

**Redefining the purpose
of banking to deliver
a better tomorrow.**

► **Regional
Sustainability
Pacesetter**

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2023 Summary

Celebrating a Pivotal Year of Sustainability Achievements

In a year that saw the UAE proudly host COP28, we continued to make significant progress towards achieving our sustainable finance targets and reaching net zero by 2050.

“FAB became the first bank in MENA to adopt the Task Force on Climate Related Financial Disclosure recommendations.”

At FAB, our unwavering commitment to sustainability underscores our recognition of finance’s pivotal role in propelling a low-carbon and equitable economy.

In 2023, we continued to deliver against our goal of achieving net zero by 2050 by setting targets against our highest emitting sectors. We also, proudly, became the first bank in the MENA region to adopt the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations and published the corresponding report, showcasing our progress across the four key TCFD pillars of governance, strategy, risk management, and metrics and targets. Furthermore, in alignment

with the Glasgow Financial Alliance for Net Zero (GFANZ) recommendations, our Climate Transition Plan formed a key component of our TCFD report.

As the UAE’s largest bank, our commitment to supporting the transition to a low-carbon future, remains a key pillar of our ESG agenda; as announced at COP28, we increased our lend, invest, and facilitate commitment by 80% in 2030, from USD 75 billion (set in 2021) to USD 136 billion in 2023.

Our dedication extends beyond financial commitments; we actively engage with a diverse set of programmes to create opportunities that would benefit our employees and clients, spanning

large corporations down to Small and Medium Enterprises (SMEs).

At COP28, we announced our collaboration with the SME Climate Hub, highlighting the necessity of driving deeper action and engagement with SMEs to ensure their businesses remain resilient in a net-zero future and that they play an active role in the global effort to decarbonise in line with the Paris agreement.

We also collaborate closely with community partners to create a thriving local environment. Throughout the year, our employees volunteered a total of 27,043 hours to supporting the community in which we live and work.

ESG is seamlessly integrated into our core governance framework through dedicated committees overseeing the business linkage and implications of ESG strategy, ESG risk framework, and policy implementation. We are committed to cultivating a corporate culture that comprehends the significance of ESG matters in business, fostering collaboration and capacity building across various business lines.

This report showcases our efforts to lead the banking community to achieve the UAE’s shift towards a low-carbon and sustainable economy.



2023 Key Highlights



Transitioning to a Low-Carbon Future

Green Finance

From 2022 to 2023, our sustainable financing was **USD 34.4 bn** (AED 126.3 bn)

Increased 2030 sustainable and transition finance target by 80% to **USD 136 bn** (AED 500 bn)

Total Green Bonds and sukuk outstanding at **USD 3.2 bn** (AED 11.8 bn)

Leading Climate Response in MENA

1st bank globally to sign COP28 Net Zero Transition Charter

1st bank in MENA to publish a **TCFD report**

Published the bank's **1st Principles for Responsible Banking (PRB) report**

Portfolio Decarbonisation

- Founding member of UAE Carbon Alliance
- Set net-zero targets for sectors that cover 90% of our financed emissions



Capitalising on Our Social Responsibility

Financial Inclusion

Supported SMEs with **AED 3.3 bn** in new lending and over **AED 6 bn** since 2022

Collaborated with **COP28** Presidency, Masdar, and Abu Dhabi Chamber to deploy the SME Climate Hub

Empowering Workplace

Emiratisation rate at **44%**, progressing towards our target of 50% by 2026

75% of employees participated in FAB Wellness Programme*

20% of senior leadership positions are held by women

Social Responsibility Efforts

- **27,043 hours** volunteered by staff to our community
- Partnered with Archireef to commit to the deployment of **100 square meters** of Reef Tiles and restore UAE coral reef habitats

*FAB Wellness is the bank's internal wellness programme that promotes activities that ensure the physical and mental well-being of all employees across the bank.



Transforming Our Governance Model

ESG Risk and Ratings

Rolled out **ESG risk assessments** to cover all corporate clients

Received best **Refinitiv ESG score** in the Middle East (**top 10% worldwide**).

Stood among high-rated in **MENA banks by MSCI**

Training & Capacity Building

99% of all employees completed ESG Risk Awareness Training

Launched bank-wide **Carbon Literacy Programme**

Launched **Frontiers in Sustainability Executive Education Programme**

FAB as Strategic Pathway Partner of COP28

- Hosted **73** expert panel sessions and **18** roundtables
- Sessions attended by over **5,000** (in person and virtual)
- More than **300** global thought leaders shared their perspectives

Sustainability Triumphs in the UAE at COP28

The UAE paved the way at COP28

2023 was declared as the “Year of Sustainability” in the UAE, and the nation achieved a historic milestone by securing the COP28 presidency. COP28 is noted as one of the most relevant UNFCCC Conference of Parties to date.

Among many ground-breaking initiatives and COP firsts such as a pledge to triple renewable energy capacity, a decision on the loss and damage fund to assist the Global South, the inclusion of actors traditionally left out of the conversation, a sustainable finance push, the first-ever health day and a trade day, one milestone was particularly relevant.

The world welcomed a landmark decision in which nearly 200 countries pledged to move away from fossil fuels, a breakthrough that came in the waning hours of the UN Climate Change Conference.

As a testament to the UAE’s commitment to a sustainable future, the nation led the charge in renewable energy initiatives, spearheading ambitious projects to triple global renewable capacity by 2030.

The banking sector played a pivotal role in this transformative journey, aligning seamlessly with the UAE’s Net Zero by 2050 ambition and energy diversification strategy.

Local banks actively embraced sustainability, launching frameworks, financing major renewable

projects, and contributing to environmental campaigns, thereby becoming instrumental partners in the national effort to combat climate change.

Their involvement underscored the synergy between financial institutions and the broader sustainability goals of the UAE.

FAB’s strategic partnership at COP28, a vision for sustainability

FAB was proud to be a strategic pathway partner of COP28; a partnership that represented an integral part of the UAE’s vision to support a sustainable future, as well as the bank’s broader growth strategy and its sustainability priorities.

As part of its COP28 sponsorship, FAB took part in a series of engagements and thought leadership initiatives throughout the summit. The FAB Pavilion at COP28 hosted expert panel sessions, roundtables, and other events, featuring more than 300 global thought leaders in daily sessions that were also livestreamed online.

Our approach to COP28 was defined by our six-point COP28 agenda (see next page).



FAB’s six-point COP28 agenda

- 1 Accelerating sustainable finance and advancing the UAE’s development as a green finance hub**
 FAB is committed to driving sustainable finance initiatives, fostering economic development through green investments, and positioning the UAE as a regional hub for sustainable finance.
- 2 Supporting clients and partners with the transition to net zero**
 Recognising the importance of transitioning to a net-zero economy, FAB pledged support to clients and partners in adopting sustainable practices and reducing their carbon footprint.
- 3 Growing ESG awareness and adoption among SMEs**
 FAB prioritised raising ESG awareness among SMEs to support the integration of sustainable practices into their business models.
- 4 Advancing effective carbon markets through production, innovation, and knowledge transfer**
 FAB contributed to the development of effective carbon markets by fostering innovation in production processes and facilitating the transfer of knowledge related to carbon reduction strategies.
- 5 Advocating for the restoration of natural ecosystems and biodiversity**
 Recognising the importance of biodiversity, FAB advocated for and actively contributed to initiatives focused on the restoration of natural ecosystems, aligning with global efforts to preserve biodiversity.
- 6 Empowering individuals for positive environmental action**
 FAB is committed to empowering individuals at all levels to take positive steps towards environmental action. The bank seeks to inspire a sense of responsibility and activism for a sustainable future.

Key achievements at COP28: a resounding success

The outcomes of COP28 set a strong precedent for global collaboration and sustainable development in the years to come. FAB successfully illustrated its regional leadership during COP28 through its strong credentials, significant cross-stakeholder engagements, and substantial commitments. Some of the key highlights included:



Becoming a signatory of the COP28 Presidency's **Net Zero Transition Charter** and joining the **Sustainable Market Initiative – Circularity Taskforce**



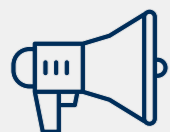
Expanding our transition finance commitment by **80% to AED 500 bn** (USD 136 bn), covering **50% of the commitment** made by the UAE Banking sector



Launching the **SME Climate Hub** campaign to ensure that **SMEs remain resilient in a net-zero future**



Hosting **73** panels, **18** roundtables which saw attendance (both virtually and in-person) by **over 5,000** individuals



7 MoU announcements with Engie, Paymate, Emirates Steel Arkan, ACWA, Tabreed, Mastercard PPC, and the Emirates Foundation to support the transition to a low-carbon and sustainable economy



Our Approach to ESG

We remain committed to the delivery of our ESG strategy through three main pillars:



Transforming Our Governance Model



Committing to the highest standards for ESG accountability, transparency, and risk management.

This pillar outlines FAB's approach to a governance model, including identifying incentives linked to ESG and responsible use of data.

- **ESG KPIs** and **performance disclosure**
- **Remuneration incentives** linked to ESG
- **Whistleblower** policies and processes
- ESG-driven **governance structures**
- Embed **ESG risk framework**



Transitioning to a Low-Carbon Future



Becoming the model for sustainable finance in the MENA region and acting in partnership with our stakeholders to accelerate the transition to a net-zero society and economy.

This pillar outlines FAB's approach to net zero transition, climate resilience, and a circular economy.

- UAE's regional leader in **sustainable finance**
- Embedding **ESG as part of vendor sourcing**
- **Carbon intensity** reduction
- Energy mix with **renewable sources**



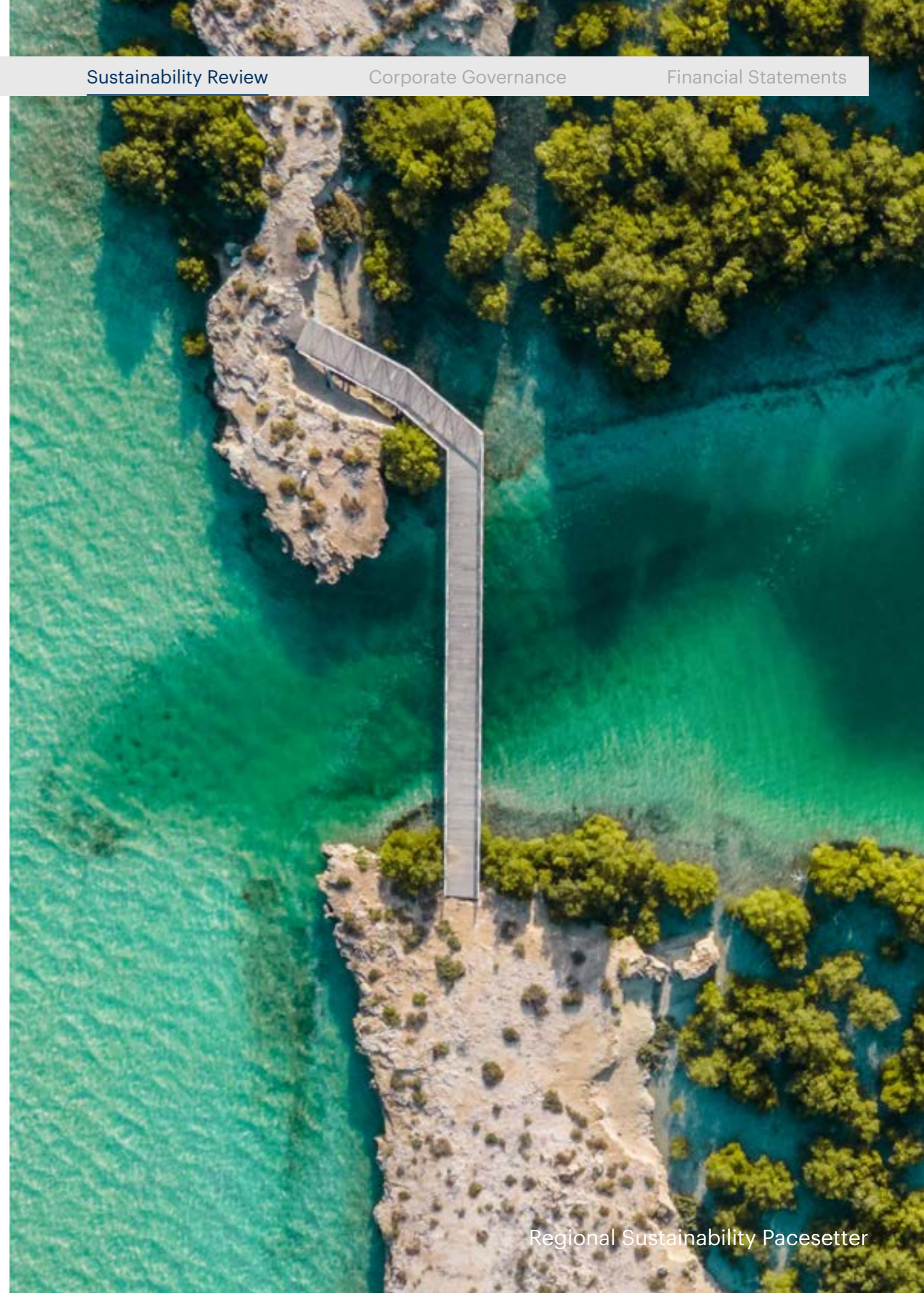
Capitalising on Our Social Responsibility



Expanding access to financial services for all, underbanked groups in particular, and fostering a diverse, inclusive, and equitable organisation.

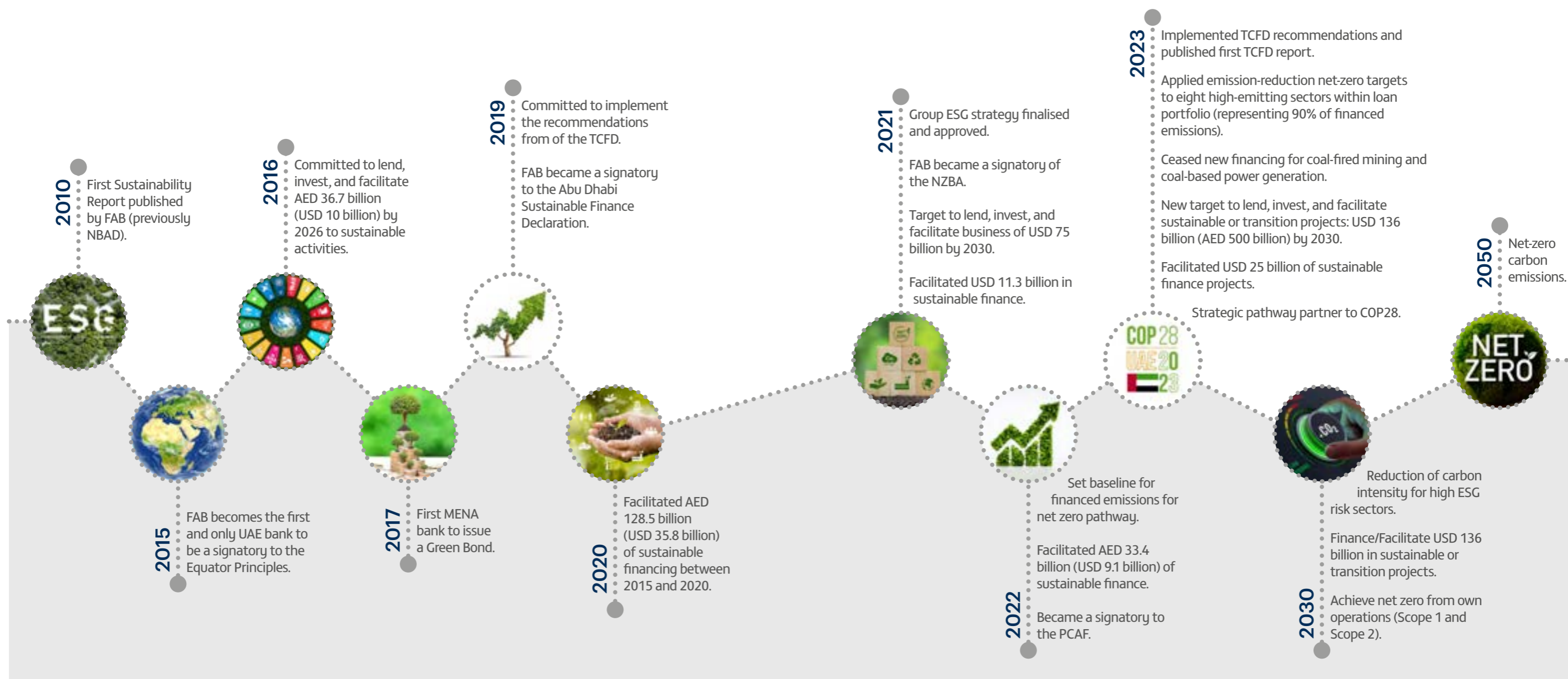
This pillar outlines FAB's approach to social responsibility, including diversity, women's empowerment, education, and financial inclusion.

- **Diversity, equity, and inclusion** across the bank
- **Gender diversity** embedment
- **Emiratisation** focus
- **Strategic focus on financial inclusion**
- Drive **social responsibility efforts**



Transitioning to a Low-Carbon Future

Our Sustainability Journey and Transition to Net Zero



Our Net-Zero Pledge

Our vision to foster sustainable economic growth is aligned with the UAE’s 2050 strategic initiatives for Net Zero. We are signatories to the Net Zero Banking Alliance (NZBA) and the Partnership for Carbon Accounting Financials (PCAF). As an active member of these initiatives,

we are continuously engaging with our clients to achieve our emission-reduction targets by 2030, covering over 90% of our financed emissions. We are currently working with our highest emitting clients to understand and support their transition plans and net-zero journeys.

► Our Net-Zero Journey


Reducing the impact of our own operations

In solidifying our climate pledge, we have established targets to attain net-zero operations by 2030.

Helping us achieve these targets is our Net Zero Carbon Roadmap, with implementation underway and mitigation activities set to commence in 2024. The roadmap was developed in partnership with a globally recognised expert consultancy, and our baseline emissions was set for 2019. The roadmap will support us in:

1. Improving carbon emissions monitoring
2. Reducing Scope 1 and 2 emissions through decarbonisation levers
3. Addressing material Scope 3 categories

The Net Zero Carbon Roadmap focuses on four levers, which we intend to implement to reach net zero operations by 2030:

	Energy efficiency	Adopting efficient solutions for data centres' cooling systems will be key in reducing our refrigerant fugitive emissions.
	Renewable energy	When available in our main markets of operation (UAE and Egypt), we intend to source renewable electricity through Clean Energy Certificates. At our UAE sites, we are targeting 100% renewable electricity by 2030.
	Fleet electrification	We plan to launch a fleet electrification initiative, transitioning up to 100% of our leased and owned company cars in the UAE and Egypt to electric vehicles.
	Carbon offsetting	For our emissions that will not be abatable, we intend to source carbon credits from reliable organisations supporting high-integrity sustainable projects.

As part of our operational decarbonisation roadmap, we monitor our greenhouse gas (GHG) emissions across scopes 1, 2, and 3, and we also monitor the progress we are making towards achieving net zero emissions by 2030.

We closely monitor the evolving international guidelines and emission calculation methodologies, which inform our data collection process and GHG accounting, for improvements in the accuracy of emission factors and operational and organisational boundaries of input data. In line with this approach, the assessment for 2023 has been revised to reflect updates and alignment with the GHG Protocol to ensure that we present accurate performance measurement. Accordingly, we have also revised our respective emissions footprint for the year 2021 and 2022 to enable comparability with previous reported years.

Updates related to the emission assessment methodologies include:

Scope 1 emissions:

As quality data covering specific refrigerants within our operations had become feasible for use, we have updated the respective global warming potential factor and reflected this change in the emission data for 2022.

We have also received updated input data points from our operations in Egypt, which are now part of our organisational boundary and therefore also our GHG inventory.

Scope 2 emissions:

We have referred to the latest electricity emission factors applicable across our global locations and updated the same in our calculations for the year 2021 and 2022. This update is informed from the datasets of the International Renewable Energy Agency (IRENA). IRENA is considered a leading global intergovernmental agency for energy transformation, and going forward, we will use its emission factor database (applicable as of 2021) to cater to our calculations for various regions.

Scope 3 emissions:

As we work towards increasing the quality of our GHG emissions management and disclosure transparency, we have expanded the consideration of our scope 3 emissions to include the following categories of the GHG Protocol since 2021:

- Category 1: Purchased goods and services
- Category 5: Waste generated in operations
- Category 6: Business travel

Operational emissions performance

Total GHG emissions intensity per FTE decreased by 22% from our 2019 baseline

Scope 1 emissions lower by 42% from our 2019 baseline

Total emissions summary

In 2023, our GHG emission intensity per full-time employee (FTE) (a representative metric we use to reflect the emission generation relative to the scale of our organisation) decreased by 22% against our baseline year of 2019, highlighting a further reduction of 5% from 2022.

However, we note that we saw a limited decrease in our total absolute emissions against the baseline year of 2019, 1%, due to the bank's growth strategy, which included the acquisition of Bank Audi in 2022 and other assets across our key markets.

Scope 1

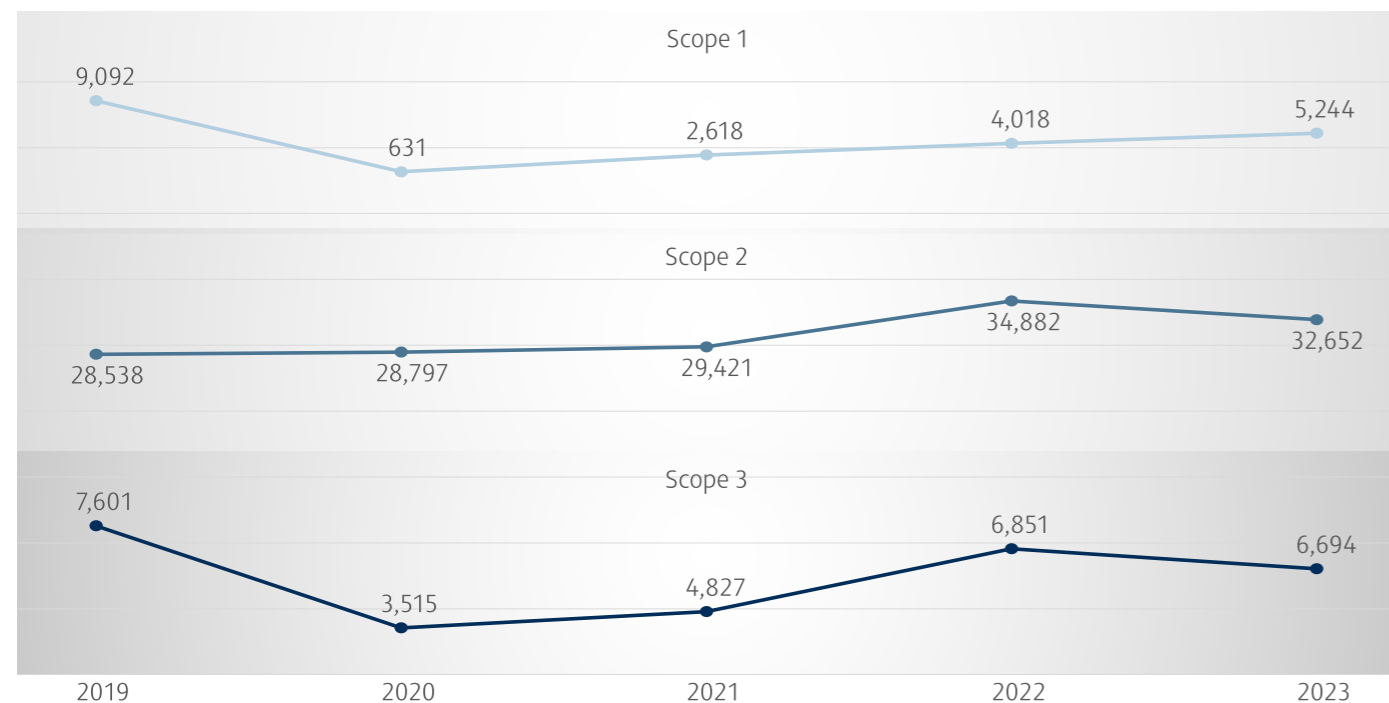
Our absolute scope 1 emissions have decreased significantly when compared with the 2019 baseline, recording a 42% decrease. Our performance stalled in 2023, when compared to 2022, due to a refrigerant leak (Q2, 2023) in one of our UAE assets. To resolve the matter, our facilities team addressed the leak with urgency, and they have taken the necessary remedial measures to ensure that this remains an isolated incident.

Furthermore, our operating subsidiary in Egypt conducted an extensive preventative maintenance plan covering all cooling devices across our branches. In particular, additional refrigerant cylinders were purchased, ahead of the hot summer months, to mitigate any potential down-time that translated into higher emissions for the 2023 year. However, in alignment with our net-zero target, the facilities management team in Egypt have put in place the necessary plans to begin replacing low-performance devices with new efficient ones in 2024.

Scope 2 and 3

We continue to make progress on our scope 2 and scope 3 emissions, which decreased by 6% and 2%, respectively, in 2023 compared with 2022.

Emissions	Unit	Scope	2019	2020	2021	2022	2023
Scope 1	tCO ₂ e	UAE and Egypt	9,092	631	2,618	4,018 ¹	5,244 ²
Scope 2	tCO ₂ e	UAE and Egypt	28,538	28,797	29,421 ³	34,882 ³	32,652
Scope 3	tCO ₂ e	UAE and Egypt	7,601	3,515	4,827	6,851	6,694
Total GHG Emissions⁴	tCO ₂ e	UAE and Egypt	45,231	32,943	36,866 ⁵	45,751 ⁵	44,590
GHG Emissions Intensity (Scope 1 and Scope 2)	tCO ₂ e/FTE	UAE and Egypt	6.90	5.82	6.3 ⁶	5.75 ⁶	5.49



Scope 1, 2, and 3 GHG emissions over the years 2019–2023

¹ Scope 1 emissions reported in FAB 2022 ESG report were restated as part of this report to account for new input data due to the acquisition of Bank Audi in Egypt and the update of refrigerants GWP as per the GHG Protocol.

² Normalised total scope 1 emissions, excluding emissions due to the refrigerant leak. Total scope 1, including the leak, is 6,042 tCO₂e.

³ Restated scope 2 emissions as a result of using location-specific grid emission factors from the International Renewable Energy Agency (IRENA), applicable as of 2021.

⁴ GHG calculations for scopes 1,2, and 3 (excluding financed emissions) are based on the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Revised Edition). Emission Factors References: DEFRA 2022 Emission Factors, International Renewable Energy Agency (2021).

⁵ Restated data due to enhanced calculation methodology.

⁶ GHG emissions intensity: the emission rate in metric tonnes of CO₂e emissions per FTE.

Our Net Zero Journey: a focus on financed emissions

In March 2023, we announced our emission reduction targets for our high-emitting sectors in our portfolio for oil and gas, power and energy, and aviation, underlining our dedication to lowering both financed and operational emissions.

In November 2023, we expanded this commitment to include five additional sectors: agriculture, aluminium, cement, commercial real estate (CRE), and steel. The eight sectors combined account for approximately 90% of FAB’s financed emissions. Our target-setting processes adhered to science-based and sector-specific methodologies in alignment with NZBA and PCAF standards. In order to gain a broader perspective, kindly access our reports: [“FAB’S PATHWAY TO NET ZERO Wave 1”](#) and [“FAB’S PATHWAY TO NET ZERO Wave 2”](#).

Sector	Scope	Metric	Baseline*	2030 Reduction Target
Oil and Gas	Scopes 1, 2, or 3	MtCO ₂ e per EJ	63	-7% to -15% (53 to 59)
Power	Scopes 1 and 2	gCO ₂ per kWh	460	-64% (165)
Aviation	Scopes 1 and 2	gCO ₂ e per pkm	83*	-15% (71)
Agriculture	Scopes 1, 2, and 3	ktCO ₂ e per m\$ of client revenue	1.68	-35% to -45% (0.92 to 1.09)
Aluminium	Scopes 1 and 2	tCO ₂ e per t of aluminium	8.1	-32% (5.5)
Cement	Scopes 1 and 2	tCO ₂ e per t of cementitious material	0.75	-25% (0.57)
CRE	Scope 1, 2 or 3	ktCO ₂ e per m ²	138	-45% to -55% (62 to 76)
Steel	Scopes 1 and 2	tCO ₂ e per tonne of crude steel	2.01	-26% to -32% (1.36 to 1.47)

* The aviation sector is measured against a 2019 baseline due to the impact of COVID-19 on air travel. All other sectors have a baseline year of 2021.

We continue to actively enhance our strategies to mitigate climate change impact across our operations, client engagements, and the wider ecosystem. Throughout 2023, we worked with key target sectors to discuss and support their decarbonisation efforts. For example, for the aviation sector, we led discussions at the aviation summit and hosted workshops during the Abu Dhabi Sustainable Week (ADSW), focusing on fostering the widespread adoption of sustainable aviation fuel (SAF), working towards limiting emissions within the aviation sector.

In 2023, we hosted an event for the aviation sector value chain, focusing on the sustainability journey of the sector. The agenda addressed three key themes:

- (1) Global aviation net-zero agenda
- (2) Aviation in the region and the pathway to net zero (including discussions on major levers and financing the transition)
- (3) Practical approaches and solutions to decarbonise the aviation value chain

Complementing this event, FAB published a special report, [Realising Net Zero Ambitions: A Game Plan for UAE Industries](#), which delved into the journey to net zero for key industries to realise UAE Nationally

► Financing Our Transition to a Low-Carbon Future

At COP28, we solidified our leading position in the MENA region’s sustainable finance market by pledging AED 500 billion (USD 136 billion) towards sustainable and transition finance by 2030; a commitment that encompasses lending, investments, and the facilitation of funds towards sustainable initiatives. This is the largest regional initiative of its kind by

a bank that is inclusive of financing for transition projects and innovative early-stage climate solutions.

From 2022 to 2023, we facilitated USD 34.4 billion (AED 126.3 billion), and in 2023, we facilitated USD 25.3 billion (AED 92.9 billion), which included three solar and four wind energy projects.

Determined Contributions (NDC) ambitions. This effort was further reinforced through a programme of dialogue with clients and industry stakeholders during COP28, featuring panels and roundtables.

Our approach will continue to include ongoing dialogue and support for clients to implement mitigation measures, utilising finance to bridge the gaps in their decarbonisation efforts. We have identified sector-specific levers and essential green technologies to assist clients in achieving their decarbonisation goals. Specifically, we plan to use the following levers to achieve our 2030 targets:

- Engaging with clients to support them in their decarbonisation journey;
- Financing low-carbon technologies, such as solar, wind, green hydrogen, ammonia projects, and carbon capture utilisation and storage technologies (CCUS).



► Addressing Climate Change

Our TCFD disclosure delivers on our 2019 commitment to address climate change by adopting TCFD recommendations into our processes and disclosures. In line with these recommendations, in 2021, the bank ran climate stress tests for relevant regulatory regions it operates in on a voluntary basis. We further expanded our analysis of the impact of climate transition risk on our Group non-retail portfolio in 2022 and presented sector-level expected credit loss forecasts to our Board and senior leadership.

In 2023, the bank conducted a climate risk scenario analysis on its non-retail portfolio as part of the Central Bank of the United Arab Emirates’ (CBUAE) annual bank stress test exercise. The bank also integrated climate risk as part of its internal risk taxonomy, demonstrating a commitment to further embed climate risk across enterprise risk categories.

Emissions intensity reduction targets were set across eight of our high-emitting sectors, covering approximately 90% of our portfolio emissions. This was done to pave the way for our high-level transition plan, included in the TCFD report.

Our GFANZ-aligned transition plan specifies our sector-by-sector levers for achieving our decarbonisation targets, our own operations’ net-zero plan, and how we are assisting our clients in their transition towards tackling climate change.

We are working to develop a physical risk methodology and sourcing relevant data. We are also developing a stand-alone climate risk policy and establishing a roadmap to further integrate climate into traditional risk categories and risk management processes in line with the CBUAE’s climate risk management guidelines published in November 2023. We are also working with our highest emitting clients on their transition plans and net-zero journeys.

In the MENA region, our engagement in the green bond market is centred on projects that promote the development of renewable energy and sustainable finance products. 2023 was also the year in which we issued FAB’s first green sukuk (AED 1.3 billion), and the UAE’s first AED-denominated green issuance. Furthermore, we actively contribute to regional initiatives by sharing climate scenario analysis with the CBUAE.

Capitalising on Our Social Responsibility

At FAB, our focus is on the well-being and engagement of our customers, employees, and the broader community. For our customers, this entails ensuring our financial services are accessible to all segments of the population and our processes are transparent and fair.

Internally, our commitment extends to providing a supportive, diverse, and inclusive workplace through various well-being policies and initiatives. Lastly, at the community level, we actively invest in initiatives that contribute to societal development, environmental restoration, and community resilience.

SME engagement

SMEs make up 90% of all businesses in the MENA region, contributing to a significant part of the region's economy. We recognise that SMEs have an integral role to play in accelerating the MENA region's transition to net zero. As such, in 2023, FAB supported SMEs with AED 3.3 billion in new financing, demonstrating a steady increase from the previous year's AED 2.8 billion.

The SME Climate Hub

We play an active role in the SME Climate Hub, launched in 2020 by the We Mean Business Coalition. The Hub is the only UN-backed SME platform accrediting SMEs as Race to Zero members. The Hub is designed specifically to support SMEs ramp up their climate action efforts, to ensure that their businesses remain resilient in the face of climate-related challenges and a net-zero future.

The SME Climate Hub was adopted by the COP28 Presidency as the first Race to Zero campaign, with Masdar placed as a campaign partner and FAB a campaign supporter through to August 2025.

This campaign is centred around recruiting SMEs and having them commit to halving their emissions by 2030 and becoming net zero by 2050. SMEs will be expected to share their progress annually. Upon joining, SMEs will gain access to resources and tools that will support their net-zero transition strategies in an effort to speed up global decarbonisation efforts.

Diversity and inclusion at the workplace

We believe that diversity and inclusion are not just a social imperative but a driver of innovation and excellence. Our employees represent 82 nationalities, and we are advancing our efforts towards the Gender Acceleration pledge made with the UAE's Gender Balance Council in 2022 with targets to achieve 40% women in senior leadership by 2030.

At Group level, FAB female employees represent 42% of our permanent employee population, and 20% of senior leadership roles are held by women. Our efforts to achieve gender balance include, but are not limited to, ensuring fair hiring practices, providing equal opportunities for training and development, promoting fair and balanced promotions, and providing increased flexibility for work-life balance and parental leave beyond that of what is required.

We proactively review and update our Emiratisation policies and initiatives to ensure alignment with our business practices and the country's larger socio-economic vision. We conduct customised development programmes for our Emirati staff, such as the Ethraa programme for fresh graduates' development, through which we have recruited 300+ fresh graduates in the last three years. As of 2023, Emiratis comprise 44% of overall employees out of a 50% target by 2026 (our target was updated in line with the CBUAE's guidance) and 27% of senior management.

We are committed to fostering a culture of respect and dignity across our business operations and supply chain. We have zero tolerance towards any violation of human rights and discriminatory behaviours.

Our Group Code of Conduct and additional policies, such as the Anti-Bullying and Harassment Policy, the Group Vendor Management Policy, and a statement on Modern Slavery, clearly articulate our stand against these practices. These policies also ensure compliance with the applicable labour laws and regulations.



82

Nationalities

20%

Women in senior leadership positions

42%

Women employees at FAB Group



Products and initiatives supporting our financial inclusion goals



Visa's She's Next

2023 was the second year that we partnered with Visa to launch the She's Next Campaign, a global advocacy programme that supports female-owned small businesses through funding, training, and mentorship. This popular programme received 880 applicants across the GCC, representing a wide range of sectors that include textiles, education, food and beverage, beauty and wellness, and professional services. The programme provides the winner a USD 50,000 grant and a year of business coaching from the International Trade Centre (ITC), a United Nations and World Trade Organisation agency. The business coaching is provided by the ITC SheTrades Initiative, ITC's flagship women and trade programme.



Ratibi Prepaid Payroll Card

Ratibi is one of FAB's key initiatives under the financial inclusion umbrella. The product is aimed at banking the unbanked and providing them with a salary card to receive, save, and spend their monthly wages securely without needing to maintain a minimum balance. Since 2006, FAB has issued over 2.1 million Ratibi payroll cards. Ratibi customers can enrol for Payit and get access to financial products, such as domestic transfers, utility bill payments, remittances, and Money on Demand.



FAB Future Business Leaders competition

At COP28, we announced the winner of our flagship ESG competition for university students: the Future Business Leaders competition. This initiative was first launched in 2022 as a part of our ESG strategy to assist the UAE in its aim to transition into a knowledge-based economy. The competition requires university students to outline the role of businesses in the national and global sustainability agenda. In 2023, we had over 10 UAE universities participate, and the top three candidates were shortlisted for a panel discussion at COP28 on the role of youth in accelerating the sustainability agenda. Additionally, the three candidates will receive an internship with the bank, along with cash prizes, career coaching, and exposure to the senior leadership at FAB to understand the inner workings of a bank. This initiative demonstrates our commitment to the younger generation and the role we hope they will play in shaping a sustainable future.

Frontiers in Sustainability

The Frontiers in Sustainability initiative is a collaborative effort undertaken by FAB in 2023 in partnership with the Emirates Foundation and the International Institute for Management Development (IMD). The programme is aimed at enhancing corporate leaders' understanding of sustainability issues as a fundamental part of holistic business transformation, aligning with the UAE's ambitious 2050 net-zero target. This initiative, particularly designed for senior leaders and C-suite executives from UAE private and governmental entities across sectors, helps create a baseline understanding of sustainability and provides a platform for participants to learn from leading experts and peers.

In 2023, two cohorts were established for the Frontiers in Sustainability initiative, with 25 participants in Cohort 1 and 20 participants in Cohort 2. Each cohort underwent a comprehensive programme involving four modules over 12 days, fostering in-depth exploration and learning. Additionally, the initiative organised two COP28 simulations, engaging over 100 participants in total.

Community investments, engagements, and partnerships.

At FAB, we work closely with our partners to create a thriving and inclusive local community where everyone feels valued. Throughout the year, our employees volunteered a total of 27,043 hours to

support the community in which we live and work. Our engagements reflect our promise to foster a connected and resilient local community. Some of these initiatives have been highlighted below.

Empowering inclusion



We supported the Emirates Association of the Visually Impaired in organising the 17th Emirates Championship of the Blind – Goal Ball. Through our sponsorship and active involvement, we contributed to the empowerment of individuals with visual impairments.

Supporting the ecosystem with mangrove planting



In line with UAE's Planting week, we conducted an awareness sessions on the importance of the Ajman mangroves and the crucial role they play in our ecosystem. More than 160 volunteers then kayaked and planted 200 mangrove trees.

Cleaning our oceans



FAB sponsored 25 staff members to attain PADI certification, engaging in multiple plastic clean-up campaigns across the UAE. On the World Environmental Day, our 20 certified divers dedicated 100 volunteering hours to the waters of Lulu Islands in Abu Dhabi, removing over 100 kg of debris, including glass bottles, plastic, cans, fishing lines, and buoys. On Coastal Cleanup Day, 15 certified divers invested 82 volunteering hours at Dibba Al Fujairah Port, responsibly discarding more than 89 kg of marine debris.

“ Employees volunteered a total of **27,043** hours to support the community.”

Promoting justice



At FAB, we are dedicated, alongside the Himaya Foundation, to making a meaningful impact, and we are honoured to support the mission to assist women subjected to domestic violence. Our commitment included covering court fees, ensuring that these brave individuals have the necessary resources to seek justice and rebuild their lives.

FAB kicks off the month of reading with a book fair at the head office



In March, we supported the UAE's Month of Reading initiative in line with the Ministry of Culture's vision to encourage reading. FAB supported several initiatives aimed at raising awareness and encouraging individuals and families to read. A book fair was organised in Abu Dhabi Head Office to allow staff and customers to buy books and enjoy reading.

Making a difference to families in need



During the Holy month of Ramadan, FAB launched its special and inclusive Ramadan campaign, which provided 3,000 volunteers a chance to give back to the community; they spent 6,000 volunteering hours for activities across 30 days of Ramadan throughout the UAE in Abu Dhabi, Dubai, Ajman, Ras Al Khaimah, and Fujairah.



Promoting inclusive activities



In collaboration with the Zayed Charitable and Humanitarian Foundation, we conducted a workshop for people of determination, highlighting the importance of Earth Day. During the workshop, the children learned about the importance of organic gardening and were taught about planting flower and vegetable seedlings.

Supporting low-income families



مؤسسة محمد بن راشد للإسكان
Mohammed Bin Rashid Housing Est.

FAB collaborated with the Mohammed bin Rashid Housing Establishment to equip 20 low-income families with essential home necessities.

Promoting sustainable housing for refugees in Jordan



The project is under the patronage of Her Highness Sheikha Shamma bint Sultan Al Nahyan, Director of the UAE Independent Climate Change Accelerators (UICCA) and the Founder of the Shamma bint Sultan Sustainability Initiatives. The housing complex consists of 25 units, made of eco-friendly palm wood and powered by solar energy. The units have been manufactured in the UAE and are currently being dispatched to the Emirati Jordanian Refugee Camp in Mrajeeb Al Fhood.

Mastercard, the Priceless Planet Coalition



FAB announced its support for the Mastercard Priceless Planet Coalition (PPC) and an exclusive co-hosted experience in the FAB showcase space. During COP28, visitors to the FAB pavilion calculated their carbon footprint to see the impact they have on the environment.

Restoring marine ecosystems



FAB and Archireef, which specialises in degraded marine ecosystems, formed a partnership to engage retail customers in nature-based solutions to mitigate climate change and impact on marine life in our home waters of the UAE FAB sponsored four marine biodiversity workshops for children at the FAB Pavilion at COP28.

Easing cancer patients' financial burden



FAB joined forces with the Rahma Cancer Patient Care Society to alleviate the financial strain on cancer patients by covering their fees. Together with the Rahma Society, we strive to make a positive impact on the lives of individuals affected by cancer, providing them with essential financial assistance during their recovery.



Transforming Our Governance Model



Our governance principles are designed to demonstrate accountability, transparency, and ethical behaviour, which are consistent with our policies and code of conducts and other business principles. We periodically assess the robustness of our governance model and respective internal processes and controls to make sure we are operating at the highest level of ethical performance.

At FAB, ESG has been seamlessly integrated into our core governance framework with dedicated committees overseeing the business linkage and implications of ESG strategy, ESG risk framework, and policy implementation. We persist in cultivating a corporate culture that understands the significance of ESG matters in business, fostering collaboration and capacity building across various business lines.

The Board of Directors actively directs our ESG ambitions in an ethical and transparent way to ensure long-term performance and sustainability. The Board's ESG strategic direction is communicated to the wider Group through the Board Risk and ESG Committee (BRESGC).

The Group ESG Committee (G-ESGC) supports the BRESGC in overseeing the ESG culture and awareness across the Group, ensuring the ESG strategy is implemented and endorsing FAB's net-zero pathway plans.

The G-ESGC represents the highest authority at the management level for all ESG-related decision-making across the Group. It is supported by the ESG and Sustainable Finance Committee (ESG-SFC) that oversees the implementation of the ESG Strategy, Policy, and Sustainable Finance Framework.



The ESG direction set out by the Board is disseminated to the organisation through a Group-wide ESG frameworks, policies, and strategies, which are developed and executed by the Group ESG team.

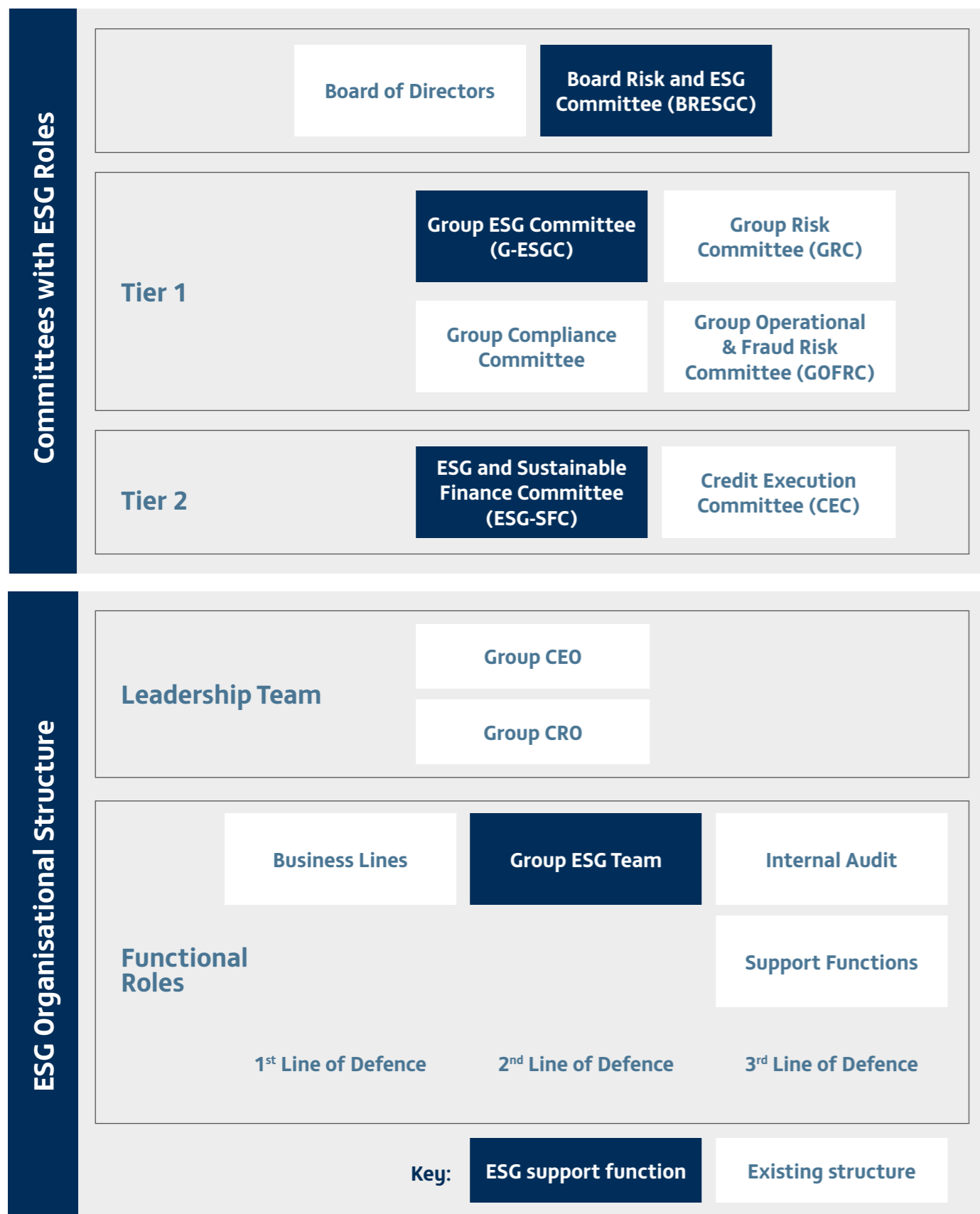
Senior Management, on the other hand, are responsible for implementing the ESG strategy framework and policies based on board approvals, while driving ESG culture and changes and ensuring compliance. These are internally supported with an appropriate risk appetite framework.

Upskilling Our Colleagues on Climate Change

FAB prioritises the training and education of its staff. All staff are required to complete the mandatory annual compliance training.

In addition to specific tailored training, the Board receives an annual compliance training update. During 2023, the total learning hours for Mandatory Learning Curriculum (MLC) 2023 were 72,359. In July 2023, we launched our Carbon Literacy programme to upskill colleagues, enabling them to effectively assist clients, as well as support the bank, in navigating the shift towards a low-carbon economy to meet our net-zero and ESG targets. This programme will continue to be rolled out in 2024.

Structural overview of ESG governance



FAB's sustainability commitment and alignment with local and global strategies

Alignment with local and global frameworks and goals	
Reporting Frameworks	Global Reporting Initiative (GRI)
	Equator Principles (EP)
	Carbon Disclosure Project (CDP)
	Net Zero Banking Alliance (NZBA)
	Principles for Responsible Banking (PRB)
	Green Bond ICMA Principles (ICMA)
	Task Force on Climate-Related Financial Disclosures (TCFD)
National Goals	Abu Dhabi Securities Exchange (ADX) ESG Guide for Listed Companies
	Partnership for Carbon Accounting Financials
	Abu Dhabi Vision
	UAE Vision 2021
International Goals	UAE Green Agenda 2015–2030
	UAE Net Zero by 2050
	UAE Climate-Responsible Companies Pledge
International Goals	UN Sustainable Development Goals (SDGs)
	UN Global Compact
	COP28 Net Zero Transition Charter: Accountability Mobilisation for the Private Sector



