



البنك العربي المتحد
UNITED ARAB BANK

ESG Report 2023



Towards Sustainable Growth

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ABOUT THIS REPORT

United Arab Bank is proud to present its third consecutive ESG report. This report captures an overview of the Bank's Environmental, Social and Governance performance against the ESG reporting guidelines set by the Abu Dhabi Securities Exchange.

REPORTING PERIOD

This report covers the calendar year from January 1 to December 31, 2023. 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 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.

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ABOUT UAB

United Arab Bank, P.J.S.C. (UAB) was incorporated on the 21 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 6 branches and 21 ATMs/CCDMs 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 Financial Markets services, in addition to Islamic Banking solutions.

VISION

United Arab Bank will be the trusted partner and the UAE bank of choice for our customers, shareholders, and employees, leading the way to greater financial prosperity while remaining committed to the highest integrity standards.



MISSION

United Arab Bank is committed to build sustainable long-term partnerships with our key stakeholders, offering a superior customer 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.



VALUES



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, 2023.

| Shareholder | Percentage (%) |
|--|----------------|
| The Commercial Bank (P.S.Q.C) | 40.00 |
| Sheikh Faisal Sultan Salem Al Qassimi | 11.13 |
| Al Majid Investment Company (LLC) | 10.79 |
| Sheikh Sultan Saqr Sultan Salem Al Qassimi | 5.20 |
| Al Wathba National Insurance Company PJSC | 5.05 |

MESSAGE FROM OUR CEO

Dear Shareholders,

Welcome to our annual sustainability report for 2023, reflecting United Arab Bank's progress towards a more sustainable future. At United Arab Bank, we recognize our responsibility to be a force for good in the world.

This year, we've made significant strides in increasing diversity in workforce, improving Emiratisation ratio and introducing green sustainable products, among others.

We also believe that managing Environmental, Social, and Governance (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. The ESG report reflects our dedication to sustainability, social responsibility, and ethical governance.

As a responsible corporate entity, the Bank is committed to support initiatives undertaken by the UAE government towards the Net Zero by 2050 as well as catering to the needs of our environmentally conscious customers through various green sustainable finance products launched on the eve of COP28 that was held in the UAE in November-December 2023.

UAB has also embarked on a digital transformation powered by global technology company SAP SE, with Amazon Web Services securely hosting the data. This transformation will not only enhance the bank's services to its customers and employees but will also prepare the way to adopt SAP's carbon accounting approach with continual measurement and reporting on green data and further reduce paper consumption.

I would like to highlight another aspect of the Bank's successful human resource strategy. We are investing in human capital management, capacity building, and skill development among Emiratis as the Emiratisation ratio improved to 26% in 2023 from 23% in 2022.

Our employees are encouraged to achieve their aspirations and empowered to perform their functions and hone their talents to create talented cadres capable of performance and innovation and we'll leave no stone unturned in attracting Emiratis and develop their talents, skills and potential growth in the banking sector.



As far as gender diversity is concerned, it is a great pleasure to announce that another female director has joined the Bank's board, improving women representation from 12% in 2022 to 18% 2023. Women now have 20% representation across Board committees' chairs.

The ESG report highlights our corporate governance principles, compliance standards, and efforts to maintain a strong ethical culture within our company. We believe that by prioritizing good governance, we can build trust with our stakeholders, mitigate risks, and drive long-term value for our business.

We are proud of the progress we have made, but we recognize that there is much more more to be done. As we look towards the future, we will continue to integrate ESG considerations in our decision-making processes and strive to create a better world for all. We are confident that UAB will continue to be a competitive player in the industry, delivering exceptional value to our stakeholders. The Bank is committed to creating a positive impact on society, the environment, and the economy, and we look forward to continuing our journey towards sustainability. We invite you to learn more about our efforts and share your feedback. Together, we can build a more sustainable future for generations to come.

I would like to take this opportunity to express my sincere gratitude to our government and regulators, employees and partners, for their unwavering support in this journey. The Bank's success relies on the loyalty of our customers, and I personally thank them for their ongoing trust and constant backing. We will deliver innovative offerings that meet the needs of our customers and the UAE community, while maximizing value for our shareholders and stakeholders.

Sincerely,

Shirish Bhide
Chief Executive Officer
United Arab Bank



“ We are proud of the progress we have made, but we recognize that there is always more work to be done. As we look towards the future, we will continue to integrate ESG considerations in our decision-making processes and strive to create a better world for all. ”

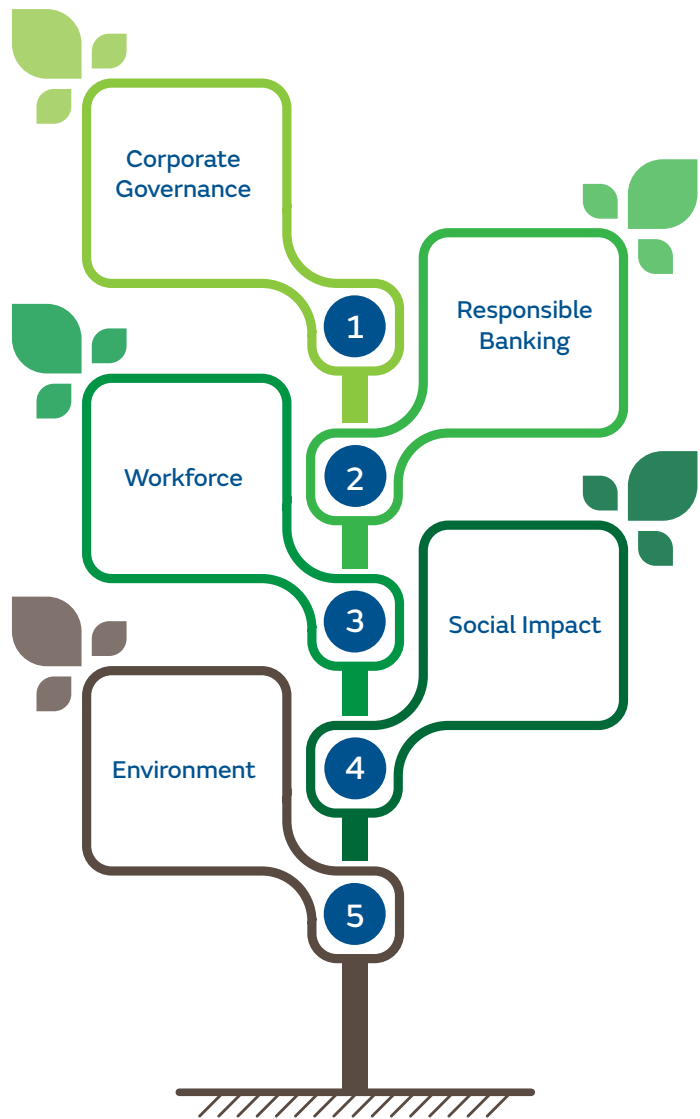
OUR SUSTAINABLE FUTURE

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 2021, and the ADX ESG Disclosure Guidance for Listed Companies.

UAB has continuously invested in CSR, especially in community and environmental conservation projects. We have invested in environmental conservation programmes to reduce the Bank's carbon footprint as well as contribute to climate change mitigation. Since 2022, UAB has partnered with Storey Group org., a UAE-based social enterprise working in affiliation with the United Nations to fulfil the ONE Billion Tree-Planting initiative. This initiative aims to plant a forest of mangroves in which each tree will absorb four times the carbon dioxide of a tropical forest tree.



The framework is built on five pillars of our long-term strategy

INTEGRATING ESG PRINCIPLES: A DUAL FOCUS ON RISK MANAGEMENT AND GOVERNANCE

At UAB, we are committed to incorporating Environmental, Social, and Governance (ESG) principles into our business operations, aligning with the objectives of COP28 and the United Arab Emirates' national vision. Our approach to ESG encompasses all facets of our operations, from investment and lending practices to risk management strategies, internal policies and governance practices. We believe in the importance of ESG in creating sustainable value, generating positive social impact, and reducing environmental risks. Through a thoughtful approach to sustainable finance, UAB aims to contribute to global sustainability goals, emphasizing Risk Management and Governance.

ESG RISK FRAMEWORKS AND CLIMATE STRESS TESTING: MANAGING RISKS PROACTIVELY

A key element of our ESG strategy is the development of ESG Risk frameworks and the introduction of climate stress testing for our portfolio. This approach highlights our proactive efforts to understand and mitigate potential environmental and climate-related risks. By employing comprehensive climate stress testing, we evaluate the potential impacts of various climate scenarios on our operations, enabling proactive resilience-building strategies. These initiatives showcase our commitment to thorough risk management, preparing UAB to navigate the evolving challenges and opportunities of climate change.

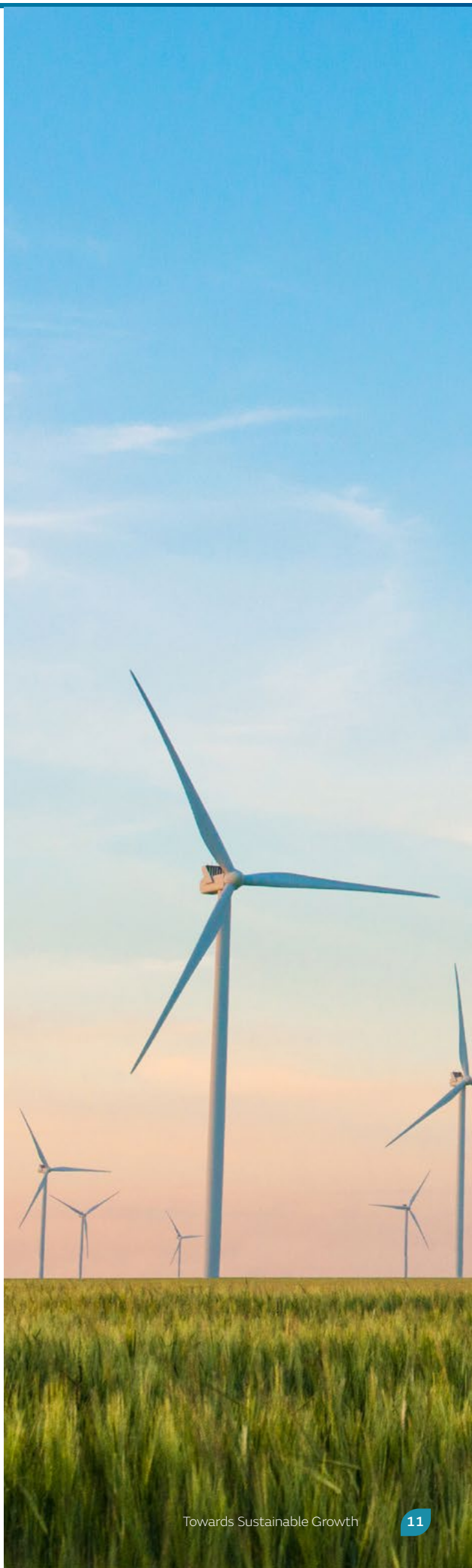
ESTABLISHMENT OF THE SUSTAINABILITY COMMITTEE (SC): ENSURING SOUND GOVERNANCE

In our pursuit of governance excellence, UAB is in the process of establishing a Sustainability Committee (SC), slated to begin operations in 2024. The SC aims to guide and oversee our sustainability efforts, ensuring they are in line with our corporate values and objectives. This integration of governance into our sustainability strategy is crucial for driving our commitment to environmental care, social responsibility, and strong governance principles. We look forward to the SC's contributions to our sustainability efforts.

A BALANCED APPROACH TO ESG

UAB's approach to ESG, emphasizing Risk Management and Governance, demonstrates our balanced commitment to sustainable and responsible banking. Through initiatives such as ESG risk frameworks, climate stress testing, the formation of the Sustainability Committee, and a focus on regulatory compliance, we are dedicated to navigating the complexities of ESG issues thoughtfully and effectively.

As we continue to refine our ESG strategy, UAB remains focused on contributing positively to our communities and the environment, guided by a spirit of responsibility and a commitment to sustainable progress.



OUR CORPORATE GOVERNANCE

GOVERNANCE, COMPLIANCE AND ETHICS

We at UAB believe that robust and transparent governance is the blueprint upon which our identity and success are built upon. The Bank continuously works on reviewing and improving its governance structures and processes to ensure effective and responsible decision-making. Built on our values of Integrity, Customer Focus, Competency, Consistency, and Courteousness, our Corporate Governance Framework and operating model enables 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 the Corporate Governance section in our [2023 Integrated Report](#).

OUR BOARD STRUCTURE

| Name | Role |
|--|---------------|
| H.E. Sheikh Faisal bin Sultan bin Salem Al Qassimi | Chairman |
| Mr. Omar Hussain Alfardan | Vice Chairman |
| HE Sheikh Abdullah bin Ali bin Jabor Al Thani | Member |
| HE Sheikh Mohammed bin Faisal Al Qassimi | Member |
| Mr. Ahmed Mohamad Bakheet Khalfan | Member |
| Ms. Najla Al Midfa | Member |
| Mr. Fahad Abdulrahman Badar | Member |
| Mr. Joseph Abraham | Member |
| H.E. Dr. Mohamed Omar Abdulla* | Member |
| Ms. Asma Alqaseer* | Member |
| Mr. Nureddin S. Sehweil* | Member |

* Appointed in Aug 2023

GOVERNANCE

UAB has a strong governance framework in place to ensure that its risk management framework is effective and that risks are managed in a controlled and transparent manner. This includes committees at Board and Management levels, clear policies and procedures, regular reporting and monitoring, and independent oversight from internal and external stakeholders.

BOARD COMMITTEES

The Board of Directors are ultimately responsible for identifying and controlling risks; however, there are separate board sub-committees responsible for managing and monitoring risks.

1. GOVERNANCE AND REMUNERATION COMMITTEE

The Governance and Remuneration Committee (GRC) acts on behalf of the Board on all matters related to governance, remuneration, nomination and strategic plans, except for those powers and actions that are restricted to the Board on the basis of legal provisions or the Articles. The GRC is responsible for supporting the Board in overseeing the remuneration scheme, in order to ensure that the subject remuneration is appropriate and consistent with the Bank's culture, long-term business and risk appetite, performance and control environment as well as with any legal or regulatory requirements. GRC shall provide recommendations to the Board for new Board and Senior Management members. GRC will also provide support and directions to the Board in terms of strategic and budgetary initiatives, plans and decisions.

2. BOARD CREDIT COMMITTEE

The Board Credit Committee (BCC) provides leadership for the Bank within a framework of prudent and effective controls which enables robust credit control. The BCC is responsible for evaluating and granting counterparty credit facilities and approving the Bank's investment activities within authorised limits and, in doing so, exercise all the powers delegated by the Board, subject to any relevant laws and regulations.

3. BOARD RISK AND COMPLIANCE COMMITTEE

The Board Risk and Compliance Committee (BRCC) monitors and manages all aspects of enterprise risk management including, but not restricted to, credit risk, market risk operational risk, legal risk, regulatory risk, liquidity risk, and financial risk. Moreover, the BRCC reviews and approves the policies on all risk issues and maintains oversight of all Bank risks through reports received from the General Management Risk Committee.

4. BOARD AUDIT COMMITTEE

The Board Audit Committee (BAC) is responsible for monitoring, reviewing and reporting to the Board on the formal arrangements relating to the financial and narrative reporting of the Bank, internal controls, compliance, internal and external audit processes. The internal audit function has a direct reporting line to the BAC.

JOINT BOARD AUDIT AND BOARD RISK COMMITTEE

Joint Meeting between the Board Audit Committee (BAC) and the Board Risk & Compliance Committee (BRCC) is held regularly in accordance with the Central Bank of the UAE (CBUAE) guidelines to ensure effective coordination and collaboration between the two committees in managing risks. This joint meeting enhances the overall risk management framework by providing a platform for robust discussions and effective decision-making in matters relating to risk management.

OUR GOVERNANCE DIVERSITY

We further enhanced the female representation on the Board to 18% from 12% last year by appointing an additional female director in 2023, while female representation across various Board Committees increased from 7% in 2022 to 20% in 2023.

| | Male Percentage | Female Percentage |
|--------------------|-----------------|-------------------|
| Board of Directors | 82% | 18% |
| Board Committees | 80% | 20% |

COMPLIANCE

UAB is committed to maintaining full compliance with the applicable laws and regulations of the Central Bank of the UAE, other regulatory bodies and the Government of the UAE. The Compliance Committee provides oversight to address all matters of non-compliance.

| Incidents of Non-compliance | 2021 | 2022 | 2023 |
|--|------|------|------|
| Total incidents of non-compliance | 0 | 1 | 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 |

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 regard to customers. Our Conflict-of-Interest section, as outlined in the UAB Code of Conduct, identifies employees' responsibilities with respect to 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. Employees should also behave in the best interests of customers. According to the Delegation of Authority manual "No one has the authority to sanction a commitment or an item of expenditure in circumstances where that individual receives a personal benefit."

WHISTLEBLOWING POLICY

We at UAB focus on building the values of transparency and accountability across all levels of our organisation. We achieve this through our Whistleblowing Policy which dictates the procedures, confidentiality measures and actions to be taken in the event of receiving a report of misconduct or illegal behaviour. The policy is owned by our Compliance department and includes a designated Whistleblowing Officer and a dedicated channel to report incidents, with the required level of confidentiality maintained.

CONSUMER PROTECTION

UAB is committed to full compliance with all applicable laws and regulations related to consumer protection. The Bank has established policies and procedures to ensure that its products and services are transparent and fair to its customers. The Bank also provides appropriate disclosures and information to its customers, to enable them to make informed decisions about their financial matters.

In addition to compliance with relevant regulations, UAB is committed to maintaining a high level of ethical standards in its dealings with customers. The Bank will not engage in any unfair, deceptive, or abusive practices, and will always act in the best interests of its customers.

DATA PRIVACY AND SECURITY

INFORMATION SECURITY FRAMEWORK

We are committed to protecting and respecting the data we collect and process. We understand that our customers, partners, and employees expect their data to be treated with vigilance and high ethical standards. Hence, our approach to data privacy and security is founded on having the right talents, systems, controls, policies, and full compliance with the laws and regulations.

Our Information Security Policy Manual sets a guideline and defines the scope by establishing the following objectives:

- Ensures a set of rules and policies to benchmark the overall IT and Cybersecurity posture.
- The policy manual enables the Bank to apply the principles of Information Security to improve the security and resilience of the information systems.
- The policy manual provides structure to today's multiple approaches to Information Security by assembling standards, guidelines and practices that are working effectively in the industry today.

In addition to our Information Security policy manual, UAB has established a detailed Consumer Data Protection and Privacy Policy in alignment with the Central Bank of the UAE consumer data protection. The policy details the rights of customers, retention of data, and protection requirements. Furthermore, a comprehensive risk management procedure is in place to identify various risks pertaining to technology and evaluate them using the threat factor, vulnerability, probability and impact. For risk mitigation status, such residual risks are reported to the Risk Management Committee and Board Risk Management Committee.

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)

Cyber Security Breaches

| Period | Cyber Security Breach Incidents | Cyber Security breach Attempts |
|---------|---------------------------------|--------------------------------|
| Q1 2023 | 0 | 324 |
| Q2 2023 | 0 | 314 |
| Q3 2023 | 0 | 427 |
| Q4 2023 | 0 | 296 |

AWARENESS CAMPAIGNS AND TRAINING

As human errors still play a role in increasing the probability of successful cybercrimes, UAB takes a preventive approach to complement its existing systems and controls by making sure employees and customers are equipped with the needed knowledge to identify and mitigate any cybercrime attempts.

The Bank has instilled the culture of continual fraud risk awareness campaigns internally and for the customers to cover wider audiences by implementing cybercrime and fraud awareness program (via SMS, social media, Website, ATM display, SMS, Emailers, Screensavers) to protect themselves from financial cybercrime and fraud. A series of campaigns were developed with taglines of #UnitedAgainstFraud, #saferinternetday and #BankingTipsTuesday on our social media channels.

In addition to the Bank's campaigns, UAB also supported UAE Banks Federation (UBF) with its campaign under the theme of "National Fraud Awareness Campaign", which is done in collaboration with the Central Bank of the UAE, Abu Dhabi Police, Dubai Police, and TDRA (Telecommunication & Digital Government Regulatory Authority). This has been continuously communicated across most channels used by UAB. The Bank also participated in the Fraud Awareness week in 2023, in association with UBF and Association of Certified Fraud Examiners (ACFE) to spread the awareness to customers and staff through various channels about fraud typologies and the methods to prevent it.

OUR RESPONSIBLE BANKING

SUSTAINABLE PRODUCTS AND SERVICES

ACCESSIBLE BANKING

In line with the UAE's efforts to empower people of determination and ensure an inclusive society, UAB has installed ramps across six of its branches to facilitate the accessibility of these branches to people of determination. In our branches, our queueing kiosks and differently-abled teller counters have vivid identification marks for easy access as well as a dedicated relationship manager is available for people of determination. Our upgraded ATMs /CDMs which are being rolled out across the network are now equipped with a Braille keypad..

SUSTAINABLE FINANCING

UAB recognises the environmental and social challenges that continue to rise affecting every aspect of people's lives and businesses alike. As a financial institution, we are taking steps towards integrating ESG factors into our decision-making processes. We have integrated ESG risk considerations into our Wholesale Banking processes starting with the onboarding stage where we assess the client's potential exposure to ESG risks and the possible remedies/mitigants to such risks. The same is reassessed annually when conducting the credit facilities reviews across the Wholesale Banking portfolio. Furthermore, the Bank continued to focus on ESG-linked loan facilities, sustainable bonds and green bonds issued by regional financial institutions and sovereigns, with investments reaching a c. AED 516 million by the end of 2023 as compared to a mere c. AED 47 million in 2022.

The Bank also launched its suite of green sustainable finance products like Green Auto Loan and Green Home Loan with special discount rate as compared to similar conventional products, and committed to plant one mangrove tree on behalf of the customers for every loan taken. The launch of these new products coincided with COP28 and exemplifies UAB's support towards UAE's Net Zero by 2050 strategic initiative.

DIGITAL BANKING

Building on our efforts and promise to provide a superior customer experience and innovate in our services, the Bank launched a digital onboarding platform for retail customers and an online banking portal for corporate clients. The onboarding platform offers customers the comfort and ease of applying for an account of their choice conveniently and paperlessly. Corporate online banking allows clients to make online submissions of all types of transfers, payments and transactions which considerably reduces the submission of paper requests at the branches' counters. To digitise our processes and reduce paper consumption, the Bank had already replaced couriering of paper statements every month-end with monthly e-statements sent to the registered email addresses of the corporate entities. Multiple campaigns and incentives like waiving of monthly maintenance fees for corporate clients were undertaken to promote the new enhancements and products added in digital channels, giving convenient options to the clients at their fingertips and hence avoiding physical visits to the branches/offices.

As for our internal campaigns, we conducted employee training and awareness sessions on data privacy, fraud awareness and information security issues throughout the year targeting all employees. These training sessions were conducted in collaboration with our HCM department, whereby they follow up with all departments to ensure their participation.

In 2023, various trainings and initiatives were undertaken (as below) through a mix of classroom trainings, e-learning, social media posts and stories as well as emails:

| Security Awareness trainings and initiatives in 2023 | |
|--|--|
| ▪ Phishing Simulation | ▪ New Joiner Program |
| ▪ Clear desk policy | ▪ DLP Awareness and Incident Investigation |
| ▪ Safeguarding Confidential Data: Best Practices! | ▪ Security Measures Awareness |
| ▪ Beware of Imposters | ▪ Safer Internet Day - Secure Your Data with Extra Layer of Protection |
| ▪ Whistle Blowing | ▪ Phishing - WhatsApp Awareness |
| ▪ Fraud Risk Management Policy | ▪ Public Wifi Awareness - Secure your devices |
| ▪ Phishing Alert Tab in Outlook | ▪ Phishing Awareness - SpearPhishing - Outsmarting the phone scammers |
| ▪ Suspicious Activity Transaction | ▪ UAE Banks Federation, Fraud Campaign Awareness |
| ▪ UAB Fraud Transaction Monitoring | ▪ Fraud Awareness - Stay Alert, Be Vigilant |
| ▪ Phishing Emails - Protect Yourself | ▪ Fraud Awareness - Be Vigilant, Don't get tricked by Fraudsters |
| ▪ Vishing and Smishing | ▪ Fraud International Week (12-18 Nov) |
| ▪ Security Awareness: Supply Chain Attacks | ▪ Protect Your Credit Card Details |



CUSTOMER EXPERIENCE

EMPLOYEE TRAINING ON CX

As a financial service provider, customer experience and satisfaction are crucial factors to our business's success and continuity. We take a strategic approach to ensure our customers have a smooth and quality banking experience by training our front-line employees to acquire the needed skills and knowledge to cater to every need and effectively handle conflict. This allows the Bank to ensure a standardised experience quality across its branches, easily identify improvements to customer experience and tackle them.

| # | Training Title | | # of Staff Attended |
|---|---|--|---------------------|
| 1 | Customer Risk Rating Training | <ul style="list-style-type: none"> Understand Customer Risk Classification Understand the Process | 10 |
| 2 | Product Training – Cash Management | <ul style="list-style-type: none"> Account services Payments Payroll Guidelines for filing relevant sections | 3 |
| 3 | CBUAE Consumer protection standards awareness | <ul style="list-style-type: none"> Understand relevant provisions of the UAE Consumer protection standards and UAE Federal law Structure of the regulation Learn about the principles, etiquettes, and best practices to treat the customer fairly and with empathy | 17 |
| 4 | Customer Experience (EIBFS Course) | <ul style="list-style-type: none"> Understanding the Customer journey Taking the Extra Mile Becoming a Happiness Engineer Using Customer Experience as a Strategy Methods to improve customer experience strategy The link between customer experience and Customer retention Measuring Customer Experience | 2 |
| 5 | Debit Card online utilization | <ul style="list-style-type: none"> Understand the online utilization of the card The terms and conditions on online use | 7 |
| 6 | Compliance Training (KYC/ FATCA/CRS) | <ul style="list-style-type: none"> Understand the FATCA regulations KYC - updates CRS system How to perform enhanced due diligence | 3 |
| 7 | Root Cause Analysis (RCA) and complaint management (EIBFS Course) | <ul style="list-style-type: none"> Understand the basics of complaint management protocols in line with CBUAE consumer protection code Understand how to do RCA with banking data | 4 |
| 8 | Mandatory Training | <ul style="list-style-type: none"> Risk Management Anti-Money Laundering Data Leakage Prevention Phishing Attacks | 17 |

CUSTOMER SATISFACTION

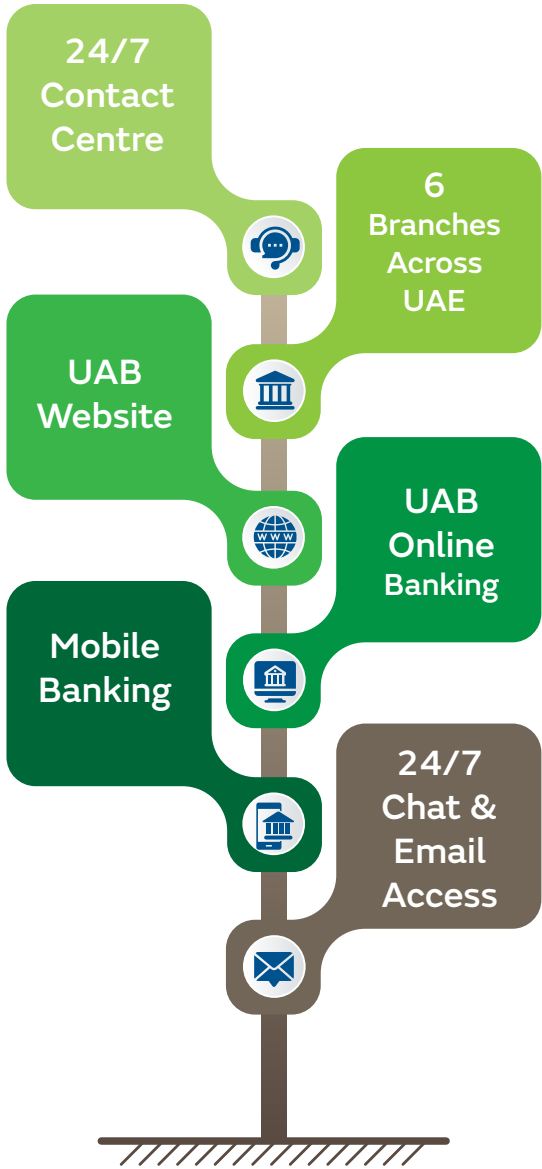
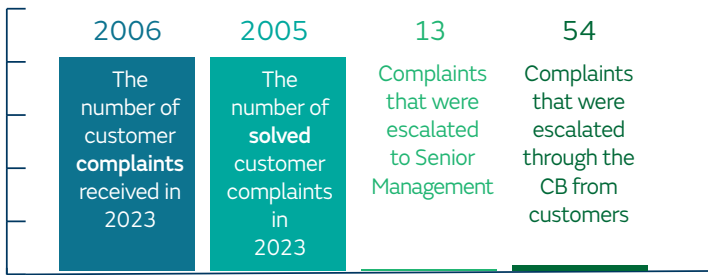
The Bank has been conducting a satisfaction survey every year to evaluate the quality of its services, define gaps and take actions to improve. Our NPS is determined by responses to a single question: “How likely is it that you would recommend our UAB's a product/service to a friend or colleague?” The results of our 2022 survey showed an overall NPS of 24 (Promoters 52%, Detractors 31%, Neutrals 17%).

The next survey will be undertaken in 2024, as in 2023, the Client Experience Unit (CEU) underwent significant reorganisation in the third quarter under the leadership of a new Head of Customer Experience. In fact, as part of the re-organisation process, and in line with our commitment to elevate customer satisfaction a new Customer Contact Centre was established to provide 24x7 availability.

CUSTOMER GRIEVANCES

Our customers are at the core of everything we do. We continuously strive to uphold our commitment to our customers - “Committed to consistently deliver a superior customer experience and adopt an innovative banking approach” - by ensuring the implementation of efficient and robust processes. When it comes to our customer complaints and grievance management, the Bank is aligned with the Central Bank and Consumer Protection Regulations (CPR). In case of any grievances, customers are informed about their right to escalate their case to the Central Bank. Furthermore, we ensure our customers are informed about our grievance process and their rights by publicly sharing our Customer Charter on our website, and branches.

To ensure customers can easily communicate with us we established the following channels to collect grievances:



OUR PEOPLE

TALENT ATTRACTION AND RETENTION

UAB is committed to attracting and retaining top talents. The Bank recognises that its employees are key to its success and works to create a supportive and engaging work environment that fosters growth and career development.

UAB invests in its employees through training and development programmes, flexible work arrangements, and competitive compensation packages. The Bank also prioritises creating a diverse and inclusive workplace, where all employees feel valued and respected.

In addition to its internal initiatives, UAB is also actively involved in the wider community, supporting initiatives that promote education and career development. The Bank also collaborates with local universities to offer internship and job opportunities to students, helping to develop the next generation of leaders in the region.

UAB's commitment to attracting and retaining top talent is a key factor in its long-term sustainability and success. The Bank will continue to invest in its employees and create a positive workplace culture, in order to attract and retain the best talent in the industry. Below are some key initiatives that Bank has undertaken in this regard.

EMPLOYEE BENEFITS

To remain relevant in a competitive employment market and provide our employees with motivational benefits that enhance retention rate, we provide them with Medical Insurance, Life Insurance, Airfare Allowance, Education Allowance, House Rental Advance Allowance, and Mobile Allowance. Employee benefits packages are reviewed on an annual basis by our Board Governance and Remuneration Committee (GRC).

PARENTAL LEAVE

The Bank abides by the UAE labour law of 2022, where female employees are granted a maternity leave of up to 90 calendar days and both male and female employees take parental leave of 5 working days. Additionally, the Bank also offers female employees 30 days of half pay on top of the maternity leave eligibility stated in the labor law. In 2023, 3 Female Staff and 13 Male Staff took parental leave (2022: 2 Female Staff and 6 Male Staff).

REWARD & RECOGNITION

UAB continuously observes the achievements of its employees and recognises their contribution to the Bank's success. To recognise our high-achieving employees, the Bank allocates AED 200,000 for its Reward and Recognition initiatives annually such as the Employee of the Quarter Award, Sheikh Faisal Award, and Best Branch Award.

EMPLOYEE ENGAGEMENT

One of the main metrics used by our bank to engage with our employees, get their feedback and inputs on how we can improve their experience, and evaluate their job satisfaction is our NPS Engagement Survey. The Bank redesigned the survey completely in 2023 for obtaining employees' feedback and is currently in the process of finalizing the results.

| TURNOVER RATE | 2021 | 2022 | 2023 |
|--|------|------|------|
| % Year-over-Year change for full-time employees | -3% | -1% | 14% |
| % Year-over-Year change for part-time employees | 0% | 0% | 0% |
| % Year-over-Year change for contractor employees | 2% | -15% | 51% |
| % Year-over-Year change for consultant employees | 0% | 0% | 0% |

DRIVING PEOPLE DEVELOPMENT

UAB Human Capital Management (HCM) training team oversees defining the competencies development framework every year, in line with the strategic priorities and values in UAB's Annual Business and Strategic Plan. This framework helps the team in designing guidelines for all parties involved in the process (coach, mentor, supervisor, assessor, and learning and development).

Individual development plans are established based on the framework and the standards against which the employee will be assessed. These are identified through a multi-source mechanism that captures the learning and development needs that are shared by a group of employees. Our performance review process is the main tool used to recognize and plan learning and development. The HCM training team will review the plans, expectations, and results with senior management while direct managers are in charge of ensuring that individuals' training requirements are met.

To ensure the effectiveness of our training, we perform a pre and post-assessment for technical skills programmes, extract a report, determine the effectiveness of the training, and define improvements if needed. Further, we collect feedback from participants to evaluate their satisfaction and analyse how the training is helping with their career advancement path. Various assessment methods are used such as exercises, role play, and case studies.

In 2023, the Bank conducted 10 training programs for the senior management on:

- Regulatory programs on compliance (AML/CTF, Sanctions)
- Data Leakage Policy
- Security Awareness
- Operational Risk Management
- Fraud Risk Management
- Legal Awareness Program
- Corporate Tax

| TRAINING - ALL EMPLOYEES | | | |
|--|------|------|------|
| Indicator | 2021 | 2022 | 2023 |
| AVERAGE NUMBER of training DAYS for a MALE employee | 10 | 9 | 8 |
| AVERAGE NUMBER of training DAYS for a FEMALE employee | 11 | 10 | 9 |
| Average NUMBER of training DAYS for ALL employees | 10 | 9 | 8.5 |
| Employee Post-training Evaluation of the learning programmed (NPS Score) | 8 | 8 | 8 |

| TRAINING - SENIOR & EXECUTIVE LEVEL | | | |
|--|------|------|------|
| Indicator | 2021 | 2022 | 2023 |
| AVERAGE NUMBER of training DAYS for a MALE SENIOR & EXECUTIVE employee | 6 | 6 | 6 |
| AVERAGE NUMBER of training DAYS for a FEMALE SENIOR & EXECUTIVE employee | 6 | 8 | 4 |
| Average NUMBER of training DAYS for ALL SENIOR & EXECUTIVE employees | 6 | 7 | 5 |

| LEARNING & DEVELOPMENT PROGRAMMES | | |
|---|--|---------------------------------|
| Programme | Description | Number of Beneficiaries |
| LinkedIn Learning | Behavioral & Technical Programs | 165 staff attended 367 programs |
| Third-party Training | Technical & Behavioral Program , Conferences/ workshops/ seminars | 42 staff attended 36 programs |
| EIBFS Training Programmes | Technical & Behavioral Program, Pathway Programs | 338 staff attended 208 programs |
| UAB Programmes (Regulatory + Soft skills) | Regulatory Required Programs , Technical Awareness , Behavioral Training | 491 staff attended 40 programs |

DIVERSITY, INCLUSION, AND EMIRATISATION

UAB believes that diversity and inclusion spur innovation and foster a dynamic work culture where people can learn from each other and thrive on their differences. Our efforts to create a more diverse and inclusive culture are reflected in an increase of 15% in our female employees and 29% in UAE National employees.

GENDER EQUALITY

As we continue promoting diversity and inclusion within our Bank, we focus on increasing female employee participation and development to occupy leadership positions in the Bank.

In line with the Central Bank of the UAE Corporate Governance Regulations and Standards, UAB is working on improving the gender balance by developing a conscious hiring process based on our gender balance goals. Accordingly in 2023, and in line with the percentage in 2022 as well, 40% of our newly hired employees were females. Additionally, female employees are provided with an average of one day more training hours than male employees and our median male compensation to median female compensation was further reduced to 104% compared to 120% in 2022 and 126% in 2021.

| GENDER BREAKDOWN - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2021 | 2022 | 2023 |
| Total Number of ALL FULL-TIME employees | 347 | 344 | 392 |
| Number of MALE FULL-TIME employees out of the total workforce | 231 | 208 | 235 |
| % of MALE FULL-TIME employees out of total workforce | 67% | 60% | 60% |
| Number of FEMALE FULL TIME employees out of total workforce | 116 | 136 | 157 |
| % of FEMALE FULL TIME employees out of total workforce | 33% | 40% | 40% |

| SENIOR & EXECUTIVE LEVEL - CEO and Direct Reports - BY GENDER | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Total number for ALL employees in SENIOR & EXECUTIVE positions | 14 | 13 | 13 |
| Number of MALE employees in SENIOR & EXECUTIVE positions | 11 | 10 | 11 |
| % of MALE employees in SENIOR & EXECUTIVE positions | 79% | 77% | 85% |
| Number of FEMALE employees in SENIOR & EXECUTIVE positions | 3 | 3 | 2 |
| % of FEMALE employees in SENIOR & EXECUTIVE positions | 21% | 23% | 15% |

| ENTRY & MID-LEVEL - BY GENDER - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2021 | 2022 | 2023 |
| Total number for ALL employees in ENTRY & MID-LEVEL positions | 333 | 331 | 379 |
| Number of MALE employees in ENTRY & MID-LEVEL positions | 220 | 198 | 224 |
| % of MALE employees in ENTRY & MID-LEVEL positions | 66% | 60% | 59% |
| Number of FEMALE employees in ENTRY & MID-LEVEL positions | 113 | 133 | 155 |
| % of FEMALE employees in ENTRY & MID-LEVEL positions | 34% | 40% | 41% |

| GENDER BREAKDOWN - NEWLY HIRED FOR THIS YEAR | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Total Number of ALL NEWLY HIRED employees | 48 | 74 | 104 |
| Number of NEWLY HIRED MALE employees | 37 | 38 | 62 |
| % of NEWLY HIRED MALE employees | 77% | 51% | 60% |
| Number of NEWLY HIRED FEMALE employees | 11 | 36 | 42 |
| % of NEWLY HIRED FEMALE employees | 23% | 49% | 40% |

| PAY RATIO | | | |
|--|-------|-------|-------|
| | 2021 | 2022 | 2023 |
| Median Male compensation to Median Female compensation | 126% | 120% | 104% |
| CEO total compensation to median Full-Time Equivalent | 1000% | 1250% | 1202% |

| AGE BREAKDOWN - ALL EMPLOYEES | | | |
|---------------------------------------|------|------|------|
| | 2021 | 2022 | 2023 |
| Number of employees AGED 18 - 24 | 1 | 11 | 7 |
| % of employees AGED 18 - 24 | 0% | 3% | 2% |
| Number of employees AGED 25 - 34 | 47 | 58 | 74 |
| % of employees AGED 25 - 34 | 13% | 17% | 19% |
| Number of employees AGED 35 - 44 | 178 | 164 | 152 |
| % of employees AGED 35 - 44 | 50% | 48% | 39% |
| Number of employees AGED 45 - 54 | 99 | 94 | 137 |
| % of employees AGED 45 - 54 | 28% | 27% | 35% |
| Number of employees AGED 55 AND ABOVE | 22 | 17 | 22 |
| % of employees AGED 55 AND ABOVE | 6% | 5% | 6% |

| EMPLOYEES PER CONTRACT TYPE | | | |
|---------------------------------------|------|------|------|
| | 2021 | 2022 | 2023 |
| Total number of full-time employees | 347 | 344 | 392 |
| Total number of part-time employees | 0 | 0 | 0 |
| Total number of contractors employees | 46 | 39 | 59 |
| Total number of consultants employees | 0 | 0 | 0 |

NON-DISCRIMINATION

UAB does 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.

| NUMBER OF NATIONALITIES IN OUR WORKFORCE | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Number of nationalities in our workforce | 26 | 30 | 32 |

| TOP FIVE NATIONALITIES - ALL EMPLOYEES | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Indian | 104 | 125 | 130 |
| UAE | 71 | 86 | 103 |
| Pakistani | 37 | 32 | 26 |
| Jordanian | 25 | 25 | 25 |
| Egyptian | 23 | 21 | 19 |

CODE OF CONDUCT

The Bank's Code of Conduct promotes high ethical principles and is the representation of our strong values of integrity and transparency. It encourages our employees to refrain from any illegal, dishonest, or unethical conduct, and it guarantees that they are treated equally and fairly, regardless of their religion, race, disability, or gender. All our employees are required to abide by this code and disregarding or failing to comply with these standards could lead to disciplinary actions, and eventually to the termination of employment, depending on the nature and seriousness of the breach of the rules.

In the last three years, no incidents of discrimination or harassment have been registered, and no formal grievances have been filed in 2023 about incidents of discrimination or harassment.

EMIRATISATION

United Arab Bank envisions a future where UAE Nationals are well represented at all levels of the bank's workforce, from entry level positions to senior management roles. UAB recognises its responsibility to employee UAE nationals in various roles. Therefore, UAB aims to ensure success for UAE Nationals wishing to pursue a career in the financial services industry. The biggest resource of the nation is the growing youth who will eventually be the future leaders of this fine country. It is our core belief that the development of UAE National talent will accelerate growth and ensure continued achievements.

Our ultimate goal is to identify, assess, develop and provide opportunities to those UAE Nationals who exhibit outstanding talent through our Emiratisation program. It is vitally important to the success of the United Arab Bank to have the pipeline of future leaders from the region, which can be developed through our extensive training and development programs.

Besides meeting the regulatory requirements, the emphasis is on offering career advancement opportunities to UAE nationals. Efforts are made to ensure that UAE Nationals are given every possible opportunity for career progression and filling management positions in the business.

Our nationalisation rate increased in 2023 to 26% from 23% in 2022. The latter was achieved by having a strategic focus on recruiting and retaining national talents through the following efforts:

- The Bank aims to attract UAE National talents from reputable educational institutions as high potential candidates by participation at local career fairs and job fairs, and collaboration with different universities and colleges to build our employer brand and showcase our culture and values.
- Participation on Nafis program and availing the advantages of Nafis program, such as, benefiting financially by receiving percentage of pension employer contribution which support Emiratisation initiatives in the bank.
- Giving priority to UAE Nationals for internal vacancies as part of developing their overall domain skills that is essential for future leadership roles.
- Placing Emiratisation as a key pillar in the people quadrant of the senior management Balanced Scorecard.
- Investing in the training and development programs to support the growth and career advancement of UAE National employees, including induction programs, on the job training, mentorship, leadership development, job rotation and career pathing.
- Creating a culture of inclusion and engagement that makes UAE National employees feel valued and connected to the organization through regular communication from senior leadership, opportunities for employees to provide feedback and suggestions, being engaged in Emiratisation events and activities such as, career fair, national day, and HCM events.
- Offering competitive compensation and benefits by offering competitive compensation packages that align with the market and providing additional benefits to attract and retain UAE National employees. Benefits may include health insurance, education allowances, study and exam leaves.
- Emphasizing a culture of work-life balance to support the wellbeing and retention of UAE National employees through flexible work arrangements, remote work options, and promoting the importance of taking regular breaks and vacations.
- Fresh Graduate Management Trainee Program, a program designed to equip newly qualified graduates in relevant disciplines with the skills that will prepare them for seamless integration into a managerial role. The Program's ultimate goal is to identify, assess, develop and provide opportunities to the UAE National graduates who exhibit outstanding talent through Management Trainee Program to be the future leaders in the banking sector. The program is structured to train graduates for a period of 8 to 12 months which offers various specialization and professional certification. Post the training completion they will be absorbed into their respective banking functions.

| LOCALS VS. EXPATS - ALL EMPLOYEES | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Number of local employees out of total workforce | 65 | 80 | 103 |
| % of local employees out of total workforce | 19% | 23% | 26% |
| Number of expat employees out of total workforce | 282 | 264 | 289 |
| % of expat employees out of total workforce | 81% | 77% | 74% |

| SENIOR & EXECUTIVE LEVEL - LOCALS VS EXPATS - ALL EMPLOYEES | | | |
|---|------|------|------|
| | 2021 | 2022 | 2023 |
| Number of LOCAL employees in SENIOR & EXECUTIVE positions | 2 | 2 | 2 |
| % Of LOCAL employees in SENIOR & EXECUTIVE positions | 14% | 15% | 15% |
| Number of EXPAT employees in SENIOR & EXECUTIVE positions | 12 | 11 | 11 |
| % Of EXPAT employees in SENIOR & EXECUTIVE positions | 86% | 85% | 85% |

| LOCAL vs. EXPATS - NEWLY HIRED FOR THIS YEAR | | | |
|--|------|------|------|
| | 2021 | 2022 | 2023 |
| Total Number of ALL NEWLY HIRED employees | 48 | 74 | 104 |
| Number of NEWLY HIRED LOCAL employees | 7 | 28 | 33 |
| % of NEWLY HIRED LOCAL employees | 15% | 38% | 32% |
| Number of NEWLY HIRED EXPAT employees | 41 | 46 | 71 |
| % of NEWLY HIRED EXPAT employees | 85% | 62% | 68% |

Furthermore, to support the advancement of their careers in the Bank, we offer a variety of training programmes dedicated to Emirati employees and customised to their career development needs.

| TRAINING PROGRAMMES FOR EMIRATI EMPLOYEES | | | | |
|---|---|-------------------------------|------|------|
| Programme | Description & Activities conducted under the program in 2023 | Number of Benefited Nationals | | |
| | | 2021 | 2022 | 2023 |
| Leadership | Leadership and Management Skills Program | 22 | 21 | 21 |
| Technical Skills | Operational Risk Awareness, Fraud Risk Awareness, Retail SOP, Credit Audit, Security Awareness | 63 | 66 | 66 |
| Product Knowledge | Card Products, Retail Products, Bancassurance products, Islamic Trade Products, WB products | 40 | 48 | 48 |
| Regulatory Programs | AML Awareness, KYC updates , AML Audit Program, Compliance Training, Trade Based Money Laundering, Sanction Awareness | 48 | 64 | 64 |
| Behavioral Skills | Presentation skills, Negotiation skills, handling difficult conversation, Art of cross selling, code of conduct, Seven tools of Quality | 61 | 72 | 72 |
| Fresh Graduate Program | Certified Banking Operations CBO, Specialization Pathway boot camps, International Professional Certification | 0 | 17 | 34 |
| Certification Program | CAMS, CFE , Certificate in: Audit, Quality & innovation, Trade Finance, Business Communication, Islamic Banking, Fintech, Risk Management | 0 | 6 | 19 |

WORKPLACE HEALTH AND SAFETY

Helping our employees maintain and lead healthy lives is important for our Bank as we believe their well-being directly impacts their productivity and success. In line with the latter, UAB conducts different initiatives to raise awareness about critical health issues such as Breast Cancer and engages its employees in different physical activities where they can bring their families to spend quality time together and bond with others.

In 2023, we delivered the following initiatives:

| Name of initiative | | Activity & Impact |
|------------------------------|--|---|
| Breast Cancer Awareness 2023 | | UAB conducted breast cancer awareness sessions for all UAB female employees, discussing healthy nutrition, lifestyle, and how to regularly check on their health. These sessions were conducted in collaboration with NMC Healthcare. |



OUR SOCIAL IMPACT

LOCAL COMMUNITY DEVELOPMENT

In order to ensure we always stay true to our mission statement and contribute to our community to make a difference; we have established a CSR framework which focuses on:



We make sure that all our sustainability initiatives are in sync with the SDGs, the UAE's Vision 2021 and the ADX ESG Disclosure Guidance for Listed Companies. As a result of the framework, we are able to make better decisions and improve our operations and efficiency in terms of sustainability. At UAB, we engage with multiple organisations to uplift and contribute to their projects and initiatives.

| Name of initiative | | Activity & Impact |
|----------------------------|---|---|
| UAB Fitness Challenge 2023 | 3 GOOD HEALTH AND WELL-BEING | In line with the Sheikh Hamdan initiative Dubai Fitness Challenge in November, UAB conducted a fitness challenge for all employees and their families, started with a 10km run with UAE CEO, followed by physical activities and games led by 6 professional fitness instructors and ended the day with healthy snacks. |



CSR POLICY

Our CSR policy seeks to keep track of the Bank's relationships with external bodies regarding significant social issues, and to review recommendations and credentials of charities for consideration. It oversees the Bank's other environmental and social policies and programmes. Furthermore, relevant stakeholders work closely with other Bank committees to determine the appropriate level of engagement with interested parties about social responsibility and other CSR-related issues. Finally, advising the CEO on policies that influence and improve the Bank's position and credibility is one of the policy roles.

A summary of our CSR investments for 2023 can be found in the following table:

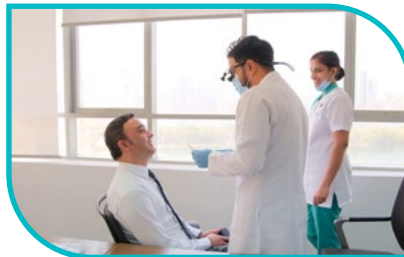
| Organisation | Description/Impact | Amount (AED '000) |
|--|--|-------------------|
| Al Jalila Foundation | A leading charitable organization that deals with the treatment and support of patients | 25 |
| Khorfakkan Club for Disabled | Taking care of disabled people inside U.A.E. and they are accepting all kinds of disabled persons in order to help and serve the community and our country | 10 |
| Rashid Center for People of Determination | Education sponsorship: 10 classes in the learning difficulties section with children ranging from 3 to 15 years | 10 |
| Financial assistance to Staff | UAB assisted a staff having financial difficulties | 20 |
| Emirates Consumer Protections (UAE) | Participation with Emirates Consumer Protection and Sharjah Chamber of Commerce & Industry in the campaign to combat Commercial Fraud whereby our logo has been published in the biggest billboard in Sharjah, UAE which it will be published in the World Guinness Book | 25 |
| The Emirates Society for Parents' Care & Relief | Collaborated with The Emirates Society for Parents' Care with the support of UAB Employees to pack and distribute Al Meer Ramadan to 40+ underprivileged families in the UAE | 40 |
| Abu Dhabi University Zakat Fund | Collaborated with Abu Dhabi University and facilitated donations on all UAB ATMs channels, whereby the customer has the option to donate to Zakat Fund. The donation would help support Abu Dhabi University students and ensure a good education. | 12 |
| Sharjah Social Services Department, elderly home | UAB's Executive Team visited the Sharjah Social Service Department – Elderly Home, where they have brought them gifts and bought smiles to their faces | 5 |

| CSR Initiatives conducted in 2023 | | |
|-----------------------------------|--|--|
| Name of initiative | | Activity & Impact |
| Ramadan Volunteer | | This event took place on April 2023 at the Emirate Society in Sharjah, where about 120 employees including senior management has helped packing and distribution of Ramadan Al Meer (essential food packages) to 40+ under privileged families across the UAE. This initiative reinforces United Arab Bank for giving back to the community. |



| CSR Initiatives conducted in 2023 | | |
|-----------------------------------|--------------------------------|---|
| Name of initiative | | Activity & Impact |
| Bring Your Kids to Work Day | <div>4 QUALITY EDUCATION</div> | UAB has conducted “Bring Your Kids to Work Day” where these young minds explored every corner of the UAB Workplace, from an exciting branch visit to engaging workshops on financial literacy and banking fundamentals. |

| CSR Initiatives conducted in 2023 | | |
|-----------------------------------|---|---|
| Name of initiative | | Activity & Impact |
| UAB Wellness Day | <div>3 GOOD HEALTH AND WELL-BEING</div> | UAB has driven a Wellness Day for its employees in participation with NMC Healthcare Professionals, where a full medical checkup was conducted. |



PROMOTING LOCAL SUPPLIERS

In line with our mission to contribute to the economic development and sustainability of the UAE, we have been placing high significance on empowering local suppliers that share our values and ethics. In 2023, local suppliers continued to be our main providers of products and services with 498 local suppliers out of 514 all suppliers representing 97% with an estimated expenditure of AED 135.4 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 a sustainable vendor network as per UAB's standards.
- Measure the effectiveness and efficiency of key engagements, and performance and develop the vendor's capabilities to ensure alignment with the Bank's goals.



| CSR Initiatives conducted in 2023 | | |
|-----------------------------------|--------------------------------------|---|
| Name of initiative | | Activity & Impact |
| Taking care of the Elderly | 17 PARTNERSHIPS FOR THE GOALS | The Executive Team at United Arab Bank has visited the Sharjah Social Service Department – Elderly Home, where they have brought them gifts and bought smiles to their faces. |



OUR ENVIRONMENT

OUR OPERATIONAL FOOTPRINT

OUR RESOURCE CONSUMPTION

As a financial institution, the environmental impact of our operations is considered insignificant in comparison to other industries. Further, given the size of our Bank and our energy consumption practices our operational footprint is limited. To ensure efficient resource usage and consistent level of 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.

| Water Consumption | 2023 |
|---|-------|
| Utility Water Consumption ('000 litres) | 6,553 |
| Consumption Intensity ² | 17 |

| Energy Consumption | 2023 |
|------------------------------------|-------|
| Electricity Consumption (MWh) | 5,555 |
| Consumption Intensity ² | 14 |

| GHG Emissions ¹ | 2023 |
|---------------------------------|-------|
| Scope2 | 2,222 |
| Emission Intensity ³ | 5.7 |

1. The Bank does not generate any emissions under scopes 1 and 3, because we do not own or lease any vehicles that require us to purchase fuel for the reporting years.
2. Consumption intensity is calculated by dividing the yearly consumption by the number of full-time employees.
3. Emission intensity factor used for Scope 2 is equal to 0.40 per Mwh. This factor was shared by the Dubai Electricity and Water Authority.
4. The Bank is working to refine its data collection process to be more comprehensive to accurately reflect its usage/ consumption across its network. Accordingly, comparative data for prior years is currently not available and will be provided in future reports.

OUR WASTE MANAGEMENT

Due to the Bank's digitalisation efforts, our paper consumption for printing has been decreasing through the years. In 2023, the Bank further reduced its paper consumption for printing by another 42% saving roughly 4,000 kgs in paper compared to 2022. As for our E-waste management, we remove and restock usable computer hardware components such as "Hard Disk" and "RAM" from obsolete computers before discarding them which would have otherwise been disposed of as e-waste. This restocked hardware is reused whenever required in existing working computers, thus avoiding the need to buy new components and reducing e-waste.

| | 2021 | 2022 | 2023 |
|----------------------------------|--------|-------|-------|
| Paper Consumed for printing (kg) | 16,500 | 9,557 | 5,564 |
| E-waste Recycled (kg) | 100 | 47 | 34 |

OUR ENVIRONMENTAL INITIATIVES

In alignment with the UAE's initiatives to safeguard the environment and mitigate carbon emissions, our bank was proud to introduce Green Sustainable Finance Products ahead of the COP28 conference (November 2023). This endeavor aims to raise awareness about climate change by highlighting the advantages of opting for electric and hybrid vehicles as well as sustainable residential properties. The UAB Green Sustainable Products are designed to make environmentally-friendly transportation and housing options more accessible and affordable for our customers.

Through this program, we not only support our customers' endeavors to embrace a more eco-conscious lifestyle but also reaffirm UAB's dedication to environmental stewardship and our commitment to align with the UAE's government's vision of achieving net zero emissions by 2050. Moreover, for every UAB Green Home Loan and/or UAB Green Auto Loan, we will plant a tree or mangrove at no cost to customers, symbolizing our unwavering commitment to environmental preservation.

Additionally, with our commitment to a greener future, UAB has announced its digital transformation powered by the global technology company, SAP SE, with Amazon Web Services (AWS) ensuring secure hosted data. This significant step was taken during #COP28, showcasing our dedication to sustainable practices. Thanks to its ongoing digital transformation journey, the bank is enhancing its services to its customers and employees, while also preparing the way to adopt SAP's 'carbon accounting' methodology with continual measurement and reporting on green data.

In continuation to our support to the UAE's efforts to protect the environment and reduce its carbon emissions, the Bank had partnered with Storey Group in 2022 in affiliation with Eco Matcher by integrating Tree-planting into the Bank's businesses and building a global forest as part of the ONE BILLION Tree-Planting initiative. We are pleased to report that since the launch of the project, UAB has planted 1,000 trees in a mangrove in Sharjah UAE, to support the climate, in which each tree will remove up to 4 times more Carbon Dioxide than other tropical forests (CO₂ sequestered to-date c. 37.7 tonnes, CO₂ sequestered over lifetime c. 250 tonnes).



ADX ESG INDEX

| GOVERNANCE METRICS | | |
|---|---|---|
| Metric | Calculation | 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 11, 18% of which are occupied by women, and 82% occupied by men |
| | G1.2) Percentage: Committee chairs occupied by men and women | The Bank's total committee chairs are equal to 15, representing four committees, 20% of which are occupied by women and 80% 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 36%, representing four out of eleven board members |
| G3. Incentivized Pay | Are executives formally incentivized to perform on sustainability? | Executives are currently not 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 a Disciplinary Policy which emphasizes the significance of adhering to Ethics and/or Prevention of Corruption |
| | 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 |
| G6. Data Privacy | G6.1) Does your company follow a data privacy policy? | The Bank has established a detailed data privacy policy, Consumer Data Protection and Privacy Policy. The policy details the rights of customers, retention of data, and protection requirements. |
| | G6.2) Has your company taken steps to comply with GDPR rules? | The bank is not compliant with the GDPR as no regulatory requirements at the present. The Bank complies with the CBUAE customer protection regulations. |
| G7. Sustainability Reporting | Does the bank publish a sustainability report? | Yes, sustainability reporting has been integrated as an annual practice for the Bank |
| G8. Disclosure Practices | G8.1) Does your company provide sustainability data to sustainability reporting Frameworks? | The Bank reports in alignment with the ADX ESG Disclosures which are aligned with the GRI, IR, SASB, CDP, SDGs, and UN GC. |
| | 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? | The Bank's CSR department focuses on contributing to various SDGs. The Bank's contribution is highlighted in "Our Social Impact" chapter of this report. |
| G9. External Assurance | Are your sustainability disclosures assured or verified by a third-party audit firm? | The Bank has opted for an internal assurance process for all its sustainability reports |

| SOCIAL METRICS | | |
|----------------------------|---|---|
| Metric | Calculation | 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 1202% |
| | 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 104%. |
| S3. Employee Turnover | S3.1) Percentage: Year-over-year change for full-time employees | 14% |
| | 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 | Year-over-year change for contractors is equal to 51% |
| 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 60% Percentage of full-time female employees is equal to 40% |
| | 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 59% Percentage of female employees in entry- and mid-level positions is equal to 41% |
| | 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 85% Percentage of female employees in senior- and executive-level positions is equal to 15% |
| S5. Temporary Worker Ratio | S5.1) Percentage: Total bank headcount held by part-time employees | The bank does not employ any human capital under part-time contracts |
| | S5.2) Percentage: Total bank headcount held by contractors and/or consultants | The bank employs a total of 59 employees under a contractor's contract and no employees under a consultant's contract |
| S6. Non-Discrimination | Does the bank follow a non-discrimination policy? | The Bank does not have a 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 injuries were recorded in 2023, 2022 and 2021 |
| 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. Child labor is prohibited by the UAE law to which our Bank fully adheres |
| S10. Human Rights | S10.1) Does the bank follow a human rights policy? | The Bank adheres to the United Arab Emirates regulations covering Human Rights |
| S11. Nationalisation | Percentage of national employees | National employees represent 26% of the total workforce profile of the Bank |
| S12. Community Investment | Amount invested in the community, as a percentage of company revenues. | The Bank invested AED 136 thousand in projects directed to foster culture, youth empowerment, good health and wellbeing, and for people with disabilities. |

| ENVIRONMENTAL METRICS | | |
|------------------------------|--|--|
| Metric | Calculation | UAB Performance |
| E1. GHG Emissions | E1.1) Total amount in CO ₂ equivalents, scope 1 | The Bank does not purchase any fuel, petrol or diesel. Hence, our scope 1 is equal to zero. |
| | E1.2) Total amount in CO ₂ equivalent, scope 2 | The Bank's total emissions in CO ₂ equivalent under scope 2 is equal to 2,222 (tCO ₂ e). |
| | E1.3) Total amount, in CO ₂ equivalents, scope 3 (if applicable) | Not applicable |
| E2. Emission Intensity | E2.1) Total GHG emissions per output scaling factor | The Bank's emissions intensity is equal to 5.7 |
| | E2.2) Total non-GHG emissions per output scaling factor | |
| E3. Energy Usage | E3.1) Total amount of energy directly consumed | The Bank consumed 5,555 MWh of electricity in 2023 |
| | 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 14 MWh. |
| 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 6,553 ('000) litres of water in 2023 |
| | 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 an 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 and follow a time-schedule to reduce energy consumption. |
| E8. Environmental Oversight | Does the management team oversee and/or manage sustainability issues? | The Bank is working on adopting sustainability governance practices and integrating sustainability within its core business. |
| E9. Environmental Oversight | Does the board oversee and/or manage sustainability issues? | |
| E10. Climate Risk Mitigation | Total amount invested annually in climate-related infrastructure resilience, and product development | |