

UAB

البنك العربي المتحد
UNITED ARAB BANK



UAB[®]

SUSTAINABILITY REPORT 2024

CONTENTS

PART I – INTRODUCTION & REPORTING 4-9

1.1	MESSAGE FROM OUR CEO	4
1.2	ABOUT THIS REPORT	7
1.3	UAB AT A GLANCE	8

PART II – GOVERNANCE & ESG PRIORITIES 10-19

2.1	STAKEHOLDER ENGAGEMENT	10
2.2	DOUBLE MATERIALITY ASSESSMENT	12
2.3	ESG PRIORITIES & INITIATIVES	16
2.4	GOVERNANCE STRUCTURE & OVERSIGHT	18

PART III – OUR SUSTAINABLE FUTURE 20-26

3.1	CLIMATE GOVERNANCE & TCFD SUMMARY	20
3.2	SCENARIO ANALYSIS & STRESS TESTING	21
3.3	OPERATIONAL FOOTPRINT: ENERGY & WATER	22
3.4	EMISSIONS: SCOPE 1 & 2	23
3.5	EMISSIONS: SCOPE 3 & FINANCED (PCAF)	24

PART IV – SOCIAL RESPONSIBILITY & PEOPLE 27-33

4.1	WORKFORCE OVERVIEW & DIVERSITY	27
4.2	TALENT DEVELOPMENT & WELL-BEING	29
4.3	INCLUSION, CULTURE & CSR	30
4.4	CUSTOMER EXPERIENCE & RESPONSIBLE PRODUCTS	32

PART V – PERFORMANCE, RECOGNITION & APPENDICES 34-41

5.1	ADX ESG DISCLOSURES	34
5.2	GLOSSARY	38
5.3	APPENDICES	39





Message from Our CEO

At United Arab Bank, sustainability is not just an aspiration—it is an essential part of how we create long-term value for our stakeholders and contribute to the UAE’s sustainable future. This ESG Report reflects the progress we have made in embedding Environmental, Social, and Governance (ESG) principles across our strategy, operations, and culture, while outlining our clear direction for the years ahead.

In 2024, we completed our first Double Materiality Assessment (DMA), a milestone that enables us to prioritize ESG topics based on both their impact on society and the environment, and their financial relevance to the Bank. This process, benchmarked against peers and aligned with UAE and international frameworks, ensures that our ESG strategy is responsive to stakeholder expectations and focused on the areas where UAB can deliver the greatest value.

We also advanced our climate agenda by strengthening governance and reducing energy intensity across our operations. Recognizing that some residual emissions are unavoidable, we are proud to have entered into a strategic partnership with Canon through their Climate Project Contribution

program. This initiative allows UAB to offset emissions via internationally certified projects—ranging from clean cookstove distribution to reforestation and renewable energy—delivering verified carbon reductions while creating social and environmental co-benefits.

Our ESG journey extends beyond climate. We are constantly exploring options and avenues to expand our sustainable finance portfolio. We also strengthened our Emiratisation framework, advanced diversity and inclusion, and prioritised employee wellbeing and development. Employee engagement remains a cornerstone of this effort. In 2024, UAB achieved one of the highest engagement outcomes in the industry, with survey results highlighting strong trust in leadership, clear alignment to strategic priorities, and a collaborative culture. Initiatives such as wellness seminars and camps, health checks, and internal mobility programs continue to position UAB as a trusted employer and supportive workplace. At the same time, we enhanced governance by strengthening ESG oversight and remain committed to improving data privacy, customer experience, and reinforcing financial crime prevention capabilities.

As we look forward, UAB remains committed to aligning with UAE Vision 2031 and the Net Zero 2050 agenda. By embedding the outcomes of our DMA into strategy, leveraging innovative partnerships such as Canon, and benchmarking ourselves against international best practice, we are building a more resilient, responsible, and future-ready bank.

Sincerely,

Shirish Bhide
Chief Executive Officer
United Arab Bank



1.2 ABOUT THIS REPORT

This report presents United Arab Bank's (UAB) 2024 ESG performance and disclosures, reflecting our ongoing commitment to transparency, accountability, and sustainable growth. It provides stakeholders with a clear view of our progress, challenges, and priorities as we continue to integrate Environmental, Social, and Governance (ESG) principles into our strategy, operations, and culture.

REPORTING SCOPE AND BOUNDARY

- Reporting Year: January 1 to December 31, 2024
- Entities Covered: UAB's operations across all UAE branches, offices, and business units
- Focus Areas: ESG strategy and commitments, operational footprint, sustainable finance, people and culture, community engagement, governance, and risk integration

FRAMEWORKS AND STANDARDS

This report is prepared in alignment with leading global and regional sustainability frameworks, including:

- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Abu Dhabi Securities Exchange (ADX) ESG Disclosure Guidelines
- IFRS S1 and S2 climate and sustainability disclosure standards
- Alignment with UAE Vision 2031 and UAE Net Zero 2050 initiatives

MATERIALITY AND STAKEHOLDER INPUT

The disclosures and performance highlights in this report are shaped by UAB's DMA, which evaluates:

Financial Materiality: ESG topics that impact the bank's financial performance and resilience

Impact Materiality: The bank's impact on the environment, communities, and the wider economy. Input from stakeholders—including regulators, customers, employees, investors, and community partners—has been integrated to ensure this report reflects the issues most relevant to them.

REPORT ACCESS AND FEEDBACK

This report, along with supplementary ESG data tables and disclosures, is available on UAB's official website. Stakeholders are encouraged to share feedback to help shape future reports and ensure the Bank continues to meet evolving stakeholder expectations.

1.3 UAB AT A GLANCE

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

UAB is committed to building sustainable long-term partnerships with key stakeholders, offering a superior customer experience, creating shareholder value, and adopting an innovative banking approach while remaining loyal to the UAE’s heritage and contributing to the nation’s overall development.

CORE VALUES

- **Competence** - To deliver enhanced levels of performance
- **Integrity** – Upholding the highest ethical standards.
- **Customer Focus** – Placing customers at the center of everything.
- **Competence & Consistency** – Delivering reliable, high-quality banking services.
- **Courteousness** – Building relationships based on respect and trust.

KEY STRATEGIC PILLARS OF ESG @ UAB

- **Corporate Governance**

UAB embeds ESG into decision-making through a clear, bank-wide governance model via the CEO-chaired Sustainability Committee with senior executives from Risk, Finance, Compliance, IT, HC, Wholesale, Retail and

Treasury. The Committee’s chartered mandate covers ESG strategy integration, policy oversight, KPI tracking, and regulatory alignment (CBAUAE, ADX; informed by IFRS S1/S2 and TCFD). This structure ensures issues escalate to the Board and that ESG is addressed within the same frameworks that govern capital, credit, liquidity and operations.

The Bank is committed to transparent stakeholder engagement and continuous improvement. External engagement spans regulators, customers, investors, suppliers, NGOs and industry associations, with clear mechanisms to capture feedback and inform policy, risk, and disclosure. This system strengthens the tone from the top and supports the Bank’s double-materiality approach to prioritising topics and reporting.

- **Responsible Banking**

The Bank integrates ESG into core banking through priority topics that include Sustainable Finance, Customer Experience, Data Privacy & Cybersecurity, and Financial Crime Prevention. In practice, this means developing sustainable finance offerings aligned to international standards; enhancing customer channels and feedback loops; and strengthening data protection and conduct through policies and controls. These priorities are reviewed under the Bank’s governance to ensure responsible growth and regulatory readiness.

The Bank is committed to advancing risk management with climate and transition risk stress-testing in higher-risk sectors and evaluating capital implications of emissions, aligning with evolving supervisory expectations. This strengthens portfolio resilience and ties ESG considerations into credit decisions, risk appetite, and disclosures over time.

- **Workforce**

The Bank prioritises a capable, inclusive, and accountable workforce aligned to its ESG strategy. Roles and engagement mechanisms are defined across internal stakeholders—from the Board and Sustainability Committee to line functions—so that people managers and teams own execution while IR/Strategy coordinates ESG performance and reporting. This structure enables consistent policy adoption, data quality, and coordinated delivery across the Bank.

The Bank is committed to national talent development and representation. Emirati employees account for 28.2% of the workforce, reflecting ongoing nationalisation efforts and pipeline development, while broader inclusion and capability-building remain focus areas under the Bank’s ESG priorities.

- **Social Impact**

The Bank invests in community programmes aligned with national priorities—youth, health, inclusion, and culture—mobilising employees through volunteering and partnerships. The approach is guided by stakeholder engagement and the Bank’s materiality outcomes, with emphasis on measurable initiatives and transparent disclosures.

The Bank is committed to focused, trackable social investments. In 2024, community investment amounted to AED 210,000, and programmes will continue to be selected, monitored, and reported in line with ESG frameworks and stakeholder expectations.

- **Environment**

The Bank monitors and reduces its operational footprint across energy and water. In 2024, electricity consumption was 5,594 MWh across UAE operations, with energy intensity improving by ~1.6% year-on-year; water consumption was ~7.2 million litres.

The Bank is committed to transparent GHG tracking, disclosure and is committed to reducing its operational carbon footprint, outlined by the Bank’s partnership with Canon. In 2024, Scope 1 emissions were ~19.92 tCO₂e, Scope 2 emissions were ~2,226 tCO₂e, and Scope 1 + 2 intensity was 5.60 tCO₂e per employee (full time employees). The Bank also reports Scope 3 categories (business travel, employee commute and paper usage-linked emissions) and is developing methodologies to measure financed emissions, aligning progressively with GHG Protocol and IFRS S2.

GOVERNANCE & ESG PRIORITIES

2.1 STAKEHOLDER ENGAGEMENT

OVERVIEW

At United Arab Bank (UAB), stakeholder engagement is a fundamental pillar of our ESG strategy. We recognize that maintaining an open, transparent, and structured dialogue with stakeholders is essential to our long-term success, regulatory compliance, and positive societal impact. Our engagement framework ensures that feedback from stakeholders informs our materiality assessments, ESG strategy, risk management processes, product innovation, and reporting practices.

UAB maps and categorizes stakeholders based on influence, interest, and impact across our operations and sustainability agenda. Our approach combines regular consultations, targeted feedback mechanisms, and structured communication channels to ensure that we capture both strategic and operational inputs.

EXTERNAL STAKEHOLDER MAP

External Stakeholders Group	Engagement Mechanism	Purpose
Regulators	Meetings, consultations, reporting submissions, workshops	Ensure compliance with CBUAE guidelines, ESG disclosure mandates, Net Zero initiatives
Customers	Surveys, feedback forms, service touchpoints	Identify ESG product demand, service improvements, financial inclusion needs
Investors and Shareholders	Annual reports, direct communications, AGMs	Communicate sustainability performance, risk governance, long-term strategy
Suppliers and Vendors	Supplier onboarding, ESG screening.	Drive responsible sourcing, ethical supply chain practices
Communities and NGOs	CSR programs, volunteering, partnerships	Enhance social impact, environmental stewardship, community resilience
Industry Associations	UAE Banks Federation (UBF), Securities & Commodities Authority (SCA) and Abu Dhabi Securities Exchange (ADX)	Stay abreast of regulatory trends, contribute to sector-wide ESG initiatives

INTERNAL STAKEHOLDER ENGAGEMENT

Engaging internal stakeholders is central to embedding ESG principles across UAB’s strategy and daily operations. Internal stakeholders are segmented to ensure that engagement is tailored to governance responsibilities, decision-making authority, and operational influence.

Internal Stakeholders Group	Engagement Mechanism	Purpose
Board of Directors (BOD)	ESG updates in Board meetings, material risk reporting, annual ESG disclosures	Ensure compliance with CBUAE guidelines, ESG disclosure mandates, Net Zero initiatives
Sustainability Committee	Sustainability Committee, strategy sessions & Stakeholder Engagement	Oversight of ESG integration into strategy, risk appetite framework, and governance practices
Investor Relations (IR) and Strategy Team	Sustainability reporting coordination, ESG Strategy and performance, materiality assessments	Strategic decision-making on ESG risks, opportunities, KPIs, and regulatory alignment
Business and Support Departments	Departmental ESG KPIs, cross-functional ESG taskforces, operational sustainability initiatives	Ensure transparent ESG disclosures, manage external ESG communications, integrate market feedback

UAB’s internal engagement model is structured to cascade ESG awareness, ownership, and accountability throughout the Bank. From the Board of Directors setting the ESG tone at the top, to Management Committee (ManCom) integrating ESG into business decisions, to front-line departments executing ESG initiatives, every layer is involved in achieving UAB’s sustainability goals.

Through this dual external and internal engagement structure, UAB ensures that ESG is fully embedded into the Bank’s strategic vision, operational activities, risk management, and culture.

2.2 DOUBLE MATERIALITY ASSESSMENT

OVERVIEW

United Arab Bank (UAB) applies a double materiality lens to identify and prioritize Environmental, Social, and Governance (ESG) topics that are critical to both business performance and stakeholder impact. This approach ensures that UAB evaluates not only how ESG factors influence its financial outcomes (financial materiality) but also how the bank's operations affect society and the environment (impact materiality).

The methodology is aligned with global ESG reporting standards—GRI, SASB, and TCFD—and reflects UAE-specific expectations, including the Abu Dhabi Securities Exchange (ADX) ESG Disclosure Guidance and the Central Bank of the UAE (CBUAE) Principles for Effective Climate Risk Management. It also incorporates references to emerging global standards such as IFRS S1 and S2 and considers alignment with UAE Vision 2031 and Net Zero 2050 targets.

The double materiality approach integrates two core analytical dimensions:

Impact Materiality (Inside-Out): Captures UAB's actual or potential effects on the environment, society, and the broader economy. Issues are assessed based on the scale of impact, geographic and stakeholder reach, and reversibility. Topics such as climate risk, biodiversity, human rights, and financial inclusion are evaluated under this lens.

Financial Materiality (Outside-In): Examines ESG risks and opportunities that could affect UAB's business performance, capital allocation, or long-term resilience. This includes climate-related financial risk, reputational risk, regulatory compliance exposure, and market-driven opportunities in sustainable finance. Factors are analyzed based on likelihood, magnitude, and timing.

This dual approach ensures that UAB addresses both internal value protection and external stakeholder responsibility, consistent with global regulatory trends and investor expectations.

METHODOLOGY

UAB's double materiality assessment is structured around five key stages:

1. **Topic Identification**
 - Consolidated the most relevant ESG topics to UAB (21 topics) from peer reports, UAE regulatory sources, and global ESG frameworks such as GRI and TCFD.
2. **Stakeholder Engagement:**
 - Identified internal and external stakeholders, including regulators, Board of Directors and Senior Management, Employees, Corporate and Retail customers, and Suppliers.
 - Conducted surveys across five stakeholder groups, Board of Directors and Senior Management, Employees, Corporate and Retail customers, and Suppliers.
3. **Tagging and Weighting**
 - Each survey question is tagged to one or more ESG topics to and weighted based on alignment, urgency, and strategic relevance to UAB's ESG goals.
 - Each Sub-Scoring Criteria across both Financial and Impact Materiality is weighted and kept constant throughout the assessment
 - Each Stakeholder's responses have also been assigned a corresponding strategic weight, in line with UAB's strategic imperatives.
4. **Analysis and Aggregation**
 - ESG topics are scored on a 1–5 scale across both financial and impact materiality dimensions.
 - o **Impact Materiality Dimensions:**
 - **Scale (Intensity):** drives how large an impact is on ecosystems or communities. Both the GRI 101 Foundation and the EU's SFDR Delegated Act emphasize that the magnitude of an

impact is the primary determinant of materiality.

- **Environmental Scale:** Severity of ecosystem/ resource impacts
- **People (Social) Scale:** Extent of social or community impact

Scope (geographic/sectoral reach): indicates how widely those impacts propagate. GRI 101 calls out "extent of impact" alongside magnitude as core to materiality, while IFRS S2 and the EU Taxonomy also stress cross-sectoral and transboundary considerations when prioritizing topics.

- **Environmental Scope:** Geographic or sectoral span (e.g., branch-level vs. national vs. global).
- **Stakeholder Scope:** Breadth of the impact to stakeholders in the survey (Negligible – Majority/Systemic share)

Irredeemability (Difficulty to reverse negative impacts): flags impacts that cannot be undone easily. SFDR Principal Adverse Impact indicators treat irreversibility as a high-priority qualifier but secondary to size and reach

o Financial Materiality Dimensions:

Likelihood: (probability of risk or opportunity) is a foremost driver in the TCFD's risk-management framing.

Magnitude: (financial size of impact) is equally stressed by TCFD: a high-value loss or gain has material consequences for investors and the balance sheet.

Time-Horizon: is the period over which a risk or opportunity crystallises (immediate to multi-decade). Which affects capital planning and disclosure schedules, as IFRS S2 explicitly recommends—but it plays a supporting role relative to the "what" and "how likely."

Scoring is based on stakeholder inputs, adopting both a quantitative and qualitative approach on a granular level, in line with internal rubrics as a scoring and validation mechanism.

Each Topic's scores are aggregated via a weighted average.

5. Consolidation

Weighted Average scores are consolidated at a Stakeholder and Organisational level.

A two-dimensional matrix plots ESG topics by their financial and impact materiality.

Topics Ranked by their respective Impact and Financial Materiality scores and then re-plotted on a scatter chart – separated by quadrants. Hence, allowing for a zoomed-in and prioritised view of the outcomes of the DMA.

6. Regulatory Overlay & Senior Management Sign-off

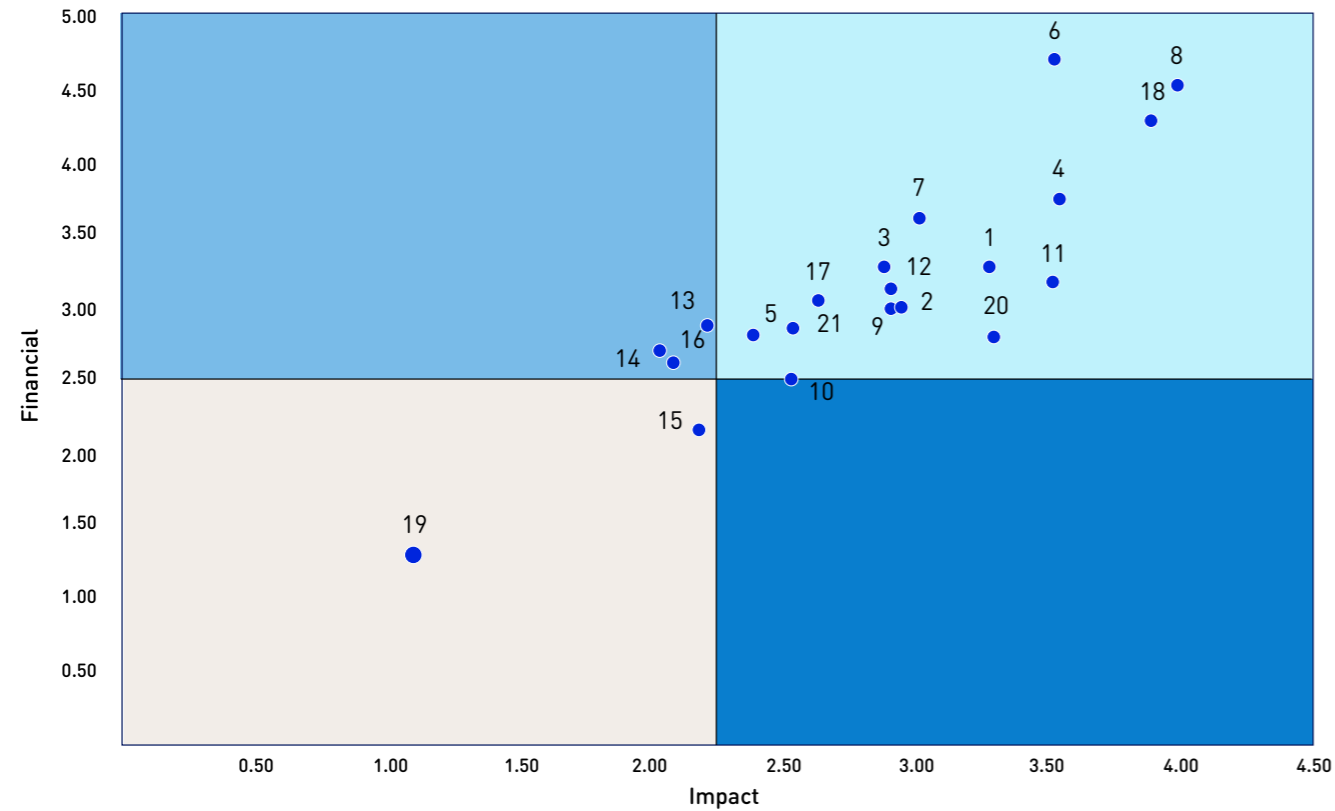
All topics are assigned a score based on Regulatory Imperatives and Priorities.

The Regulatory overlay is given a weight against the output of the consolidation of UAB's key stakeholders.

Scores are recalibrated and plotted into a 2x2 matrix separated by quadrants and then further ranked against each other, allowing for a zoomed-in view of prioritised outcomes.

MATERIALITY ASSESSMENT OUTCOMES

DOUBLE MATERIALITY MATRIX (SCORES)



Alignment with Market Practice and Peer Institutions

This methodology builds on peer best practices while introducing additional rigour through cluster-based urgency mapping and future-oriented regulatory readiness (e.g., IFRS S2, TNFD).

CONTINUOUS IMPROVEMENT

UAB will update this assessment periodically to incorporate:

- New ESG risks and opportunities
- Stakeholder feedback and changing expectations
- Regulatory updates including UAE-specific climate directives and international ESG standards

This enhanced double materiality methodology positions UAB to lead on transparent, strategic, and responsive ESG disclosures, aligned with national and global sustainability priorities.

Topic Number	Topic List
1	Sustainable Finance
2	Operational Footprint
3	Equality, Diversity, and Inclusion
4	Emiratisation
5	Customer Experience
6	Data Privacy and Cybersecurity
7	Corporate Governance, Compliance and Code of Conduct
8	Financial Crime Prevention
9	Community Investment and CSR
11	Climate Change
12	Environmental Initiatives
17	ESG Regulations and Reporting
18	Risk Assessment and Management
20	Net Zero Emissions
21	Employee Wellbeing / Workplace Health and Safety
14	Learning and Development
13	Human Rights Fair & Safe Labor
16	Board Composition
10	Business Continuity and Resilience
15	Socially Responsible Procurement / Operations and Supply Chain
19	Financial Performance



2.3 ESG PRIORITIES & INITIATIVES

As an outcome of the DMA; the bank has prioritized the following topics to be addressed as part of our strategic imperatives with KPIs and implementation of the initiatives will look to be disclosed in the next reporting period.

Our Priorities and Initiatives:

1. Sustainable Finance

- UAB is developing a Sustainable Finance Framework to align lending portfolios with ESG principles and international standards.
- The Bank is evaluating opportunities to expand the sustainable finance portfolio by launching new Green and ESG-linked retail products, while also enhancing existing offerings to meet growing client demand for sustainable investment and financing options.
- It aspires to support SMEs and corporates by offering tailored ESG advisory services, helping clients integrate sustainability into their operations and access sustainability-linked financing structures.

2. Customer Experience

- UAB is assessing avenues to enhance its customer experience. It aims to work towards modernising and expanding accessible, user-friendly digital channels to improve convenience and service delivery.
- The Bank is exploring opportunities to incorporate a customer feedback engine to systematically capture insights, act on feedback, and improve Net Promoter Score (NPS).
- UAB is committed to advancing financial literacy and engagement; empowering customers with better knowledge of financial products and responsible practices.
- The Bank will also explore avenues to further strengthen complaint resolution and SLA processes, aiming to improve response times, transparency, and overall customer satisfaction across all service channels.

3. Risk Assessment and Management

- UAB is in the process of conducting climate and transition risk stress tests across high-risk sectors, using scenario-based analysis to identify potential financial exposures and enhance long-term portfolio resilience.
- The Bank is evaluating the implementation of performing capital impact assessments on emissions, which may include feasibility studies for emissions-linked capital charges, to anticipate regulatory developments and align capital adequacy frameworks with sustainability goals.
- The Bank is committed to embedding sustainability into credit and business decisions through the rollout of our ESG scorecard, which it aims to complement by structured training sessions for credit officers and relationship managers to ensure consistent adoption across business lines.

4. Corporate Governance, Compliance & Code of Conduct

- UAB is committed to ensuring compliance with regulatory requirements. The Bank remains committed to ensure that its Board remains adequately represented in gender diversity and Emiratisation, as well as diverse skills and industry expertise.

- The Bank will continue to deliver annual code of conduct training for all board members and senior management, reinforcing ethical leadership and accountability.
- It will also look to conduct ethics training periodically, while incorporating ESG-linked incentives into senior management performance appraisals to align leadership behaviour with long-term sustainability goals.

5. Financial Crime Prevention:

- UAB is committed to advancing compliance capabilities with enhanced systems and monitoring. Some of the initiatives that are being evaluated include an Integrated Financial Crime Compliance platform that leverages advanced analytics, AI/ML models, and real-time monitoring to proactively detect suspicious activity and strengthen compliance with global and UAE regulatory standards.
- The Bank is evaluating the introduction and enhancement of Risk-Based Customer Due Diligence (CDD), with stricter onboarding protocols for high-risk clients, continuous monitoring of transactions, and dynamic risk segmentation to strengthen the bank's defences.
- The Bank aspires to build awareness & enhance AML/CFT capabilities through potential initiatives such as continuous staff training, annual certification programs, role-specific workshops, and scenario-based simulations.
- It is also committed to reinforcing governance frameworks on anti-bribery and whistleblowing, through initiatives such as strengthening escalation channels, enabling secure anonymous reporting, and ensuring timely resolution through independent oversight and defined turnaround times.

6. Data Privacy and Cyber Security

- UAB is committed to enhancing data protection by assessing initiatives such as conducting regular vulnerability and penetration tests using industry best practices and external benchmarking to identify risks early and proactively remediate security gaps.
- The Bank is evaluating the enhancement of access control mechanisms, with bi-annual reviews to validate user permissions, minimise insider threats, and ensure compliance with evolving data privacy regulations.
- The Bank aspires to conduct annual red-team ethical hacking exercises that simulate real-world advanced threats, uncover critical vulnerabilities, and test the resilience of existing cybersecurity defences.
- It also remains committed to building a stronger culture of cybersecurity awareness. Some potential initiatives to support the imperative include the delivery of mandatory annual employee training programs on data

7. Emiratisation

UAB looks to scale its Emiratisation efforts by expanding initiatives that attract, develop, and retain Emirati talent across the bank.

- The Bank is committed to accelerating graduate trainee and career acceleration programs, providing structured learning, mentorship, and leadership development opportunities for young Emiratis.
- It is exploring opportunities to increase participation in national job fairs, strengthening its presence in talent acquisition events and building visibility as an employer of choice for Emiratis.

- The Bank remains driven to improving and maintaining high Emirati retention rates, with a focus on enhancing long-term career progression, engagement, and satisfaction of national employees.
- UAB is working towards conducting Emirati-focused engagement sessions annually, promoting inclusion and participation across key events, particularly those linked to Emiratisation objectives.

8. Employee Wellbeing & Workplace Health and Safety

- UAB continues to explore various programs designed to encourage employee participation in a suite of well-being initiatives covering physical, mental, and financial health.
- The Bank is committed to allocating a percentage of staff costs to learning and training development, supporting continuous upskilling and personal growth opportunities.
- It is also evaluating the enhancement of workplace safety standards and ergonomics, and will look to introducing regular safety audits, wellness-focused policies, and ergonomic improvements to ensure a healthier and more productive work environment.

9. Climate Change

- UAB is committed to reducing Scope 1 and Scope 2 emissions on an intensity basis (per employee) through energy efficiency measures, renewable energy adoption, and operational improvements.
- It also aims to explore options to offset some or all of the residual carbon emissions by purchasing certified, high-quality carbon credits to complement direct reduction efforts.
- The Bank aims to start calculating and tracking financed emissions, with the aim of building a robust measurement framework to capture portfolio-level climate impacts.
- It is committed to strengthening climate-related risk assessment by evaluating enhancements to stress testing, including increased frequency and granularity across vulnerable portfolios, to support improved risk management and regulatory alignment.



2.4 GOVERNANCE STRUCTURE & OVERSIGHT

UAB considers robust, transparent governance the foundation of its identity and performance. The Bank continually reviews and strengthens its governance structures and processes to support effective, accountable decision-making. Anchored in the values of Integrity, Customer Focus, Competency, Consistency, and Courteousness, the Corporate Governance Framework and operating model enable the Board of Directors to maintain regular, effective oversight of the risks inherent in the Bank's business.

The Board sets the Bank's strategic objectives and risk appetite, and approves the policies and procedures that align business plans and budgets with underlying activities. It also defines corporate governance values, codes of conduct, and compliance standards in line with banking laws and regulatory guidance. In addition, the Board approves the Bank's ESG strategy and, through its oversight of the Sustainability Committee, ensures that sustainability considerations are embedded in corporate strategy, risk management, and decision-making. For further detail on our governance structure and management, see the

Corporate Governance section of the 2024 Annual Report.

ESG GOVERNANCE OVERVIEW

UAB has implemented a clear and structured ESG governance model to ensure accountability, transparency, and strategic alignment across all levels of the organization. This governance framework integrates sustainability into the bank's corporate strategy, enterprise risk management, and stakeholder engagement processes. The framework is supported by a formal Sustainability Committee, chaired by the Chief Executive Officer and composed of senior leadership across key business and support functions.

COMMITTEE MANDATE AND SCOPE

The Sustainability Committee is the primary governance body responsible for overseeing all ESG-related strategies, initiatives, policies, and performance tracking across the bank. It operates under the delegated authority of the Management Committee (ManCom) and which in turn reports to the Board Governance and Remuneration Committee. The Committee's mandate is formalized through the Sustainability Committee Charter (Version 1, January 2024), which defines its structure, scope, and operating protocols.

The Committee's responsibilities include advising ManCom on the integration of sustainability principles into the bank's long-term strategy and annual business plans. Its role is to ensure that ESG risks and opportunities are appropriately identified, assessed, and managed across all business units. The Committee's role is to also review performance against the set ESG KPIs, overseeing ESG-related policy development, and ensuring alignment with regulatory requirements and international best practices.

CULTURE, TRAINING, AND BEST PRACTICES

A critical component of the Committee's role is to foster a sustainability-oriented culture within UAB. This includes guiding internal awareness and training programs, facilitating cross-departmental coordination on ESG topics, and monitoring the effectiveness of implementation. The Committee also benchmarks UAB's ESG practices against regional peers and emerging global standards such as IFRS S1/S2, TCFD, and ADX ESG Disclosure Guidelines.

COMMITTEE COMPOSITION AND OPERATIONS

UAB's governance framework ensures that sustainability is embedded across all levels of the Bank. Ultimate accountability rests with the **Board of Directors**, which receives updates and escalations on ESG matters through the **Management Committee (ManCom)**. This ensures that sustainability risks and opportunities are considered in line with UAB's overall corporate strategy and risk appetite.

The **Sustainability Committee**, chaired by the Chief Executive Officer and comprising senior executives from key business and control functions, is the central coordinating body for ESG. Its mandate covers the integration of sustainability into strategy and risk management, oversight of ESG policies and KPIs, stakeholder engagement, and alignment with regulatory requirements. The Head of Wholesale Banking serves as Vice-Chair, while the Head of Investor Relations, Strategy & ESG acts as Secretary, ensuring effective organisation of meetings and secure digital archiving of all decisions and follow-ups. The Head of Corporate Governance serves as a permanent invitee.

The Committee meets at least twice annually, with provisions for urgent matters to be approved by circulation. Minutes and resolutions are documented, circulated, and reviewed to maintain transparency and accountability. The Charter is reviewed once every two years, or earlier in response to regulatory or strategic developments, ensuring continued alignment with best practice.

CONCLUSION

This multi-layered structure — Board, ManCom, and Sustainability Committee — reflects international governance standards and ensures that ESG priorities are systematically embedded into UAB's strategic and operational decision-making.

OUR SUSTAINABLE FUTURE

3.1 CLIMATE GOVERNANCE & TCFD SUMMARY

OVERVIEW

UAB endeavours to strengthen its climate governance and align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate-related considerations are progressively integrated into the Bank’s governance structures, risk frameworks, strategic planning processes, and disclosure practices.

UAB’s phased alignment to TCFD follows the four recommended pillars as summarized below:

TCFD Pillar	UAB Approach
Governance	The Board of Directors oversees climate-related risks and opportunities through the Sustainability Committee, which reports regularly to ManCom and the Board. Climate considerations are being embedded in Board discussions and strategic reviews.
Strategy	Climate-related risks and opportunities are being integrated into UAB’s corporate strategy, policies and strategic planning. Focus areas include but not limited to; sustainable finance, customer experience and supporting the UAE Net Zero 2050 agenda.
Risk Management	Climate risks (both physical and transition) are incorporated into UAB’s enterprise risk management (ERM) framework. Sectoral climate risk exposures are monitored, and climate stress testing is being developed to assess resilience under different warming scenarios.
Metrics & Targets	UAB is tracking Scope 1, Scope 2 and Scope 3 operational emissions and is working towards developing Scope 3 financed emissions measurement methodologies. Internal KPIs are being implemented for emissions intensity reduction and green financing growth, with future disclosures aligned to IFRS S2 standards.

Through this structured approach, UAB is embedding climate resilience into its operations, supporting the UAE’s national climate goals, and strengthening long-term business sustainability.

UAB will continue to enhance its TCFD disclosures progressively over the next reporting cycles, in alignment with evolving regulatory requirements and global best practices, including IFRS S2, ADX and UAE Central Bank climate principles and guidance.

3.2 SCENARIO ANALYSIS & STRESS TESTING

UAB recognises that climate change and wider ESG factors present material financial and non-financial risks. To address this, the Bank has embedded ESG considerations into its **Enterprise Risk Management (ERM) Framework** and **Risk Appetite Framework (RAF)**, ensuring that sustainability is integrated into the same structures that govern capital, credit, liquidity, and operational risks. This approach reflects UAB’s commitment to aligning with the Central Bank of the UAE’s supervisory principles and international best practice.

As part of its risk management process, UAB conducts **scenario analysis and stress testing** to evaluate the potential impacts of climate and ESG developments on its portfolio and capital strength. This includes modelling a range of **warming pathways** (such as 1.5°C, 2°C and higher-temperature scenarios) alongside transition risks like carbon pricing, regulatory tightening, and shifts in market demand, as well as physical risks such as supply chain disruption or extreme weather events. These climate-linked factors are also combined with traditional macroeconomic shocks to capture a holistic view of resilience under stress.

To further embed ESG in its decision-making, UAB has introduced a dedicated **ESG Risk Scorecard**. This tool integrates climate, social, governance, and portfolio-level risk drivers into a structured assessment framework. It ensures that ESG exposures are consistently evaluated, monitored, and reported as part of ICAAP requirements, while also providing management with forward-looking insights on sectoral vulnerabilities and emerging sustainability risks.

The results of scenario analysis and scorecard assessments are reviewed by senior risk committees and escalated to the Board when necessary. This ensures that ESG risks are not only monitored but actively shape decision-making on strategic planning, capital allocation, and portfolio concentration.

CONCLUSION

By embedding ESG into its risk management framework and introducing an ESG Risk Scorecard, UAB strengthens its ability to withstand climate-related shocks and positions itself for long-term sustainable growth. This forward-looking approach ensures that the Bank remains resilient in the face of emerging risks while delivering value to shareholders, customers, and the wider community.



3.3 FOOTPRINT: ENERGY & WATER OPERATIONAL

OVERVIEW

UAB continues to monitor and reduce its operational environmental footprint across key resource areas, with a focus on energy and water consumption. Between 2019 and 2023, the Bank undertook targeted initiatives to improve energy efficiency, digitise paper-intensive operations, and promote water conservation across its organisation.

ENERGY CONSUMPTION

In 2024, UAB consumed a total of **5,594 megawatt-hours (MWh)** of electricity across its UAE operations, covering branches, head office, and data centres.

The Bank will continue to assess, monitor and optimise electricity consumption across its operations with a focus towards the head office and regional branches, supporting its long-term transition to low-carbon operations. The efforts are part of UAB's broader **energy intensity reduction program**, which has led to a **1.6% decrease in electricity consumption per full-time employee (FTE)** compared to 2023.

ENERGY INTENSITY AND PERFORMANCE

In 2024, UAB's energy intensity stood at **13.95 MWh per full-time employee**, representing a 1.6% improvement over the previous year.

LOOKING AHEAD

UAB aims to prioritise energy efficiency by:

- Expanding **renewable energy** pilots across high-consumption locations.
- Aligning disclosures with **GRI 302** and **ADX ESG** metrics to enhance transparency and comparability.
- These efforts demonstrate UAB's commitment to operational sustainability and climate-conscious infrastructure planning.

WATER CONSUMPTION

In 2024, UAB recorded total water consumption of approximately 7.2 million litres, a moderate increase from 6.5 million litres in 2023.

PERFORMANCE TRACKING AND PEER BENCHMARKING

UAB's operational water use remains conservative compared to regional peers with larger real estate footprints. In 2024, UAB's water consumption intensity was 17,972 litres per full-time employee (FTE) reflecting efficient use of water across operations.

LOOKING AHEAD

UAB will continue to monitor and optimise water usage across its facilities, while exploring innovative and efficient solutions for resource management. The Bank will also ensure progressive alignment with leading sustainability frameworks as part of its ongoing efforts.

DIGITALIZATION AND EFFICIENCY MEASURES

UAB continues to advance its sustainability performance through **digitalisation and resource efficiency initiatives**. The Bank has expanded the use of **paperless processes and e-statements**, reducing reliance on physical documentation and reducing paper consumption across operations.

In parallel, UAB actively monitors **electricity and water usage** within its facilities and implements **efficiency measures and awareness initiatives** to lower its environmental footprint. These actions reflect UAB's commitment to operational sustainability and support its broader ambition to embed ESG considerations into daily operations.

3.4 EMISSIONS: SCOPE 1 & 2

OVERVIEW

UAB is committed to transparently tracking and disclosing its operational greenhouse gas (GHG) emissions in line with international standards such as the Greenhouse Gas Protocol and emerging IFRS S2 requirements. In 2024, UAB completed Scope 1 emissions calculation for its operations and initiated enhancements to Scope 2 tracking methodologies.

SCOPE 1 EMISSIONS (DIRECT)

Scope 1 emissions account for direct emissions from UAB's controlled sources, specifically company-owned vehicles and backup generators.

- In 2024, UAB's total Scope 1 emissions were calculated at approximately 19.92 tonnes of CO₂e.
- Vehicle fleet emissions were derived based on actual fuel consumption (8,346 liters) using standardized CO₂ emission factors.
- Generator emissions were calculated based on diesel consumption (79.7 liters) and corresponding emission coefficients.
- Methodologies applied include the use of IPCC 2006 guidelines and DEFRA conversion factors to ensure accuracy and comparability.

This exercise reflects UAB's focus on strengthening primary data capture across its operational footprint and building a robust emissions inventory.

SCOPE 2 EMISSIONS (INDIRECT – ELECTRICITY CONSUMPTION)

Scope 2 emissions arise from purchased electricity used to power UAB's branches, offices, and data centers.

- For 2024, UAB consolidated electricity consumption data to enable full Scope 2 emissions calculation.
- Scope 2 emissions will be estimated using UAE's official electricity grid emission factor (approximately 0.398 tCO₂e per MWh), consistent with DEWA guidelines.

Initial energy efficiency programs initiated, including smart lighting retrofits and branch optimization projects, are expected to contribute to Scope 2 reductions.

EMISSIONS INTENSITY METRICS

In addition to absolute emissions, UAB is developing emissions intensity indicators to benchmark operational efficiency. These metrics will enable year-on-year tracking and support operational decarbonization planning.

EMISSIONS SUMMARY (CURRENT DATA)

Metric	2024
Scope 1 Emissions (tCO ₂ e)	19.92 tCO ₂ e
Scope 2 Emissions (tCO ₂ e)	2,226 tCO ₂ e
Total Emissions (Scope 1 + 2)	2,245.92 tCO₂e
Emissions Intensity (tCO ₂ e/FTE)	5.60 tCO ₂ e

CARBON OFFSETTING – PARTNERSHIP WITH CANNON

As part of its commitment to responsible environmental stewardship, UAB has partnered with Canon to integrate carbon offsetting into its operational footprint strategy. Through this collaboration, UAB leverages Canon’s certified **Climate Project Contribution programme**, which provides access to a portfolio of internationally verified projects aligned with the **Gold Standard** and **ISO 16759** methodologies.

The programme enables UAB to offset **Scope 1 and Scope 2 emissions of printing and ink usage** by supporting high-impact initiatives such as **clean cookstove distribution in Africa, reforestation in Europe, and wind energy development in Asia**. These projects not only generate measurable emission reductions but also deliver tangible social co-benefits, including improved public health, enhanced biodiversity, and access to clean energy in underserved regions.

By embedding this Canon partnership into its climate roadmap, UAB ensures that some of the unavoidable emissions are credibly offset, while continuing to prioritise direct reductions through energy efficiency and renewable sourcing. This approach reinforces UAB’s alignment with the **UAE Net Zero by 2050 Strategy**.

Going forward, UAB may disclose the volume of offsets received annually, the specific projects supported under the Canon programme, and the contribution to relevant UN SDGs.

The Bank remains committed to improving emissions transparency and supporting the UAE’s transition to a low-carbon economy.

3.5 Emissions: Scope 3 & Financed Emissions

UAB recognizes that Scope 3 emissions, particularly those associated with its lending activities, constitute the most material portion of its climate impact. In line with international best practices and stakeholder expectations, UAB endeavours to initiate disclosure of both non-financed and financed emission in the 2024 & 2026 reporting cycle respectively.

SCOPE 3 EMISSIONS (NON-FINANCED): VALUE CHAIN GHG IMPACTS

In 2024, UAB began calculating non-financed Scope 3 emissions in line with the GHG Protocol’s Corporate Value Chain (Scope 3) Standard. These emissions are calculated using activity-based methods and internationally recognized emissions factors. The following table presents the categories currently reported:

Scope 3 Category Title	Status	2024 Estimate (tCO ₂ e)	Notes
Paper Consumption	Reported	20.94	Based on usage volume
Business Travel – Flights	Reported	38.77	Estimated via DEFRA factors
Business Travel – Hotel Nights	Reported	15.81	Staff car travel (rental)
Business Travel - Total	Reported	54.58	Flights + Road Business Travel
Employee Commuting	Reported	1,088.41	Based on average distance
Total Scope 3 Emissions		1,163.92	

Emissions estimates will be refined as internal systems mature, UAB applies DEFRA and IPCC conversion factors as part of the methodology in estimating Scope 1, 2 & 3 emissions.

SCOPE 3 EMISSIONS (FINANCED EMISSIONS)

UAB intends to adopt the PCAF Standard to guide its financed emissions estimation. The Bank’s methodology aligns with the following core components:

- **Portfolio Scope:** Corporate lending portfolios with high emissions exposure (e.g. real estate, energy, manufacturing)
- **Attribution Factor:** Exposure at Default (EAD) ÷ Borrower Enterprise Value Including Cash (EVIC)
- **Data Hierarchy:** Prioritize borrower-reported emissions, then sectoral averages, and PCAF default factors
- **Calculation Formula:** Financed Emissions = Total Emissions × Attribution Factor

CURRENT STATUS

Financed emissions were not calculated or disclosed for the 2024 reporting year. Foundational work, including methodology assessment, data mapping, and systems preparation, is planned to commence in 2026

UAB is aligning with PCAF principles and emerging regulatory guidance, including IFRS S2 and ADX ESG Disclosure recommendations.

FINANCED EMISSIONS MEASUREMENT FRAMEWORK (PLANNED)

Step	Description
Portfolio Selection	Identify priority lending sectors for initial coverage
Data Collection	Source emissions data from clients or proxies
Attribution Calculation	Apply PCAF formulas to assign emissions to exposures
Emissions Calculation	Compute financed emissions at asset and portfolio levels
Reporting and Disclosure	Publish financed emissions annually starting from 2026 reporting cycle

FUTURE ROADMAP

UAB plans to begin financed emissions measurement for selected asset classes during the 2026 reporting period. Key milestones include:

- **Sector Prioritization:** Target high-carbon sectors such as real estate, energy, and transportation.
- **Data Infrastructure:** Improve emissions data collection via client outreach and sector proxies.
- **Methodology Development:** Apply PCAF attribution methodology based on exposure at default and enterprise value.

Milestones (FY2026)	Description
Finalize Data Collection Tools	Deploy borrower templates and sector-specific assumptions
Conduct Pilot Calculation on 2 Sectors	Focus on Real Estate and Manufacturing portfolios
Portfolio Coverage Expansion	Add SME and corporate term loan books
Disclosure of Financed Emissions (Pilot)	Publish first financed emissions estimate in ESG report
Set Forward-Looking Reduction Targets	Begin aligning portfolios with science-based decarbonization pathways

UAB is committed to building a robust financed emissions disclosure platform and aligning with IFRS S2, ADX ESG metrics, and UAE Net Zero 2050 objectives.

SUMMARY

UAB is building a phased and scalable Scope 3 disclosure framework that emphasizes both data granularity and progressive asset class coverage. In the 2024 reporting cycle, the Bank initiated reporting of non-financed Scope 3 emissions and focused on internal infrastructure development to support future financed emissions disclosure, in line with the PCAF standard and UAE's Net Zero 2050 roadmap.

This dual-track strategy enables UAB to address both operational and portfolio-related emissions. Non-financed categories such as business travel, commuting, and procurement are being disclosed from 2024, while financed emissions reporting is targeted to begin in 2026 reporting cycle. The Bank will initially focus on corporate lending and gradually expand to project finance and other relevant portfolios.

Financed emissions will be calculated using sector-specific attribution methodologies and enhanced with borrower-level data over time to improve precision. These efforts will establish a reliable emissions baseline and support future decarbonization targets across asset classes.

Overall, UAB's approach reinforces its broader climate alignment journey and commitment to science-based target-setting, regulatory readiness, and alignment with global standards such as IFRS S2 and ADX ESG guidance.

SOCIAL RESPONSIBILITY & PEOPLE

4.1 WORKFORCE OVERVIEW & DIVERSITY

UAB is committed to fostering a diverse, inclusive, and empowered workforce that reflects the UAE's values and supports the Bank's long-term growth. Our people are at the core of our strategy, driving innovation, operational excellence, and responsible banking practices.

WORKFORCE SNAPSHOT

As of 2024, UAB employed a total of 401 full-time employees (FTE's) across its operations. The Bank's workforce spans multiple emirates and business divisions, including Retail Banking, Wholesale, Treasury, Operations, Islamic Banking, and Corporate Support Units. The Bank's workforce reflects a blend of skills, experiences, and backgrounds, enabling agility and customer-centric delivery across our services. (For further details, please see Appendix 1 & 4)

GENDER DIVERSITY

UAB is equally committed to promoting gender equity and strengthening the participation of women at all levels of the organization (Appendix 2).

- As of 2024, women made up **38%** of total employees
- **15%** of senior executive positions are currently held by women

The Bank has implemented tailored career development programs to support female advancement into leadership roles. Policies and procedures are reviewed regularly to ensure equal opportunity in promotions, recruitment, compensation, and learning access.

It has also introduced training across managerial levels and enhanced internal dashboards to monitor gender diversity trends.

NATIONALITY MIX AND EMIRATISATION

UAB promotes cultural diversity while maintaining a strong commitment to national workforce development: (For more information, please visit Appendix 3)

LOCALS VS. EXPATS - ALL EMPLOYEES

	2023	2024
Number of countries from which you have employees	32	31
Number of local employees out of total workforce	103	113
% of local employees out of total workforce	26%	28%
Number of expat employees out of total workforce	289	288
% of expat employees out of total workforce	74%	72%

EMIRATISATION

Emiratization is a core pillar of UAB’s workforce development framework. The Bank actively recruits, trains, and supports Emirati employees across business and support functions. (For more information, please visit Appendix 3).

- UAE Nationals represented 28% of the total workforce.
- UAE Nationals hold 15% of senior executive positions
- Performance is tracked and reviewed quarterly by the Human Capital function and the Management Committee.
- Emiratization progress is monitored quarterly and reported to the Central Bank of the UAE (CBUAE)

EMIRATISATION PROGRAMS

Training Programs for UAE Nationals

Programme	Description & Activities conducted	Number of benefitted Nationals	
		2023	2024
Leadership	Leadership and Management Skills Program	21	38
Technical Skills	Operational Risk Awareness, Fraud Risk Awareness, Retail SOP, Credit Audit, Security Awareness	66	118
Product Knowledge	Card Products, Retail Products, Bancassurance products, Islamic Trade Products , WB products	48	120
Behavioural Skills	Presentation skills, Negotiation skills, handling difficult conversation, Art of cross selling, code of conduct, Seven tools of Quality,	72	42
Fresh Graduate Program	Certified Banking Operations CBO, Specialization Pathway boot camps, International Professional Certification	34	17
Certification Program	CAMS, CFE, Certificate in: Audit, Quality & innovation, Trade Finance, Business Communication, Islamic Banking, Fintech, Risk Management	19	6

UAB partners with government-backed initiatives such as Nafis and the Emirates Institute of Banking and Financial Studies (EIBFS) to expand outreach to emerging national talent. The Bank’s long-term Emiratization roadmap supports internal mobility, succession planning, and retention of high-potential Emirati employees.

INCLUSION AND EQUAL OPPORTUNITY

UAB’s workforce policies are anchored in its Non-Discrimination and Human Rights frameworks. All hiring, promotion, and training practices are merit-based and designed to ensure:

- Equal access to growth opportunities
- A safe, respectful, and inclusive work environment
- Zero tolerance for any form of discrimination or harassment

4.2 TALENT DEVELOPMENT & WELL-BEING

UAB prioritizes employee learning, development, and well-being as critical components of its human capital strategy. We believe that building a future-ready, motivated, and inclusive workforce enables sustainable growth, supports innovation, and strengthens the Bank’s ESG foundations. In 2023–2024, the Bank made significant progress in upskilling talent, expanding access to digital learning, and supporting employee wellness and engagement.

LEARNING & DEVELOPMENT

UAB’s learning and development (L&D) strategy aims to build technical, behavioral, and leadership competencies through structured in-house and external programs. In 2024:

- Average training days:
 - Male employees: 10.5 days
 - Female employees: 12 days
 - Employee Post-training Evaluation of the learning programmed (NPS Score): 8.5
- Over 165 employees attended a total of 367 structured training sessions.
- LinkedIn Learning continued as a key digital platform for self-directed learning.

The Bank’s L&D offerings include a blend of leadership, functional, and behavioural training as outlined below:



Program Name	Description	2024 Beneficiaries
LinkedIn Learning	Behavioral & Technical Programs	72 staff attended 441 programs
Third Party Training	Technical & Behavioral Program, Conferences / workshops/ seminars	180 staff attended 48 programs
EIBFS Training Program	Technical & Behavioral Program, Pathway Programs	508 staff attended 183 programs
UAB Programs (Regulatory + Soft Skills)	Regulatory Required Programs, Technical Awareness, Behavioral Training	491 staff attended 65 programs

UAB aims to further integrate ESG-specific KPIs into its learning dashboards and increase functional training for sustainability-linked banking products.

4.3 INCLUSION, CULTURE & CSR

UAB continues to place its people at the heart of its strategy, fostering a workplace that prioritizes physical, mental, and emotional well-being while empowering employees to thrive. In 2024, the Bank strengthened its commitment to well-being, engagement, and inclusion, laying the foundation for broader impact in 2025 and beyond.

HEALTH, SAFETY & WELL-BEING

In 2024, UAB strengthened its commitment to employee wellness through an integrated approach that prioritizes preventive care, psychological safety, and workplace ergonomics. Key initiatives during 2024 included:

Health Checkup for Employees

- **Bone Density Check & Free Calcium Tests**
- **Health Service (First aid guide, skin analysis, vital checks, vitamin Sampling)**
- **Cancer Awareness:** Organised an awareness session on Breast cancer and Cervicle cancer awareness for staff with NMC (New Medical Centre)
 - **Health Talk:**
 - Ergonomics in the workplace and common work-related musculoskeletal disorders delivered by Dr. Moshe Goldsmith – American Spine Hospital
 - Wellness talk - Boosting Immunity

EMPLOYEE ENGAGEMENT

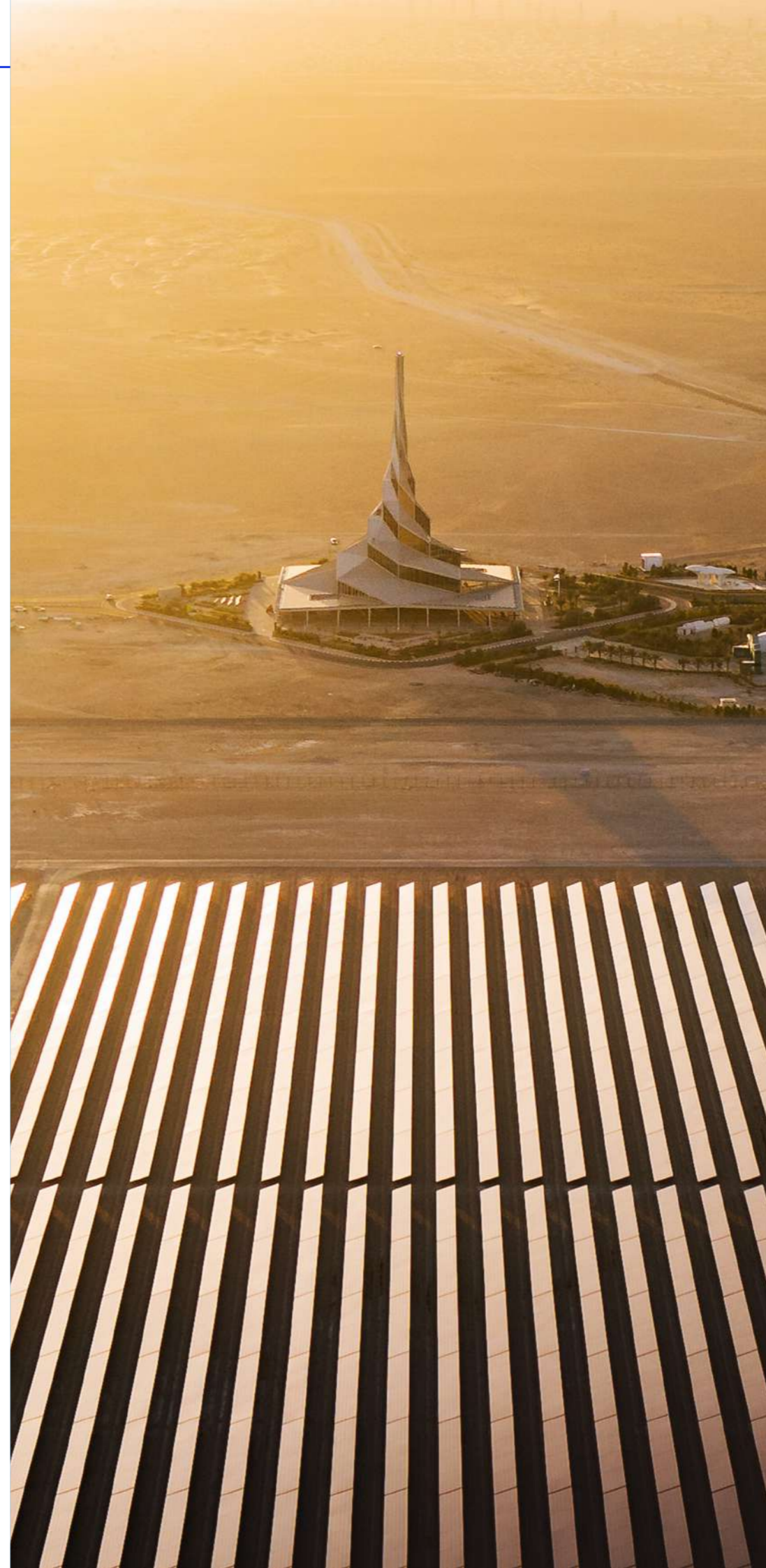
UAB recognises that **meaningful, transparent engagement drives satisfaction and retention**. The 2024 **Employee Engagement Survey** reflected significant strengths and key opportunities:

Strengths to Celebrate:

- **Leadership Trust & Direction:** 91% of employees understand UAB’s strategic priorities (+9% vs. top management benchmark), and 88% expressed confidence in senior leadership (+13% vs. High-Performing peers).
- **Performance Alignment:** 95% reported clarity on performance expectations and contributions to organisational goals.
- **Engagement Response:** Survey achieved a 96% response rate and a 76% engagement level, signalling a high level of commitment.

Outlook & 2025 Targets:

- Endeavour to conduct future engagement surveys on a periodical basis
- Launch of an internal mobility portal and skills marketplace to promote retention and career growth.
- The Bank will continue to monitor and will be working towards improving NPS and engagement scores.



VOLUNTEERING & COMMUNITY ENGAGEMENT

UAB has developed a concise Corporate Social Responsibility (CSR) Policy, where the primary functions, duties and responsibilities include among others the selection of the charitable organisations and activities the Bank would donate to for charitable purposes. The 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.

Initiatives Included:

- **Blood Donation** - In coordination with **Dubai Blood Donation Center:**
 - Number of Employee Volunteers: 63
 - Total Number of Hours Volunteered: 315
- **Ramadan Meer** - In coordination with **Sharjah Charity International**
 - Volunteers packed food boxes for the families during Ramadan and also distributed 2000 mealboxes:
 - Number of Employee Volunteers: 78
 - Total Number of Hours Volunteered: 156
- **Al Jalila Hospital Visit** - Organized a visit to **Al Jalila Children hospital**
 - Volunteers gave gift boxes to 50 children in the hospital:
 - Number of Employee Volunteers: 10
 - Total Number of Hours Volunteered: 20

Through a balanced and forward-looking focus on employee wellness, meaningful engagement, and community participation, UAB aims to continuously enhance its workplace environment and strengthen its role as a socially responsible employer of choice.

4.4 CUSTOMER EXPERIENCE & RESPONSIBLE PRODUCTS

EMPLOYEE TRAINING ON CUSTOMER EXPERIENCE (CX)

As a financial service provider, customer experience and satisfaction remain central to UAB's success and long-term growth. The Bank continues to take a strategic approach to ensure that customers receive a seamless and high-quality banking experience across all channels.

In 2024, UAB maintained its focus on strengthening service quality through comprehensive employee training programs that enhance product knowledge, regulatory awareness, and customer engagement capabilities. These initiatives aim to standardize service delivery across branches, improve issue resolution, and reinforce UAB's culture of empathy and accountability toward customers.

CUSTOMER EXPERIENCE AND SECURITY AWARENESS TRAININGS IN 2024

No.	Training Title	Key Learning Objectives	No. of Staff Attended
1	CBUAE Consumer Protection Standards	Understand relevant provisions of UAE Consumer Protection Regulations and Federal Law; structure of the regulation; principles and best practices for fair customer treatment	17
2	New Card Utilization	Understand the online utilization of the card; terms and conditions on online use	7
3	Compliance Training (KYC/FATCA/CRS)	Understand FATCA regulations, KYC updates, CRS system, and perform enhanced due diligence	17
4	Mandatory Training	Fraud Risk Management, Anti-Bribery & Corruption, AML, Operational Risk, Code of Conduct, Data Protection, and Business Continuity	17
5	Other Training	AML, KYC & Sanctions Virtual Training (Back Office), BCM Champions Training, Trade Finance & Features on UAB Business, Fraudulent Customer Complaints Handling, Data Loss Prevention	8-4
6	Security Awareness	Covering topics such as Phishing Attacks, ATM Card Skimming, SIM Swap Fraud, Business Email Compromise, and UAB Data Loss Prevention Week (Nov 17-23)	Bank-wide

Through these training programs, UAB ensured its staff remained up to date with the latest consumer protection standards, fraud prevention measures, and complaint management practices in line with CBUAE guidance.

CUSTOMER GRIEVANCES

Customer-centricity continued to guide UAB's operations throughout 2024. The Bank remained committed to upholding the principles of fairness, transparency, and accessibility in grievance management.

Aligned with the Central Bank of the UAE's Consumer Protection Regulations (CPR), UAB provides multiple channels for customers to raise and resolve complaints efficiently, including its **24/7 Contact Centre, UAB Website, Online Banking, Mobile Banking, and Email/Chat access.**

In 2024, UAB handled **1,591 customer complaints**, all of which were resolved during the year. Only **one complaint** was escalated to senior management, while **34 cases** were escalated to the Central Bank of the UAE by customers. These results reflect UAB's robust grievance-handling framework and continued focus on customer service quality and transparency.



Segment	Number of customer complaints received in 2024	Number of solved customer complaints in 2024	Complaints escalated to Senior Management	Complaints escalated through CBUAE
Retail	1,481	1,481	1	34
Wholesale	100	110	0	0
Total	1,591	1,591	1	34

The Bank's commitment to continuous improvement ensures that customer feedback and complaints are reviewed systematically to identify recurring issues, improve product features, and strengthen service delivery mechanisms.

CUSTOMER SATISFACTION

In 2024, UAB's Customer Experience Unit (CEU) continued to focus on enhancing service accessibility and turnaround times through digital banking channels and process improvements. The restructured **Customer Contact Centre** continued to provide round-the-clock assistance, ensuring customers received timely support and resolution.

UAB continued to evaluate customer interactions through ongoing feedback collection mechanisms across touchpoints, using insights to refine training programs, service standards, and escalation processes.

ADX ESG INDEX, GLOSSARY & APPENDICES

5.1 ADX ESG DISCLOSURES

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 16, representing four committees, 19% of which are occupied by women and 81% 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
	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?	Employee performance is evaluated by balance scorecards that include a weight for ESG and sustainability initiatives
G4. Supplier Code of Conduct	G4.1) Are your vendors or suppliers required to follow a code of conduct?	The Bank is in the process of implementing a supplier Code of Conduct, with plans to establish a formal policy for vendors and ESG checklist that will be integrated into supplier assessment frameworks
	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 continues to follow a Disciplinary Policy that emphasizes adherence to ethics and anti-corruption practices
	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?	UAB has a comprehensive Consumer Data Protection and Privacy Policy in place, outlining customer rights, data retention, and security measures
	G6.2) Has your company taken steps to comply with GDPR rules?	The Bank complies with the CBUAE customer protection regulations but is not required to adhere to GDPR at this time
G7. Sustainability Reporting	Does the bank publish a sustainability report?	UAB integrates sustainability reporting as an annual practice, reinforcing its commitment to transparency and responsible corporate practices
G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting Frameworks?	UAB provides sustainability data in accordance with ADX ESG Disclosure standards, aligned with GRI, IR, SASB, CDP, SDGs, and UN GC.
	G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)?	The Bank continues to align with global sustainability frameworks, ensuring transparency in reporting on SDG-related initiatives.
	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 the Sustainability Report of the Bank.
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 1336%
	S1.2) Does the bank report this metric in regulatory filings?	The Bank does report this metric whenever it is required by regulatory filings
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 117%
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Year-over-Year change for Full Time Employees is 2%
	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 17%
S4. Gender Diversity	S4.1) Percentage: Total bank	- Percentage of full-time male employees in UAB is equal to 62%
		- Percentage of full-time female employees is equal to 38%
		S4.2) Percentage: Entry- and mid-level
S4.3) Percentage: Senior- and executive-level positions	- Percentage of female employees in entry- and mid-level positions is equal to 39%	
	- 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 69 employees under a contractor's contract and no employees under a consultant's contract

SOCIAL METRICS

Metric	Calculation	UAB Performance
S6. Non-Discrimination	Does the bank follow a non-discrimination policy?	The Bank follows a Code of Conduct for all employees, which includes clauses for anti-discrimination and harassment. All UAB employees are required to refrain from discrimination based on characteristics such as race, color, religion, gender, age, national origin, marital status, or disability, whether such individual is an employee, consultant, customer, or third party. Employees are required to create a professional workplace environment devoid of harassment, exploitation, and intimidation. Personal relationships should not compromise the execution of duties. Discrimination or mistreatment of any individual contradicts the bank's values. Sexual harassment encompasses unwelcome requests or conduct of a sexual nature regardless of gender. This is strictly prohibited and contravention will lead to disciplinary actions including termination.
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	No injuries were recorded in 2024 includes clauses for anti-discrimination and harassment.
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, the Bank does have processes around trainings for fire emergencies. The Bank is also working on creating and finalising a formal health and safety policy.
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 the Bank fully adheres to. However, the Bank is also working on creating and finalising a formal child and/or forced labour policy document.
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. However, the Bank is working on creating and finalising a policy document covering Human Rights.
S11. Nationalisation	Percentage of national employees events relative to total workforce	UAE National employees represent 28.2% 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 210 thousand in projects directed to foster culture, youth empowerment, good health and wellbeing, and for 'people of determination'



ENVIRONMENTAL METRICS

Metric	Calculation	UAB Performance
E1. GHG Emissions	E1.1) Total amount in CO ₂ equivalents, scope 1	The Bank's scope one emissions come from two sources - fuel used in owned and leased vehicles, and fuel used in electricity generators within UAB's facilities. The GHG emissions in 2024 from motor vehicle fuel used is 19.7 CO ₂ e metric tons, and from the use of diesel in generators is 215 kg CO ₂ e. Hence, total scope 1 emissions for 2024 amount to 19.92 CO ₂ e metric tons.
	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 2,226 (tCO ₂ e)
	E1.3) Total amount, in CO ₂ equivalents, scope 3 (if applicable)	The Bank's Scope 3 emissions amount to 1,163.92 tCO ₂ e from business travel, employee commute and paper consumption. However, in line with the Bank's commitment to ensuring transparent and responsible disclosures, the Bank is currently in the process of calculating its Scope 3 financed emissions. The Bank is undertaking a thorough review of all relevant data and methodologies to ensure accuracy and completeness in reporting.
E2. Emission Intensity	E2.1) Total GHG emissions per output scaling factor	The Bank's emissions (scope 1 + scope 2) intensity is equal to 5.60 tCO ₂ e per full-time employee
	E2.2) Total non-GHG emissions per output scaling factor	
E3. Energy Usage	E3.1) Total amount of energy directly consumed	The Bank has directly consumed 269.94 GJ of energy in 2024. This has come from the use of petrol and diesel for vehicles and electricity generators.
	E3.2) Total amount of energy indirectly consumed	The Bank indirectly consumed 20,138 GJ energy in 2024, from the consumption of electricity generated at utilities.
E4. Energy Intensity	Total direct energy usage per output scaling factor	The direct energy intensity of the bank is equal to 50.22 GJ per full-time employee.
E5. Energy Mix	Percentage: Energy usage per generation type	The Bank primarily uses only electrical energy supplied by utilities. However, the Bank has generators which are used only for emergency purposes.
E6. Water usage	E6.1) Total amount of water consumed	The bank consumed a total of 7,207 ('000) litres of water in 2024
	E6.2) Total amount of water reclaimed	The Bank currently does not have a water reclamation system implemented
E7. Environmental	E7.1) Does the bank follow an environmental policy?	The Bank does not currently follow an environmental policy. However, the Bank is in the process of developing and finalising a formal 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?	
E8. Environmental Oversight	Does the management team oversee and/or manage sustainability issues?	The Bank covers sustainability issues in senior management, as part of the official agenda. In 2024, the Bank has established a Sustainability Committee (SC), to support the Management Committee and the Board of Directors by overseeing and advising on sustainability-related strategies, practices, and policies. The SC is committed to advancing UAB's sustainability objectives, ensuring the Bank operates in an environmentally responsible and socially conscious manner, while considering the governance aspects that align with the Bank's corporate strategy and risk management framework.
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	

5.2 GLOSSARY

Term	Definition
UAB	United Arab Bank PJSC, a UAE-based financial institution listed on ADX.
UAE	United Arab Emirates, UAB's home market and regulatory jurisdiction.
ESG	Environmental, Social and Governance – the framework used by UAB to manage and report on sustainability topics.
DMA (Double Materiality Assessment)	UAB's process to identify, prioritise and assess ESG topics based on both impact and financial materiality.
Materiality Matrix	A visual representation plotting ESG topics by impact and financial materiality to determine UAB's material topics.
Double Materiality Matrix	Combined matrix used to compare impact and financial materiality scores to select priority ESG topics.
Stakeholder Group	Defined stakeholder segments engaged by UAB, such as customers, employees, regulators, investors, communities, and suppliers.
Sustainable Finance	Financial products and services that support environmental and/or social outcomes while remaining commercially viable.
Sustainable Finance Framework	UAB's internal framework aligning sustainable finance activities with ESG principles and international standards.
Operational Footprint	UAB's direct environmental impact from energy, water, waste, and Scope 1 & 2 emissions.
GHG (Greenhouse Gases)	Gases contributing to climate change, such as CO ₂ , CH ₄ and N ₂ O.
CO ₂	Carbon dioxide, a greenhouse gas emitted from fossil fuel combustion.
CO ₂ e	Carbon dioxide equivalent – expresses impact of GHGs using global warming potential relative to CO ₂ .
Scope 1 Emissions	Direct emissions from UAB-owned or controlled sources (generators, vehicles).
Scope 2 Emissions	Indirect emissions from purchased electricity and energy used by UAB.
Scope 3 Emissions	Indirect emissions from UAB's value chain, including business travel, purchased goods and services, and financed emissions.
Energy Intensity	Total energy consumption per output unit (e.g., per full-time employee), used to measure the efficiency of energy use.
Financed Emissions	Emissions associated with UAB's lending and investment portfolios, calculated using PCAF.
UAE Net Zero 2050	UAE's national target to achieve net zero emissions by 2050; guides UAB's long-term climate ambition.
ADX	Abu Dhabi Securities Exchange; listing venue for UAB and issuer of ESG disclosure guidance.
CBUAE	Central Bank of the UAE; UAB's financial regulator issuing ESG and climate-related principles.
TCFD	Task Force on Climate-related Financial Disclosures – framework for climate governance, strategy, risk management and metrics/targets.
IFRS S1	Standard setting disclosure requirements for sustainability-related financial information.
IFRS S2	Climate-related disclosure standard aligned with TCFD; reference framework for UAB.
GRI	Global Reporting Initiative Standards used as UAB's primary reporting framework.
SASB	Sustainability Accounting Standards Board – industry-specific ESG disclosure standards for banks.
SFDR	Sustainable Finance Disclosure Regulation; EU regulatory benchmark referenced for transparency expectations.
TNFD	Taskforce on Nature-related Financial Disclosures – emerging framework for nature-related risks.
PCAF	Partnership for Carbon Accounting Financials – methodology for calculating financed emissions.
CSR (Corporate Social Responsibility)	UAB's community programmes, including donations, sponsorships and volunteering.
Customer Experience (CX)	The end-to-end experience of UAB customers across channels and services.
NPS (Net Promoter Score)	Metric measuring customer satisfaction and advocacy.
Emiratization	National policy and UAB commitment to increase UAE National employment and leadership representation.
Human Rights	Standards referenced by UAB to ensure fair and ethical treatment of employees, customers and communities.
Non-Discrimination	UAB's commitment to equal opportunity regardless of gender, nationality, ethnicity, religion or other characteristics.
AML (Anti-Money Laundering)	Controls and procedures to prevent and detect money laundering.
CFT (Countering the Financing of Terrorism)	Measures to prevent, detect and report terrorism financing.
ERM (Enterprise Risk Management)	UAB's framework for identifying and managing all material risks, including ESG risks.
Risk Appetite Framework (RAF)	Defines the level and type of risks UAB is willing to accept in pursuit of its strategic objectives.
ICAAP	Internal Capital Adequacy Assessment Process; assesses UAB's capital adequacy relative to risks, including emerging ESG considerations.
DEWA	Dubai Electricity and Water Authority – utility whose emissions factors are used in UAB electricity-related GHG calculations.

5.3 APPENDICES

APPENDIX 1

	EMPLOYEES PER CONTRACT TYPE	
	2023	2024
Total number of full-time employees	392	401
Total number of part-time employees	0	0
Total number of contractors employees	59	69
Total number of consultants employees	0	0
Total number of full-time employees	392	401

APPENDIX 2

	GENDER BREAKDOWN – ALL EMPLOYEES	
	2023	2024
Total Number of ALL FULL-TIME employees	392	401
Number of MALE FULL-TIME employees out of total workforce	235	247
% of MALE FULL-TIME employees out of total workforce	60%	62%
Number of FEMALE FULL-TIME employees out of total workforce	157	154
% of FEMALE FULL-TIME employees out of total workforce	40%	38%

	GENDER BREAKDOWN – NEWLY HIRED FOR THIS YEAR	
	2023	2024
Total Number of ALL NEWLY HIRED employees	104	76
Number of NEWLY HIRED MALE employees	62	46
% of NEWLY HIRED MALE employees	60%	61%
Number of NEWLY HIRED FEMALE employees	42	30
% of NEWLY HIRED FEMALE employees	40%	39%

APPENDIX 3

LOCALS VS. EXPATS - NEWLY HIRED FOR THIS YEAR		
	2023	2024
% year-over-Year change for full-time employees	14%	2%
% year-over-Year change for part-time employees	0%	0%
% year-over-Year change for contractors employees	51%	17%
% year-over-Year change for consultants employees	0%	0%

APPENDIX 4

AGE BREAKDOWN - ALL EMPLOYEES		
	2023	2024
Number of employees AGED 18 - 24	7	12
% of employees AGED 18 - 24	2%	3%
Number of employees AGED 25 - 34	74	85
% of employees AGED 25 - 34	19%	21%
Number of employees AGED 35 - 44	152	154
% of employees AGED 35 - 44	39%	38%
Number of employees AGED 45 - 54	137	131
% of employees AGED 45 - 54	35%	33%
Number of employees AGED 55 AND ABOVE	22	19
% of employees AGED 55 AND ABOVE	6%	5%

TURNOVER RATE		
	2023	2024
% year-over-Year change for full-time employees	14%	2%
% year-over-Year change for part-time employees	0%	0%
% year-over-Year change for contractors employees	51%	17%
% year-over-Year change for consultants employees	0%	0%