermore, various skillset assessments and simulation tests take place to evaluate our employees' knowledge in terms of identifying and reporting security issues.</p> | <p>The Bank conducts awareness campaigns to customers as well as wide audiences by delivering perpetual cybercrime and fraud awareness messages (via SMS, social media, Website, ATM display, SMS, Emailers, Screensavers) to protect themselves from financial cybercrime and fraud. A series of campaigns developed with taglines of #UnitedAgainstFraud and #ReadBetweenTheLines.</p> |

To ensure that adequate Information Security Literacy is developed in our employees, various training sessions covering different topics and through different channels such as e-Learning and Newsletter. The following graph represents a snapshot of the training delivered in 2021.

In addition to the bank's campaigns, United Arab Bank supported the UAE Banks Federation (UBF) with their campaign under the theme of "National Fraud Awareness Campaign", which was executed in collaboration with the Central Bank of the UAE, Abu Dhabi Police, Dubai Police, and the Telecommunication & Digital Government Regulatory Authority (TDRA).

SECURITY AWARENESS (2021)



DATA BREACHES

In 2021, there were no reported data breaches at UAB thanks to the implementation of the 24/7 Security Operations Centre to monitor, detect any intrusion attempts, and closely monitor any attacks. As for transactions refunded to account holders due to fraud, we recorded a total value of 12,326. The percentage of activity from card-not-present fraud was 98% while the percentage of activity from card-present fraud was 2%.

4. OUR RESPONSIBLE BANKING



4.1. SUSTAINABLE PRODUCTS AND SERVICES

SUSTAINABLE FINANCING

Environmental and Social Issues continue to emerge as risks that can disrupt businesses across the globe. As a bank, that serves dominantly corporations, we are taking steps towards integrating ESG factors into our decision-making processes. While we work on building the necessary infrastructure to transition to be a more sustainable financial institution, this year the bank has set a provision for the Wholesale Banking SOP stipulating the necessity of evaluating UAB Wholesale Banking clients' exposure to ESG risks and the mitigation towards such risks.

Furthermore, the bank has invested in ESG-linked loans for Regional banks with a total value of approximately AED 90m. The KPIs set for the ESG-linked loans covered topics such as resource use, Renewable Energy use, ESG Risk scores, and Gender Diversity.

SUSTAINABLE PAYMENT CARDS

In alignment with the UAE's efforts to grow towards a greener future and its new policy to eliminate the use of avoidable single-use plastic materials, UAB bank collaborated with Toppan FutureCard to launch the Middle East's first environment-friendly payment card to be manufactured completely from recycled plastic.

The card named the OxyCYCLE card, has received Mastercard's Sustainability certificate and badge. Since it is made of 100% recycled PVC, the card does not result in any harmful waste at any stage of its life cycle, from manufacturing through use or even when disposed of in the event of card renewal or replacement. Furthermore, the card manufacturing process generates a carbon footprint reduction of 8%, compared to conventional PVC cards.

4.2. CLIENT EXPERIENCE

As a financial services provider, everything we do revolves around the fulfillment of our customers' needs and the betterment of their financial wellbeing. In line with our commitment to consistently deliver a superior customer experience, the Bank created a Client Experience Unit focused on bringing improvements and innovations to our customer experience.

The unit reports directly to the CEO, emphasizing further its importance to our operations, and is responsible for the following

- Define & embed the CX agenda across the DNA of the bank
- Ensure complaints are resolved within the agreed turn-around-time in a way that exceeds customers' expectations
- Run enterprise-wide Voice of Customer program including running the enterprise level NPS & the Mystery shopping program
- Define & measure service standards for front line staff
- Assess training needs of front-end staff, define plan & enforce schedule to deliver CX agenda
- Own complete lifecycle of CX improvement initiatives across the organization
- Run & manage the Contact Centre operations 24 / 7

EMPLOYEE TRAINING ON CX

To further ensure a better customer experience, provides internal training to front-line employees covering topics such as Service Standards and Channels, Customer Behavior, Complaints Management, Measurement Tools (e.g. NPS), Role Plays, and How to exceed customer expectations.

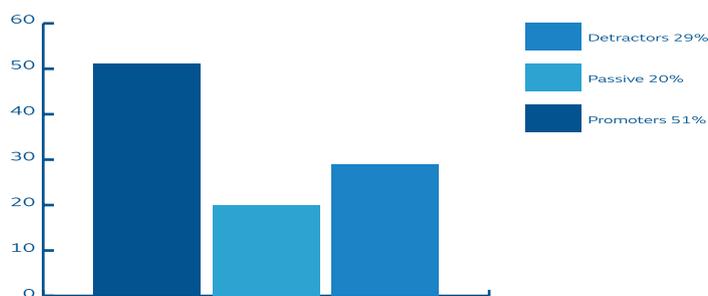
In 2021, UAB employees went through five training courses offered by **the Emirates Institute for Banking and Financial Studies (EIBFS)**, the courses covered the following topics:

| | | |
|------------------|--|---|
| Customer Journey | Methods to improve customer experience | The link between customer experience & customer retention |
|------------------|--|---|

CUSTOMER SATISFACTION

The Bank conducted three rounds of NPS surveys in 2021, where 12,000 surveys were sent to customers from different segments. UAB finished the year with a Net Promoter Score of 22, a slight improvement from the previous round of 20.

The responses were as follows



Based on the NPS surveys we receive, the Bank conducts a comprehensive gap analysis to identify improvement areas and needed actions.

CUSTOMER GRIEVANCES

UAB believes that ensuring vigorous and timely complaint management and solving practices is crucial to achieving high satisfaction and retention of our customers. Therefore, the bank has an independent dedicated Complaint Resolution Unit that handles all customer-related complaints coming from all channels such as (social media, CB, branches, contact centers). Our approach to complaints management is defined by the Central Bank of UAE and Customer Protection.

In case of any grievance regarding bank decision; customers are guided on their right to escalate the case to the Central bank. This is also described in our customer charter. Furthermore, the Bank's complaint process is described in our service promise published in our website branches and ATMs. Customers are contacted through calls, email & SMS during the process of handling the complaint followed by quality monitoring of the complaint process.

Starting from September 2021, all complaints are now escalated to the next level within one working day as per the complaint escalation matrix. Details of all unresolved complaints pending for each month are reported to the Senior Management within 5 complete business days from the end of every month. Moreover, a review of top complaints is done monthly in the Client Experience Forum to assess complaint root cause, recommend solutions & follow up until implementation. Because of all our efforts, the bank received and solved 3114 customer complaints in 2021, achieving a 100% complaints resolution rate.

Customers can communicate with the bank through the following channels

- 24/7 Contact Centre
- 6 Branches across UAE
- Our website
- UAB online Banking
- Mobile Banking
- 24/7 Chat & Email access

CUSTOMER SUPPORT DURING THE PANDEMIC

FINANCIAL SUPPORT

During the pandemic, the bank undertook various measures to support customers. In line with the Central Bank of UAE Targeted Economic Support Scheme (TESS) program, we offered support to 239 customers amounting to AED 10.6 million helping them to ease out on the monthly consumption of their salaries. In addition, we assisted approximately 1,053 customers with deferments amounting to AED 12.3 million which helped sort out their immediate requirements of cash flows.

PROTECTIVE HEALTH MEASURES

To protect customers against covid -19, UAB implemented the following measures:

1. Sanitizers & Hygiene protocols were set on ATMs and inside branches.
2. Social distancing was ruled in all branches, and the capacity was reduced and monitored by security staff.
3. Staff and customers' temperature was measured before entering each branch.
4. HCM team shared many awareness emails on best protocols of dealing with the situation
5. The COVID precautionary protocols were included in the Mystery Shopping program to make sure these measures are taken.

DIGITALIZATION ACHIEVEMENTS

The bank installed the following innovations in 2021

| Digital Onboarding | Mystery Shopping Program | Digital Transformation |
|---|---|--|
| UAB Launched the Retail Digital Onboarding which is a unique account opening platform, it comes with straight forward and self-driven process that enables new customers to open an account anytime anywhere with few steps, they can either enter their UAE pass credentials and UAB system pull-out and upload their data or by scanning Emirates ID and Passport and proceed accordingly | UAB launched the Mystery Shopping Program that includes measuring the service level based on pre-defined standards for all UAB Channels (branches, sales, RMs, online, website, contact center) | UAB launched a full digital transformation program that included many projects to enhance the customer experience, including the implementation of CRM as a major one. |

5. OUR PEOPLE



5.1. TALENT ATTRACTION AND RETENTION

UAB recognizes the fundamental role played by its employees in all its operations. We endeavor to employ people from various backgrounds which enables us to deliver the highest quality of service to our customers. A structured performance management system gives clear direction and supports individual development, enabling appropriate recognition and reward.

To guide effective employee engagement and treatment, UAB has developed a Human Capital Policy with Human Capital Management (HCM) Manual which is updated to consolidate all policies in one document which contains policies, processes, and forms related to all aspects of HCM.

EMPLOYEE BENEFITS

In ensuring better living standards for our full-time employees, we provide them with Medical Insurance, Life Insurance, Air Fare Allowance, Education Allowance, and House Allowance. This is reviewed on an annual basis by our Governance Remuneration Committee (GRC).

PARENTAL LEAVE

Following the UAE labor law of 2021 female employees can take maternity leave of 45 calendar days while male employees take paternity leave of 3 calendar days. In 2021, 5 Female Staff and 9 Male Staff took parental leave.

REWARD & RECOGNITION

In recognizing the efforts of our hard-working employees, the bank takes the initiative to reward best performing individuals and groups in the following awards;

- Employee of the Quarter Award
- Sheikh Faisal Award
- Best Branch Award

The bank invests up to AED. 20,000 annually in employees awards.

EMPLOYEE NPS

One of the main metrics used by our bank to engage with our employees, get their feedback and inputs on how we can serve them better, and evaluate their job satisfaction is through our NPS Engagement Survey.

| Employee NPS SCORE | 2019 | 2020 | 2021 |
|----------------------------|------|------|------|
| Employee Engagement | 70% | 85% | 85% |
| Overall Satisfaction Score | 80% | 85% | 85% |

Retaining our human assets and maintaining a healthy retention rate is crucial for the continuity and growth of our business. Therefore, we use retention rate as another metric to evaluate the overall satisfaction of our employees and the resilience of our pipeline.

| | TURNOVER RATE | | |
|---|---------------|------|------|
| | 2019 | 2020 | 2021 |
| % year-over-Year change for full-time employees | -23% | -15% | -3% |
| % year-over-Year change for part-time employees | 0% | 0% | 0% |
| % year-over-Year change for contractors employees | -20% | -53% | 2% |

5.2. DRIVING PEOPLE DEVELOPMENT

As part of UAB's strategic objectives to develop, motivate and retain as well as promote creativity and innovation, we have aspired to encourage our employees to further their potential by strengthening their skills and knowledge that go beyond their current expertise.

UAB Human Capital Management Training team, in line with the strategic priorities and values in the UAB's Annual

Business and Strategic Plan, oversees the definition of competencies development framework every year. This framework helps the team in designing guidelines for all parties involved (coach, mentor, supervisor, assessor, and learning and development). Individual development plans are established based on the framework and the standards against which the employees will be assessed.

A multi-source mechanism captures the learning and development needs and expectations of employees, which are then reviewed by the HCM Training Team and shared with senior management. Direct managers oversee that individuals' desired outcomes are met.

After each training program, a post-training evaluation process ensures that feedback is provided. We use various assessment methods like Exercises, Role-play assessment, and case-based assessments to measure training effectiveness and discuss with the employee and line manager.

| | |
|--|------|
| Employee Training Days per Gender | 2021 |
| AVERAGE NUMBER of training DAYS for MALE employees | 10 |
| AVERAGE NUMBER of training DAYS for FEMALE employees | 11 |
| Average NUMBER of training DAYS for ALL employees | 10 |
| Employee Post-training Evaluation of the learning programmed (NPS Score) | 8 |

| UAB Development Programs | | |
|--------------------------|--|------------------------------|
| Program | Description | Impact |
| Third-Party Training | Digital Transformation, Technical and soft skills programs | 12 courses 123 Employees |
| EIBFS Training Program | Technical & Behavioral Program, Pathway Programs | 137 Courses 152 Employees |
| UAB Programs | Regulatory Required Programs, Technical Awareness, Behavioral Training | 69 courses 347 Employees |

TOP MANAGEMENT TRAINING

The Bank customizes training material for top management to be aligned with the fulfillment of our business objectives and strategy. In 2021, our top management training covered but was not limited to, the following topics.

| | | |
|---|--|-------------------------|
| Code of Conduct | Regulatory programs on compliance - AML/CTF, Sanctions | Fraud Risk Management |
| Consumer Data Privacy | Security Awareness Proficiency Assessment | Legal Awareness Program |
| Digital Transformation - Blockchain and Agile Methodology | | |

| | |
|---|----------------|
| Training For Top Management per Gender | Number of Days |
| AVERAGE NUMBER of training DAYS for a MALE SENIOR & EXECUTIVE employees | 6 |
| AVERAGE NUMBER of training DAYS for a FEMALE SENIOR & EXECUTIVE employees | 6 |
| Average NUMBER of training DAYS for ALL SENIOR & EXECUTIVE employees | 6 |

5.3.DIVERSITY, INCLUSION, AND EMIRATIZATION

UAB believes that diversity fosters the development of new ideas and fulfilling experiences where people come together and learn from each other. By the same token, we believe that the diversity of our workforce enables us to genuinely understand the needs of our equally diverse customers.

In keeping with our beliefs, UAB will not tolerate any kind of discrimination, bullying, or harassment that creates a hostile and unpleasant environment for our employees, with severe disciplinary actions and dismissal as a result. Fair treatment of all workers, regardless of race, religion, sex, sexual orientation, disability, or other criteria, is one of our core values.

GENDER EQUALITY

Women's participation in the economy is critical. The UAE is one of the pioneering countries to issue binding legislation regarding gender balance and women's presence in public Boards. As such, the UAE Central Bank Directives related to women's presence on Boards and The UAE Gender Balance Council efforts and initiatives illustrate the importance of the representation of women in the country.

At UAB, we work on improving our gender equality and inclusion by making our female employees feel valued and appreciated, where we treat them with respect, and equality. In that respect, our median male compensation to median female compensation is 1.18. Furthermore, no incidents of discrimination or harassment have been registered, in the last three years, and no formal grievances have been filed in 2021 about incidents of discrimination or harassment.

NON-DISCRIMINATION

In line with the UAE and the Central Bank's legislation, we have put in place measures to minimize/ eliminate any cases of discrimination, human rights violations, and child/ forced labor in all our operations. In 2021, no incidents of discrimination were reported. In ensuring the protection of human rights, the bank follows UAE regulations covering human rights.

EMIRATIZATION

UAB is a proud supporter and promoter of the UAE vision 2021's Emiratization program that aims to create jobs for UAE nationals. We believe these efforts will go a long way in contributing to the local economy by enhancing the skills and capacities of Emiratis in the workplace.

To effectively actualize these efforts, we have taken the following initiatives:

- Participate in various career fairs to identify the suitable UAE nationals to join UAB
- We offer attractive salary packages including transportation, utilities, housing, national holidays, airfare ticket, education, and provide life and medical insurance.
- We work tirelessly to secure the better and more peaceful work environment
- We also offer a wide range of benefits and through several engagement initiatives such as Employee of the Quarter Award, Emirati of the month, Mother's Day, or Happiness Day, we support and empower them

| LOCALS VS. EXPATS - ALL EMPLOYEES | | | |
|--|------|------|------|
| | 2019 | 2020 | 2021 |
| Number of countries from which we have employees | 31 | 25 | 26 |
| Number of local employees out of the total workforce | 72 | 72 | 65 |
| % of local employees out of the total workforce | 17% | 20% | 19% |
| Number of expat employees out of the total workforce | 348 | 285 | 282 |
| % of expat employees out of the total workforce | 83% | 80% | 81% |

| TOP FIVE NATIONALITIES - ALL EMPLOYEES | | | |
|--|------|------|------|
| | 2019 | 2020 | 2021 |
| Indian | 134 | 110 | 104 |
| UAE | 72 | 79 | 71 |
| Jordanian | 40 | 35 | 37 |
| Egyptian | 26 | 25 | 25 |
| Pakistani | 35 | 22 | 23 |

| SENIOR & EXECUTIVE LEVEL - LOCALS VS EXPATS - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2019 | 2020 | 2021 |
| Number of LOCAL employees in SENIOR & EXECUTIVE positions | 2 | 2 | 2 |
| % of LOCAL employees in SENIOR & EXECUTIVE positions | 20% | 14% | 14% |
| Number of EXPAT employees in SENIOR & EXECUTIVE positions | 8 | 12 | 12 |
| % of EXPAT employees in SENIOR & EXECUTIVE positions | 80% | 86% | 86% |

| LOCALS VS. EXPATS - NEWLY HIRED FOR THIS YEAR | | | |
|---|------|------|------|
| | 2019 | 2020 | 2021 |
| Number of NEWLY HIRED LOCAL employees | 8 | 20 | 7 |
| % of NEWLY HIRED LOCAL employees | 19% | 29% | 15% |
| Number of NEWLY HIRED EXPAT employees | 34 | 49 | 41 |
| % of NEWLY HIRED EXPAT employees | 81% | 71% | 85% |

Training Programs for Emirati Employees

| Program | Description | #Beneficiaries |
|---------------------|--|----------------|
| Leadership | Leadership and Management Skills Program | 22 |
| Technical Skills | Operational Risk Awareness, Fraud Risk Awareness, Retail SOP, Credit Audit, Security Awareness | 63 |
| Product Knowledge | Card Products, Retail Products, Bancassurance products, Fundamentals of Islamic Banking Products, WB products | 40 |
| Regulatory Programs | AML Awareness, KYC updates, AML Audit Program, Compliance Training, Trade-Based Money Laundering, Sanction Awareness | 48 |
| Behavioral Skills | Presentation skills, Negotiation skills, handling difficult conversation, Art of cross-selling, code of conduct, Seven tools of Quality, | 61 |

5.4. WORKPLACE HEALTH AND SAFETY

At UAB, the health and safety of our employees is a priority with measures put in place to ensure their wellbeing. With the challenges brought by Covid 19, we adopted several initiatives and deliberate efforts to safeguard our customers and employees. In 2021, we enhanced our efforts in protecting the health of our people. We embarked on two major training programs:

- COVID-19 Protection and Prevention Training
- Fire Warden training

Below are some of the efforts to combat covid19 at UAB

| | | |
|---|--|---|
| Working from home | Communication | Creation of split teams. |
| With the outbreak of the coronavirus (COVID-19) pandemic, working from home has provided flexibility and continuity of our business operations while prioritizing staff and customer wellbeing as part of our public health responsibility. | Regular management communications and update of the employees was introduced | During the pandemic period, split operations are beneficial for businesses to rotate the employees facing customers to avoid the risk of a single point of failure. |
| Limiting face-to-face meetings. | Announcements | Social Distancing |
| Due to the pandemic situation, face to face meetings and training were restricted as part of our employee health protection | Staff awareness for remote risks, and session invitations on how to manage the pandemic. | Social distancing for staff working from the office i.e., limiting 4 persons at the time for each elevator. |

OUR PEOPLE IN NUMBERS

| EMPLOYEES PER CONTRACT TYPE | | | |
|---------------------------------------|------|------|------|
| | 2019 | 2020 | 2021 |
| Total number of full-time employees | 420 | 357 | 347 |
| Total number of part-time employees | 0 | 0 | 0 |
| Total number of contractors employees | 95 | 45 | 46 |

| GENDER BREAKDOWN - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2019 | 2020 | 2021 |
| Total Number of ALL FULL-TIME employees | 420 | 357 | 347 |
| Number of MALE FULL-TIME employees out of the total workforce | 277 | 237 | 231 |
| % of MALE FULL-TIME employees out of the total workforce | 66% | 66% | 67% |
| Number of FEMALE FULL-TIME employees out of the total workforce | 143 | 120 | 116 |
| % of FEMALE FULL-TIME employees out of the total workforce | 34% | 34% | 33% |

| AGE BREAKDOWN - ALL EMPLOYEES | | | |
|---------------------------------------|------|------|------|
| | 2019 | 2020 | 2021 |
| Number of employees AGED 18 - 24 | 6 | 2 | 1 |
| % of employees AGED 18 - 24 | 2% | 1% | 0% |
| Number of employees AGED 25 - 34 | 114 | 67 | 47 |
| % of employees AGED 25 - 34 | 32% | 19% | 13% |
| Number of employees AGED 35 - 44 | 199 | 177 | 178 |
| % of employees AGED 35 - 44 | 56% | 50% | 50% |
| Number of employees AGED 45 - 54 | 77 | 90 | 99 |
| % of employees AGED 45 - 54 | 22% | 25% | 28% |
| Number of employees AGED 55 AND ABOVE | 24 | 21 | 22 |
| % of employees AGED 55 AND ABOVE | 7% | 6% | 6% |

| SENIOR & EXECUTIVE LEVEL - CEO and Direct Reports - BY GENDER | | | |
|--|------|------|------|
| | 2019 | 2020 | 2021 |
| Total number for ALL employees in SENIOR & EXECUTIVE positions | 10 | 14 | 14 |
| Number of MALE employees in SENIOR & EXECUTIVE positions | 8 | 11 | 11 |
| % of MALE employees in SENIOR & EXECUTIVE positions | 80% | 79% | 79% |
| Number of FEMALE employees in SENIOR & EXECUTIVE positions | 2 | 3 | 3 |
| % of FEMALE employees in SENIOR & EXECUTIVE positions | 20% | 21% | 21% |

| ENTRY & MID-LEVEL - BY GENDER - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2019 | 2020 | 2021 |
| Total number for ALL employees in ENTRY & MID-LEVEL positions | 410 | 343 | 333 |
| Number of MALE employees in ENTRY & MID-LEVEL positions | 269 | 226 | 220 |
| % of MALE employees in ENTRY & MID-LEVEL positions | 66% | 66% | 66% |
| Number of FEMALE employees in ENTRY & MID-LEVEL positions | 141 | 117 | 113 |
| % of FEMALE employees in ENTRY & MID-LEVEL positions | 34% | 34% | 34% |

| GENDER BREAKDOWN - NEWLY HIRED FOR THIS YEAR | | | |
|--|------|------|------|
| | 2019 | 2020 | 2021 |
| Total Number of ALL NEWLY HIRED employees | 42 | 69 | 48 |
| Number of NEWLY HIRED MALE employees | 32 | 52 | 37 |
| % of NEWLY HIRED MALE employees | 76% | 75% | 77% |
| Number of NEWLY HIRED FEMALE employees | 10 | 17 | 11 |
| % of NEWLY HIRED FEMALE employees | 24% | 25% | 23% |

6. OUR SOCIAL IMPACT



6.1. LOCAL COMMUNITY DEVELOPMENT

OUR APPROACH TO COMMUNITY DEVELOPMENT

The bank's CSR policy helps keep track of our relationships with external stakeholders regarding significant social issues, review recommendations, and acts as a social investment tool that guides our charitable donations by checking credentials of causes to be considered. The policy also encompasses other thematic environmental and social policies and programs. Furthermore, it facilitates close working relationships between relevant stakeholders with other Bank committees to determine the appropriate levels of engagement on CSR-related issues. Finally, the policy advises the CEO on initiatives that would influence and improve the Bank's position and credibility while creating shared value.

OUR INITIATIVES - THE MOBILE DENTAL CLINIC

The bank collaborated with Ajman University CSR initiative "The AU Mobile Dental Clinic", a Mobile Dental Clinic that offers free screening for community members as part of Ajman University's CSR programs. The clinic helped over 2,177 patients, 20 of which were UAB employees.

VOLUNTEERING

Over the years, our volunteering efforts have grown due to our community investment programs and initiatives and the need to actively involve our employees in community efforts. In 2021, over 16 employees volunteered in various community initiatives with over 3 hours per employee.

| Volunteering Initiative/Program | Number of Employees | Number of Hours Volunteered |
|----------------------------------|---------------------|-----------------------------|
| HCT CEO Forum | 2 | 2hr |
| Internship | 8 | 3 months - per candidate |
| Mobile Dental Clinic | 4 | 5 hrs |
| Ghaya Financial Literacy program | 1 | 15 hrs |
| Financial Literacy Program | 1 | 1 hr |

OUR APPROACH TO SPONSORSHIPS

UAB has since its inception strived to be a part of the solution to challenges affecting communities and the environment around our operations. We have therefore prioritized investing in our communities as a way of not only contributing to the economy but also to future-proof our brand. Over the past four years, we have made various charitable donations that have had a significant impact on our communities and our brand. We have also witnessed an increasing number of requests from organizations looking to partner in CSR-related initiatives.

Before donating or working with an organization, the Bank will conduct due diligence on the potential impacts of the investment and use the following criteria to make decisions.

1. Organization's or event's potential to reflect the Bank's image/values, objectives/mission.
2. Organization's credibility and long-term reputation.
3. Organization's religious, political, ties, and standing.
4. Duration of the sponsorship, level of exposure, sponsorship type, and cost.

The bank's Heads of related Business Units, and the Heads of Corporate Affairs and Marketing are tasked to recommend selected organizations to the CEO for budgeting. The Corporate Affairs team is also responsible for publishing the bank CSR related activities and sponsorship opportunities. In the following table, we disclose the sponsorships the bank carried out in 2021.



| Benefitting Organization | Event | Description of the Event | Sponsorship / Donation Value |
|--|---|---|------------------------------|
| West Asia Para Federation | (Donation) | Organization helping and developing the Paralympic sports. | AED 20,000 |
| Expert Center for Learning Disabilities | (Donation) | The organization provides support for students with rehabilitation, learning difficulties, educational, behavioral, and assessment services. | AED 10,000 |
| Khorfakan club for Disabled | (Donation) | The organization helps disabled people in UAE by supporting the integration of all kinds of disabled persons to help and serve the community. | AED 10,000 |
| Sheikh Mohammed Bin Rashid Center for Cultural and Social Understanding | (Donation) | A Non-Profit organization that motivates the Islamic community's children and women to learn, understand, and memorize Quran. They aim to promote culture, religion, and the Arabic language to every nationality in UAE. | AED 25,000 |
| Abu Dhabi University Zakat Fund | Ramadan Campaign, "Our Youth Our Responsibility, Our Zakat, Our Immunity" | The Bank supported Abu Dhabi University by providing Zakat funds by adding donation options on all UAB ATMs across UAE. This initiative was supported by the Central Bank of the UAE inviting banks and financial institutions to participate in it. | AED 6,357 |
| Emirates Peace Land in collaboration with Sheikha Moza Obaid Suhail Al Maktoum | Emirates Peace Land Event | The Bank co-sponsored Emirates Peace Land event for the 50th year of UAE to transmit the civilized image of the history of the Emirates as a symbol of peace at various levels and the advancement and prosperity it has reached reflects the progress made by the people of Emirates. | AED 8,000 |
| Sheikha Latifa Awards book for Children innovation | "We are for the country: loyalty and belongings" Program | On the 50th Anniversary of UAE National Day, flag day, armed forces and commemoration day, and with the harmony of H.H. Sheikha Latifa Bint Mohammed Bin Rashed Al Maktoum, the award for youth and children innovations issued a book titled "Emariti" which the bank participated in their book highlighting the image of the UAE. | AED 4,000 |
| Gov Youth Summit 2021 | Gov Youth Summit | The bank participated as a supporting partner focusing on empowering the youth workforce for the future in the fourth industrial revolution. | \$4,685 |
| AIESEC | Global Money Week Forum 2021 | Global Money Week ("GMW") is an annual global awareness-raising campaign on the importance of ensuring that young people, from an early age, are financially aware, and are acquiring the knowledge, skills, and behaviors necessary to make sound financial decisions and ultimately achieve financial well-being and financial resilience. | AED 5,980 |
| AIESEC | Youth Speak Forum | The Bank partnered with AIESEC, an international youth organization, to sponsor a conference for young university students in UAE, the Middle East, and African region. The theme for the conference "The future of work post-COVID-19" reflects the concerns youth have post-pandemic regarding the future of work, skills needed, and how to career plan. | AED 15,000 |

6.2. FINANCIAL LITERACY

As a bank, one of our main responsibilities towards our customers and the public is to educate and empower them to make conscious and healthy financial decisions by providing them with financial literacy content. In 2021, the bank enabled the following initiatives.

FINANCIAL HEALTH WEBINAR

We partnered with Ajman University on July 7, 2021, to conduct a webinar that provided youth with financial literacy skills, especially on financial products and services.

KNOW OUR INDUSTRY

The bank collaborated with Higher College Technology to share insights and career advice on the banking industry. The event was attended and run by the CEO and Chief Human Capital who interacted with the 128 students in attendance

6.3. PROMOTING LOCAL SUPPLIERS

UAB places high importance on empowering local suppliers by conducting more business with them. We believe that this approach does not only benefit the local economy and job creation but also is more sustainable than procuring internationally and bearing the additional environmental footprint. In 2021, local suppliers continue to be our main providers of products and services with 381 local suppliers out of 418 all suppliers representing 91% with an estimated expenditure of AED 107.2 million.

Furthermore, to ensure equitable and fair treatment of our suppliers and to provide them with a clear vision of our processes, we have put in place a Standard Operating Procedure (SOP) to maintain the highest levels of transparency, given that our primary objective is to procure goods and services in the fairest possible way for all parties involved.

The main objective of this process is to ensure the procurement in UAB adheres to the following:

| | |
|---|---|
| Deliver optimum value to the business | To conform with all applicable statutory and legal requirements and internal policies |
| Manage procurement risk with segregation of authorities and execution of controls | Ensure sustainable vendor network as per UAB's standards |
| Measure the effectiveness and efficiency for key engagements, performance and develop the vendor's capabilities to ensure the alignment with the bank's goals | |



7. OUR ENVIRONMENT



7.1. ENVIRONMENTAL INITIATIVES

CARBON OFFSETTING

To achieve its vision to build sustainable long-term partnerships and to contribute to the overall development of the UAE, UAB bank partnered with the Storey Group and Eco-Matcher to launch the One Billion Trees Initiative (OBTI). The initiative is aimed at capturing 250 billion kgs of carbon within a decade of planting trees around the world with locations in nine countries – Guatemala, Peru, Uganda, the UAE, India, Nepal, Thailand, Indonesia, and The Philippines. The bank has already purchased 1,000 treestrees that will be gifted to customers with every product or service they purchase. Customers will also be able to track and view their trees via the EcoMacher app. This initiative will be activated in 2022.



7.2. WATER AND ENERGY CONSUMPTION

Inherently as a financial institution, our resource consumption is insignificant compared to other industries. Despite the relatively small size of our Bank, we devote efforts to be more conscious of our consumption of energy and water. To reduce our water consumption, we collect the wastewater from the pantry and filter it then use it in the flush system for the HQ toilets. As for our electricity consumption, we manage the lighting in our HQ by turning off all lights after duty hours and turning them back on before duty starts to avoid consumption by plugged appliances.

| | 2019 | 2020 | 2021 |
|-------------------------------------|------|--------|--------|
| Facility Water Consumption (Liters) | 374 | 306.33 | 298.32 |
| Consumption Intensity | 0.89 | 0.86 | 0.86 |

*Consumption Intensity figures for 2020 and 2019 were reviewed by including the number of all employees instead of only employees in our HQ.

The Bank does not lease or own any vehicles that require us to buy fuel, hence, we have zero contribution to Scope 1 of the GHG emission.

| | 2019 | 2020 | 2021 |
|-------------------------------|---------|---------|---------|
| Fuel Consumption (Litres) | 0 | 0 | 0 |
| Electricity Consumption (kwh) | 851,389 | 834,364 | 812,177 |
| Consumption Intensity | 2,027 | 2,337 | 2,341 |

Greenhouse Gas (GHG) Emissions

The bank does not generate any emissions under scope 1 and 3, because we do not own or lease any vehicles that require us to purchase fuel and we did not sponsor any business-related air travels for the reporting years.

| | 2019 | 2020 | 2021 |
|--|--------|--------|--------|
| Scope 1: | 0 | 0 | 0 |
| Scope 2: Electricity Consumption (kwh) | 362.52 | 355.27 | 345.82 |
| Scope 3: | 0 | 0 | 0 |
| Total Emissions | 362.52 | 355.27 | 345.82 |
| Emission Intensity | 0.86 | 0.99 | 0.99 |

*Emission intensity factor used for Scope 2 is equal to 0.4258 per Kwh. This factor was shared by the Dubai Electricity and Water Authority.

7.3. WASTE MANAGEMENT

In 2021, the Bank's overall paper usage got reduced by transitioning from paper-based processes to electronic means. As a result, we were able to reduce to overall print volume by 1.32 million prints (approximately 6,600 Kg) compared to 2020. This reduction can be translated into the following environmental impacts

| | | |
|-----------------|------------------------------|-------------------------------|
| 174 Trees Saved | 131,000 pounds of CO2e Saved | 590,524 Liters of Water Saved |
|-----------------|------------------------------|-------------------------------|

*Calculations are done using the Environmental Paper Network resources.

| | 2019 | 2020 | 2021 |
|------------------------|--------|--------|--------|
| Paper Consumption (Kg) | 23,100 | 23,100 | 16,500 |
| E-waste Recycled (Kg) | NA | 62 | 100 |

*2019 data is not available because the recycling initiative was launched in 2020

The bank conducts the E-waste recycling process internally by removing and restocking useable computer hardware components such as the hard disk and ram from obsolete computers before disposal.

ADX ESG INDEX

| GOVERNANCE METRICS | | | |
|---|---|-------------|---|
| Metric | Calculation | Page Number | UAB Performance |
| G1. Board Diversity | G1.1) Percentage: Total board seats occupied by men and women | # | The bank's total board seats are equal to nine, 11% of which are occupied by women, and 89% occupied by men. |
| | G1.2) Percentage: Committee chairs occupied by men and women | # | The bank's total committee chairs are equal to 17, representing four committees, 6% of which are occupied by women and 94% are occupied by men. |
| G2. Board Independence | G2.1) Does the company prohibit the CEO from serving as board chair? | # | The bank does prohibit the CEO from serving as a board chair. |
| | G2.2) Percentage: Total board seats occupied by independent board members | # | The percentage of the board seats occupied by independent members is equal to 33%, representing three out of nine board members. |
| G3. Incentivized Pay | Are executives formally incentivized to perform on sustainability? | # | Currently, Executives are not formally incentivized to perform on sustainability. |
| G4. Supplier Code of Conduct | G4.1) Are your vendors or suppliers required to follow a code of conduct? | # | The bank does not currently mandate its suppliers to follow a code of conduct. |
| | G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code? | # | |
| G5. Ethics and Prevention of Corruption | G5.1) Does the bank follow an Ethics and/or Prevention of Corruption policy? | # | The bank follows an Anti-bribery and corruption policy. |
| | G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy? | # | The bank mandates all employees to undergo training on ethics and anti-corruption training. |
| G7. Sustainability Reporting | Does the bank publish a sustainability report? | # | The bank commenced reporting on its sustainability performance in 2020. We are working to develop this practice to be an integral element of our reporting habits. |
| G8. Disclosure Practices | G8.1) Does your company provide sustainability data to sustainability reporting Frameworks? | # | The bank recently embarked on its sustainability journey. We acknowledge we have a long way to go and many opportunities to grasp. We are working hard to grow in this direction and to set goals for reporting and contribution to the SDGs. |
| | G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? | # | |
| | G8.3) Does your company set targets and report progress on the UN SDGs? | # | |
| G9. External Assurance | Are your sustainability disclosures assured or verified by a third-party audit firm? | # | The bank opted for an internal assurance for this year and last year's reporting. |

SOCIAL METRICS

| Metric | Calculation | Page Number | UAB Performance |
|----------------------------|---|-------------|--|
| S1. CEO Pay Ratio | S1.1) Ratio: CEO total compensation to median full-time equivalent (FTE) total compensation | # | The ratio of the CEO's total compensation to median full-time equivalent (FTE) total compensation is equal to 10:1 |
| | S1.2) Does the bank report this metric in regulatory filings? | # | The bank reports on this metric when required. |
| S2. Gender Ratio | Ratio: median male compensation to median female compensation | # | The ratio of the median male compensation to median female compensation is equal to 1.26:1 |
| S3. Employee Turnover | S3.1) Percentage: Year-over-year change for full-time employees | # | The bank's percentage of year-over-year change for full-time employees is equal to -3% |
| | S3.2) Percentage: Year-over-year change for part-time employees | # | The bank does not employ part-time employees |
| | S3.3) Percentage: Year-over-year change for contractors/consultants | # | The bank's percentage of year-over-year change for contractors is equal to 2% |
| S4. Gender Diversity | S4.1) Percentage: Total bank headcount held by men and women | # | <ul style="list-style-type: none"> ▪ Percentage of full-time male employees in UAB is equal to 67% ▪ Percentage of full-time female employees is equal to 33% |
| | S4.2) Percentage: Entry- and mid-level positions held by men and women | # | <ul style="list-style-type: none"> ▪ Percentage of male employees in entry- and mid-level positions is equal to 66% ▪ Percentage of female employees in entry- and mid-level positions is equal to 34% |
| | S4.3) Percentage: Senior- and executive-level positions held by men and women | # | <ul style="list-style-type: none"> ▪ Percentage of male employees in senior- and executive-level positions is equal to 79% ▪ Percentage of female employees in senior- and executive-level positions is equal to 21% |
| S5. Temporary Worker Ratio | S5.1) Percentage: Total bank headcount held by part-time employees | # | The bank does not employ any human capital under a part-time contract |
| | S5.2) Percentage: Total bank headcount held by contractors and/or consultants | # | The bank employs a total of 46 employees under a contractor's contract |
| S6. Non-Discrimination | Does the bank follow a non-discrimination policy? | # | The bank does not follow a separate non-discrimination policy. However, the bank's code of conduct incorporates clauses to guarantee that all employees are treated equally and fairly, regardless of their religion, race, disability, or gender. If an employee fails to comply with our code, disciplinary actions will be taken. |
| S7. Injury Rate | Percentage: Frequency of injury events relative to total workforce time | # | No injury events were recorded in 2021, 2020, and 2019. |
| S8. Global Health & Safety | Does the bank follow occupational health and/or global health & safety policy? | # | Due to the nature of our industry, the employee injury rate is not a material topic. Hence, the bank does not follow any occupational health and/or global health & safety policy, however, we deliver fire warden training. |
| S9. Child & Forced labor | S9.1) Does the bank follow a child and/or forced labor policy? | # | The bank does not follow a child and/or forced labor policy, as we abide by national regulations covering child and forced labor. |
| S10. Human Rights | S10.1) Does the bank follow a human rights policy? | # | The bank abides by the United Arab Emirates regulations covering Human Rights |
| S11. Nationalization | Percentage of national employees | # | National employees represent 19% of the total workforce profile of UAB. |
| S12. Community Investment | Amount invested in the community, as a percentage of company revenues. | # | The bank invested a total of AED 104,337 and \$4,685 in projects directed to foster culture, arts, youth empowerment, and for people with disabilities. |

ENVIRONMENTAL METRICS

| Metric | Calculation | Page Number | UAB Performance |
|------------------------------|--|-------------|---|
| E1. GHG Emissions | E1.1) Total amount in CO2 equivalents, scope 1 | # | The bank does not purchase any fuel, petrol, or diesel. |
| | E1.2) Total amount in CO2 equivalent, scope 2 | # | The bank's total emissions in CO2 equivalent, under scope 2, are equal to 346 (tCO2e). |
| | E1.3) Total amount, in CO2 equivalents, scope 3 (if applicable) | # | The bank did not finance any air travel for business purposes in 2021. |
| E2. Emission Intensity | E2.1) Total GHG emissions per output scaling factor | # | The bank is working on integrating the proper processes to monitor and measure the mentioned metrics. |
| | E2.2) Total non-GHG emissions per output scaling factor | # | |
| E3. Energy Usage | E3.1) Total amount of energy directly consumed | # | The bank consumed a total of 812,177 kWh of electricity in 2021, which represents a decrease of 3% from 2020 consumption. |
| | E3.2) Total amount of energy indirectly consumed | # | Not applicable. |
| E4. Energy Intensity | Total direct energy usage per output scaling factor | # | The energy intensity of the bank is equal to 2,067 kWh. The intensity factor is calculated by dividing annual energy consumption by the total number of employees. |
| E5. Energy Mix | Percentage: Energy usage per generation type | # | The bank uses only electrical energy supplied by governmental authorities. |
| E6. Water usage | E6.1) Total amount of water consumed | # | The bank consumed a total of 298,324 liters of water in 2021, representing a decrease of 3% from 2020 consumption. |
| | E6.2) Total amount of water reclaimed | # | Not applicable |
| E7. Environmental Operation | E7.1) Does the bank follow an environmental policy? | # | The bank does not currently follow any environmental policy. |
| | E7.2) Does the bank follow specific waste, water, energy, and/or recycling policies? | # | |
| | E7.3) Does the bank use a recognized energy management system? | # | The bank does not currently use a recognized energy management system; however, we do conduct awareness initiatives to reduce consumption by following a schedule for energy use. |
| E8. Environmental Oversight | Does the management team oversee and/or manage sustainability issues? | # | |
| E9. Environmental Oversight | Does the board oversee and/or manage sustainability issues? | # | The bank recently embarked on its sustainability journey. We acknowledge we have a long way to go and many opportunities to grasp. We are working hard to grow in this direction and to integrate the mentioned metrics into our processes. |
| E10. Climate Risk Mitigation | Total amount invested annually in climate-related infrastructure resilience, and product development | # | |

