



بنك أبوظبي الوطني  
NBAD



Corporate Sustainability Report 2015

# Being a Good Corporate Citizen

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# 1. Opening Remarks

## 1.1 About this Report\*

Following on from our 2014 Sustainability Report "Creating Value for our Stakeholders", this is our seventh Sustainability report. This report provides details of our corporate sustainability business practices and trends for the financial and operational year beginning 1 January 2015 and ending 31 December 2015.

It includes details and updates on the annual commitments, strategic objectives and activities that took place during this period within NBAD in the UAE (also referred to as NBAD, UAE). In some cases, our international units and NBAD Group wide operations (within UAE and international) are also referred to. Any restatements and their explanations have been recorded in Appendix E.

We use sustainability reporting to track our performance with the aim to improve sustainable business practices. We also hope the report will be used as an internal and external awareness tool and resource for stakeholders to benchmark our performance against other sustainable organisations.

The report has been written for the benefit of investors, customers, employees, management, suppliers, communities and those interested in understanding NBAD's sustainable business practices. It follows the Global Reporting Initiative's (GRI) G4 Guidelines in accordance with the "Core" option. For the first time, there is limited third party verification of environmental data.

For more information about our sustainability approaches, please visit [www.nbad.com](http://www.nbad.com). For further details on any of the information within this report, or if you have any comments, feedback or enquiries, please contact the NBAD Sustainability Team at:

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\*G4-22, G4-23

## 1.2 Message from the Chairman

### The Year in Review



“ This year was a turbulent year for the world economy, the UAE and for banking. Despite this, we maintained solid, core business performance with our robust domestic business, strengthened by diversified funding from our international network. We continue to focus on building long-term client relationships, conservatively growing our business whilst maintaining a strong balance sheet, and being consistently ranked as one of the world's safest banks.”

Earlier this year, we anticipated a prolonged period of low oil prices and tighter liquidity in the market and took necessary measures to strengthen our financial position. In response to what is now considered to be the "new normal" environment, we pursued selective growth opportunities from our long-term strategy and utilised our international network to diversify sources of deposits and revenue. Some key financial highlights are as follows:

- Revenues grew 1% to AED 10.6 billion;
- Total assets grew to AED 407 billion, up 8%;
- Net profits fell 6% to AED 5.2 billion;
- Net loans and advances were AED 206 billion, up 6%;
- Customer deposits were down 4% to AED 234 billion;
- Capital ratios remained strong with Capital Adequacy Ratio of 16.1% and Tier-1 Ratio of 15.7%; and
- Proposed cash dividend of 40 fils per share.

During this year, our strategy for diversifying revenue, liquidity and risk generated rewards. We maintained strong capital and liquidity, achieved growth in core divisions and maintained a sharp focus on reducing our cost-growth. Our risk management and underwriting criteria were also strengthened. The Bank continued to be ranked very highly by all three major credit rating agencies, with long-term debt ratings of AA- by Standard and Poor's (S&P), Aa3 by Moody's and AA- by Fitch.

We are at an advantageous position with strong liquidity from our international network, a high quality loan book and limited exposure to vulnerable sectors. We will maintain a rigorous approach to risk management and cost control as we invest in core operations of the business as well as in key talent. Providing excellent customer service will always be one of our top priorities.

We continued to demonstrate our strong commitment to Abu Dhabi and the UAE through our business strategy, our efforts to provide exceptional customer service, and our commitment to being a good corporate citizen. At NBAD, that means leading the way regionally in terms of responsible and sustainable business practices and making a positive contribution to the world around us. We will remain confident and conservative in 2016.

**H.E. Nasser Ahmed Alsowaidi**  
Chairman

### 1.3 Message from the Deputy Group Chief Executive Officer



“ We want to be the leading regional bank in sustainable business and join the same platform as the handful of international banks that have made similar commitments. No other bank in the region has set such a target. ”

2015 proved to be a challenging year for the financial industry, but I am pleased to say that NBAD successfully weathered the storm and adapted to the “new normal” environment. Our strategy remains intact and we continue to move forward, remaining disciplined in our cost management, managing our risks, leveraging our international platform and maintaining our strong capital and liquidity.

We continued to reach significant milestones this year. We became the first bank in the UAE to sign the Equator Principles, a global benchmark in the financial industry for assessing environmental and social risks in the projects we finance. Environmental and social risk management are key priorities for NBAD; therefore, our policies and standards will continue to evolve in response to emerging risks and new product development.

As part of our commitment to being a good corporate citizen, we implemented our citizenship strategy, which supports our long term ambition to be a leading bank on issues that have global significance and local relevance. Our strategy is aligned with the Abu Dhabi Government’s economic plans, helping to generate growth and diversify the economic base, particularly with the current focus on decarbonising the economy and diversifying energy supplies.

We identified sustainable energy as one of those global issues with particular local relevance, given the escalation in energy demand across the Middle East, and we sponsored thought leadership research into the topic. In March 2015, we launched ‘Financing the Future of Energy’, a report we commissioned from the University of Cambridge and PricewaterhouseCoopers (PwC), that explores the changing nature of the global energy mix and highlights the growing demand for sustainable energy in the Gulf region, the technologies that are most likely to close the supply-demand gap, and the scale of the investment required.

The demand for energy is huge in the region and we already know that renewables will form a material part of this demand. The UAE government has committed AED 72 billion to renewable energy by 2021.

Thus we see economically viable projects supported by strong government policy commitments, and our core clients transacting more sustainable businesses on a commercial basis across the West-East Corridor.

We established our client-facing team dedicated to promoting sustainable business, the first of its kind amongst regional banks. This team is leading our strategic commitment to the sector, encapsulated in our pledge to lend, invest and facilitate a total of US\$ 10 billion over the next 10 years towards the global growth of sustainable business. The setting of such a target positions NBAD at the forefront of financial institutions seeking to support sustainable business, and will help us to position sustainability as a core focus.

Through our citizenship initiatives we are also committed to supporting SMEs in the region, not only with financing to support their growth, but also by helping them to develop the critical skills needed to sustain their business. We created the NBAD SME Academy so that leaders of small and medium sized businesses can gain access to the crucial knowledge, insights and skills required for successful entrepreneurship.

We have set ourselves two significant ambitions on the future of energy and on SME advocacy, while continuing to build strong performance in responsible banking practices across our core operations. We are committed to supporting sustainable business because we believe that environmental considerations and sustainability will be one of the enduring forces shaping the business world of the future, and we can see significant opportunities for the bank. We now have a large universe of clients who want and need a specialist capability in sustainable financing. As a leading bank in the region, we believe it is our responsibility to show leadership in this sector. 2015 was the year in which we established the platform to do so.

**Abdulla M S AbdulRaheem**  
Deputy Group Chief Executive Officer

### 1.4 Message from the Head - Citizenship and Corporate Sustainability



“ As a bank, we play a vital role in society, so how we conduct ourselves is as important as what we do. Everything we do every day must be built on the foundations of responsible business practices. ”

Looking back over 2015, I am struck by the importance of our achievements and the progress we have made throughout the year. Whilst they are explained in detail in this report, I want to talk specifically about those for which we are justifiably proud.

After a great deal of preparatory work in 2014, the successful launch of our corporate citizenship strategy was the most significant achievement, because it acted as catalyst for a series of fundamental changes and impacts within the bank in areas such as governance and risk through to new business opportunities.

In our citizenship strategy, we make a commitment to two areas where we believe we can create significant impacts over the coming years. These commitments are to make a real contribution to the region meeting its own energy challenges, and to promote regional economic growth through our support and development of the SME sector.

The establishment of our Sustainable Business platform is a clear example of how sustainable business practices and a sustainable mind set can drive new business opportunities. Emerging from the Future of Energy citizenship programme, the Sustainable Business team will explore and promote environmentally-sound banking opportunities in clean energy generation as well as in other sectors such as transportation schemes, sustainable water and waste management and energy efficiency. We have also signalled our intent to finance, invest and facilitate US\$10 billion of sustainable business over the next ten years; the first such target from a bank in the Middle East, and in September 2015, we became a signatory to the Equator Principles (EP).

Over the years our business has developed a strong understanding of SMEs and their specific challenges and needs. We have recognised the growing need to develop a thriving and prosperous SME sector in the UAE. As a result, we launched a pilot test of the NBAD SME Academy in September 2015, delivering a series of skills-building workshops focused on the essential skills and capabilities required for SMEs to run successful businesses. We intend to formally launch year one of the NBAD SME Academy in September 2016.

#### Our successes and achievements in 2015

With all the excitement and positive feedback we received from the launch of the citizenship strategy, I believe it is important that we do not lose sight of some of the more fundamental achievements during the year. NBAD was identified as a leader in sustainability reporting in a KPMG survey carried out for the UAE and Oman. KPMG’s report was launched globally at the COP21 – the United Nations conference on climate change in Paris. We were also awarded the Best Sustainability Report (2014) at the Abu Dhabi Sustainability Group (ADSG) Leadership Awards.















The challenges of climate change and the UAE’s participation and commitments at COP21 are leading to new policy and regulation both at Federal and Emirate level. In 2015, we stepped up our efforts to understand and address our own environmental footprint, and are currently the only bank in the region to be reporting our greenhouse gas emissions through our annual submission to CDP (formerly the Carbon Disclosure Project). We want to improve our performance and reporting over the next three years in order to be on par with international peers. We also commissioned an environmental audit of two of our buildings to take a closer look at their environmental impacts and identify opportunities for cost-savings through building enhancements, with a specific focus on reducing energy and water consumption. Our efforts are aligned with the UAE and Abu Dhabi governments’ recent policies.

We are not immune to the major political and economic changes taking place globally, nor are we immune to the growing impacts and risks associated with climate change. We are, therefore, determined to enhance our sustainability efforts over the years ahead, to track and report our progress and to engage our stakeholders on the issues that matter most to them. We see this as fundamental to our role as a good corporate citizen, and have set out in this report our commitments on how we will achieve this.

**Belinda Scott**  
Head - Citizenship and Corporate Sustainability

## 2. Our progress in 2015

### 2.1 Key Highlights

For Shareholders 		For Customers 	
Total AED paid in shareholder dividends <b>AED 2.3 bn</b> 	Net Profits <b>AED 5.2 bn</b>	UAE branches and cash offices <b>114</b>	ATMs/CDMs <b>576</b>
Total equity <b>AED 43.2 bn</b> 	<b>Ranking</b> 50 Safest Bank in the World* Safest Bank in Middle East* Safest Bank in Emerging Markets*	Increase in the number of branches with Service ambassadors from 22 to 42 	<b>Social Media</b> Over 135,000 followers on LinkedIn and growing... 
Total Assets <b>AED 407 bn</b> 	Customer Deposits <b>AED 233.8 bn</b>	<b>Financial Inclusion</b> Percentage increase in number of salary debit cards ('Ratibi') cards issued for low income segment <b>20%</b> 	<b>Financial Accessibility</b> Number of ATMs and branches in low populated and hard to reach areas of UAE <b>42 ATMs and 15 branches</b> Launch of our mobile banking app 
For Environment 			
<b>Sustainable Business</b> NBAD has committed to finance, facilitate and invest USD 10 billion over 10 years to activities focused on environmental solutions.  Creation of Sustainable Business practice to identify and drive funding towards energy efficiency and renewable energy projects.	<b>Equator Principles</b> First UAE bank to become signatory to the Equator Principles, an international benchmark for identifying and managing environmental and social risks.	<b>Carbon Disclosure Project (CDP)</b> Only regional bank to report our greenhouse gas (GHG) emissions through our annual submission to CDP (formerly the Carbon Disclosure Project).	<b>Environmental Audit</b> Environmental audit undertaken for two of our main office buildings (including Head Office) to assess environmental performance and opportunities for energy and water savings.
For Employees 		For Community 	
Salary, benefits and rewards paid to employees <b>AED 2.8 bn</b> 	Employee Satisfaction <b>71%</b>	Attendees of SME Academy <b>231</b>	Community Contributions <b>AED 47 mn</b>
Total training days** delivered <b>23,826</b>	Representation of women in the UAE workforce <b>39%</b>	Payment to our local suppliers <b>AED 1.4 bn</b> 	Net increase in number of UAE National staff*** <b>98</b>

\* Global Finance

\*\* 1 training day is equivalent to 7 training hours

\*\*\* Increase in number of UAE Nationals who are permanent staff (excluding trainees). Net increase = (New UAEN staff hires + Conversions from trainees) - UAEN staff leavers

### 2.2 Main Awards and Recognition

Award	Awarding Body
Safest Bank in the Middle East and Emerging Markets	Global Finance
Among the 50 Safest Banks in the World	Global Finance
Best Corporate Sustainability Report (2014) – Abu Dhabi Sustainable Business Leadership Awards	Abu Dhabi Sustainability Group (ADSG)
Best Treasury and Cash Management Provider in the UAE	Global Finance
Best Foreign Exchange Provider in the UAE	Global Finance
Private Bank of the Year UAE	The Banker and Professional WM Magazine
Best Governance for a Financial Institution in the Middle East	Ethical Boardroom Magazine
Best Business Bank	Banker Middle East Industry Awards
Best SME Bank	Banker Middle East Industry Awards
Best SME Foreign Exchange Service and SME Card	Banker Middle East UAE Product Awards
Best New Fund – NBAD Shariah MENA Dividend Leader Fund	MENA Fund Manager Performance Awards
Best DCM House in the UAE	Euromoney Awards for Excellence

## 2.3 Performance against our 2015 Commitments

### Sustainability Focus Areas and Commitments

Responsible Business Practices 	
<p><b>Commitment</b> Becoming signatory to the Equator Principles.</p> <p><b>Performance</b> We became signatory to the Equator Principles on 20 September 2015, the first bank to do so in the UAE.</p> 	<p><b>Commitment</b> Engage with our customers through our customer satisfaction survey and collaborate to identify and meet our customers' needs.</p> <p><b>Performance</b> We conducted a Group customer satisfaction survey and we are addressing our customers' needs.</p> 
<p><b>Commitment</b> Invest in local economy i.e. Abu Dhabi's 2030 vision (ongoing commitment).</p> <p><b>Performance</b> We continued to support the Abu Dhabi Economic Vision 2030 by financing community facilities including education and healthcare establishments.</p> 	<p><b>Commitment</b> Finalise the sustainability selection criteria for suppliers and prepare a code of conduct for supplier registration.</p> <p><b>Performance</b> We have developed a Supply Chain Social and Environmental Code of Conduct, which outlines requirements for vendors to conduct their business in an environmentally and socially responsible way. This will be incorporated in our supplier registration process once this process is finalised.</p> 
<p><b>Commitment</b> Increase the number of branches with Service Ambassadors to 28 branches.</p> <p><b>Performance</b> We increased the number of branches with Service Ambassadors from 22 to 42 branches, in line with our 2015 commitment.</p> 	<p><b>Commitment</b> Contribute to the Abu Dhabi 2030 Vision for Emiratization (ongoing commitment).</p> <p><b>Performance</b> We achieved a net increase of 98 UAE Nationals this year. Moving forward we will focus on the professional development of our UAE Nationals.</p> 
<p><b>Commitment</b> Seek feedback from employees on NBAD as an employer through our employee satisfaction survey.</p> <p><b>Performance</b> Our annual Global People Survey has resulted in a programme of action to address issues raised.</p> 	<p><b>Commitment</b> Identify our waste streams and develop a waste management plan for our Head office and NBAD Academy building.</p> <p><b>Performance</b> A waste management plan identifying the main waste streams for our Head Office, Khalidiya and NBAD Academy buildings has been prepared and implemented. This has been approved by the Abu Dhabi Centre for Waste Management (AD CWM).</p> 

Communities 		
<p><b>Commitment</b> Continue to participate in the Dubai Chamber Sustainability Network (DSCN) working groups.</p> <p><b>Performance</b> We were unable to participate in the DSCN working groups as actively this year as our focus has been on the implementation of our Citizenship strategy.</p> 	<p><b>Commitment</b> Publish and launch the 'Financing the Future of Energy' report at the Global Financial Markets Forum (GFMF) in March 2015.</p> <p><b>Performance</b> We commissioned a research study to explore how the financial sector can help shape a more sustainable future in the context of new energy solutions. The outcome was published in a report entitled 'Financing the Future of Energy' this year.</p> 	<p><b>Commitment</b> Support the Abu Dhabi 2030 vision by investing in the local economy.</p> <p><b>Performance</b> As part of our Citizenship strategy, we launched our SME Academy to deliver free workshops to address the skills gaps amongst SMEs and to drive growth in this sector.</p> 
Environment 		
<p><b>Commitment</b> We plan to have our data externally assured.</p> <p><b>Performance</b> This year we achieved limited third party verification of our environmental data, to ensure the accuracy of the data for our annual Sustainability Report and for our disclosure of emissions as part of CDP (formerly the Carbon Disclosure Project).</p> 	<p><b>Commitment</b> Commission an Environmental Audit of our Head Office building to identify opportunities for environmental improvement.</p> <p><b>Performance</b> An environmental audit was carried out for our Head Office and Khalidiya office buildings. The audit enabled us to identify ways by which the environmental performance of the buildings can be improved and highlighted the level of investment required.</p> 	<p><b>Commitment</b> Continue to measure and disclose our greenhouse gas (GHG) emissions.</p> <p><b>Performance</b> We submitted our annual response to CDP in 2015.</p> 
<p><b>Commitment</b> Conduct more environmental awareness campaigns for our employees and outsourced staff.</p> <p><b>Performance</b> We conducted environmental awareness campaigns throughout the year and through our annual Sustainability Week activities. In addition, 4,141 employees successfully completed the sustainability e-learning training programme this year.</p> 		

### 3. About us

#### 3.1 Who We Are\*

Established in 1968, NBAD is the Abu Dhabi Emirate's first national bank. NBAD is 69.92%<sup>1</sup> owned by the Government of Abu Dhabi through Abu Dhabi Investment Council (ADIC). We are a Public Joint Stock Company listed on the Abu Dhabi Securities Exchange (ADX). Our headquarters are based in Abu Dhabi UAE.

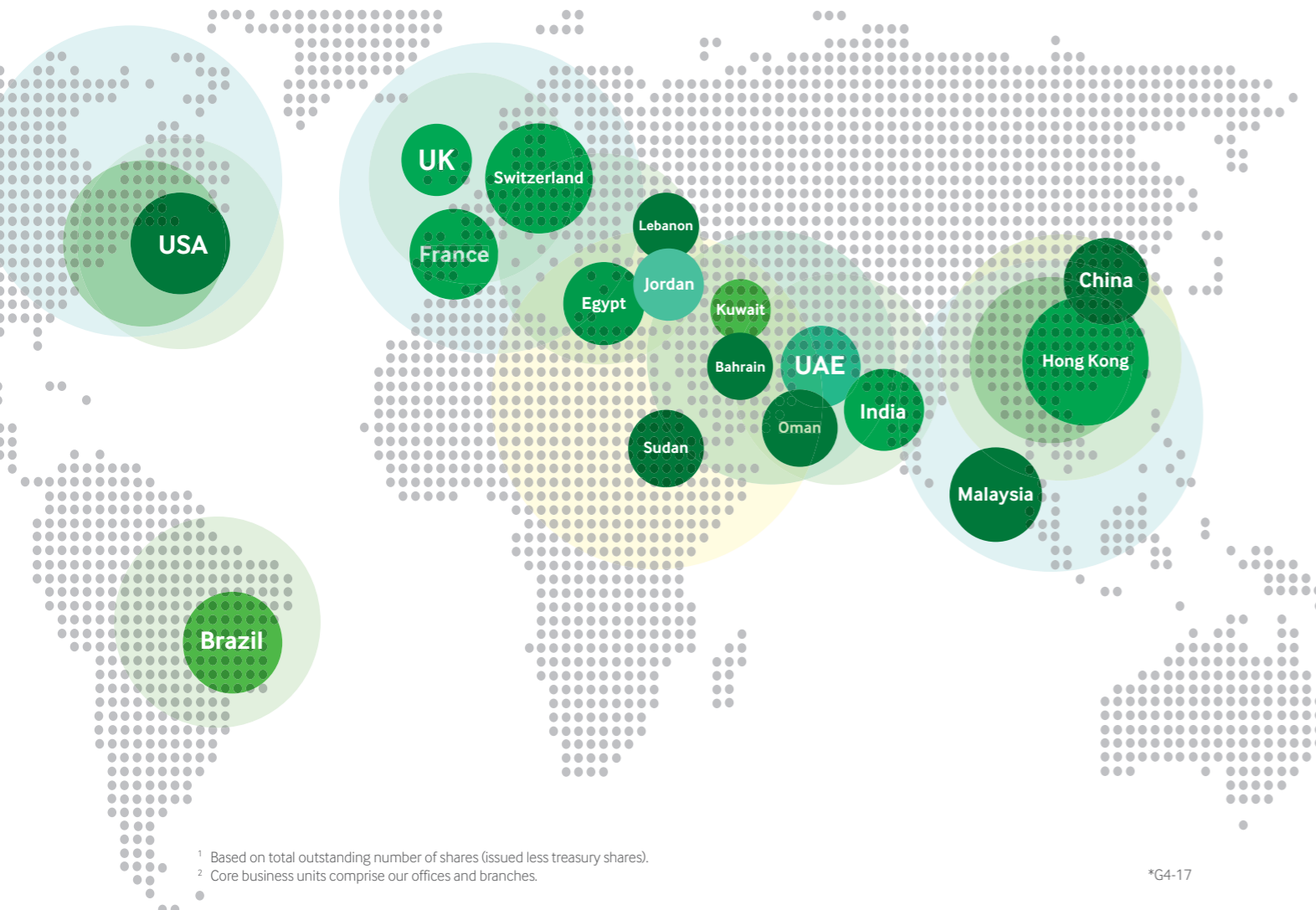
NBAD has played a formative role in building the country's financial system, from facilitating the introduction of the dirham as the UAE's currency, to helping launch Abu Dhabi's stock exchange. We are over 40 years old, with a strong domestic base and a growing international presence.

Across the UAE, we have 114 branches and cash offices, 576 ATMs/CDMs, private banking units, online banking channels and a 24/7 contact centre support. We closed a number of branches last year in over represented areas, where the closure did not negatively affect customers due to the availability and use of alternative channels such as our online banking services and mobile banking app. This decision was based on a study of the number of customers in the area and viability of continuing to operate branches in these locations.

Globally, we operate in 17 countries from the Far East across the Asian subcontinent to Africa, Europe, North and South America (the West East corridor). In 2015, we expanded our operations and opened a branch in Mumbai, India to service corporate and financial clients across the country. Further information on our international locations can be found on our website ([www.nbad.com](http://www.nbad.com)).

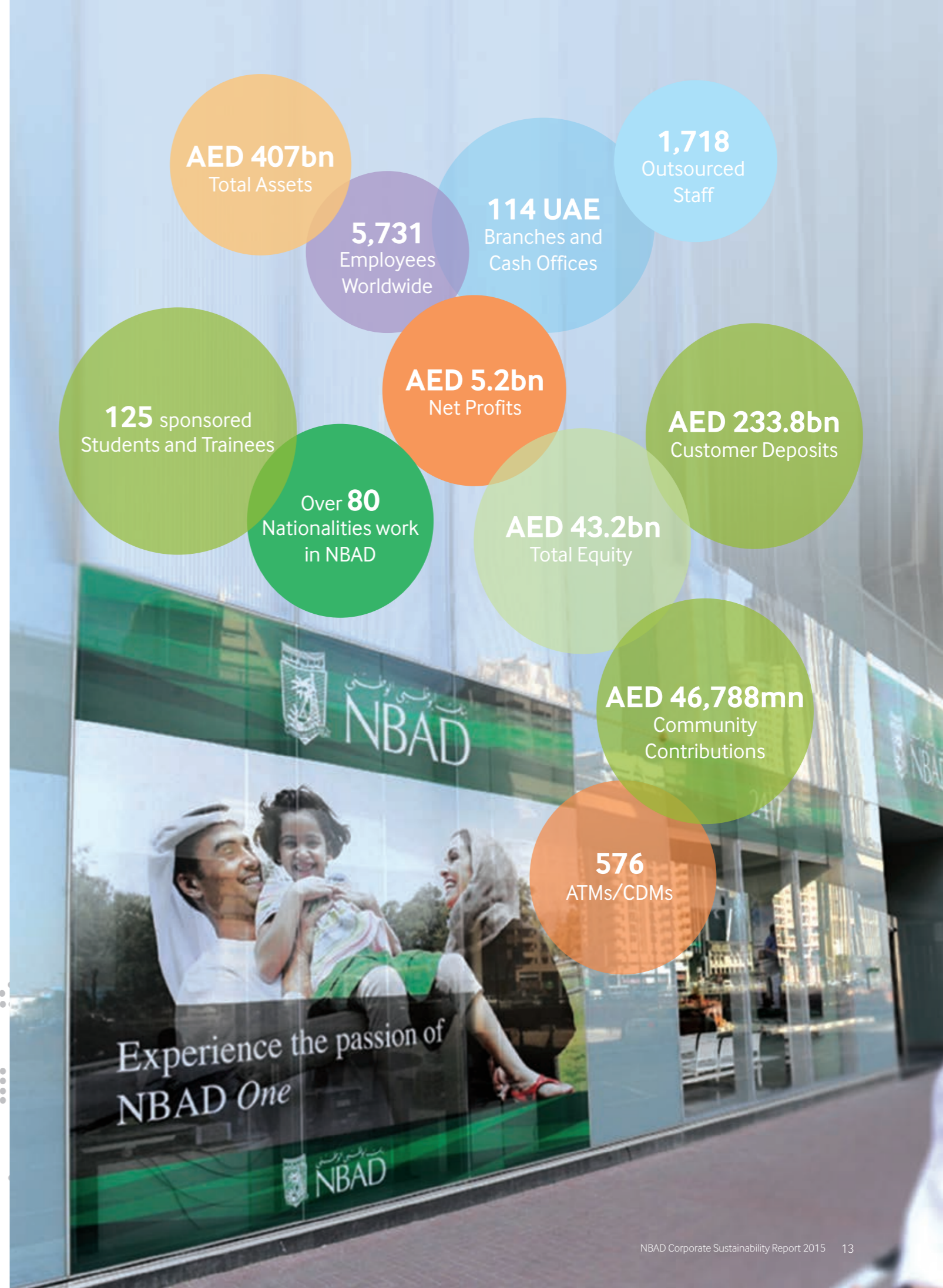
Our banking activities comprise core business units<sup>2</sup> across the UAE, the Gulf and international geographical segments. Our business lines include global wholesale banking, global wealth and global retail and commercial business units, which are supported by our Head Office support units.

Further detail on our business segments and products and services can be found on our website ([www.nbad.com](http://www.nbad.com)). Details of our entities included in our financial statements can also be located on our website\* ([www.nbad.com](http://www.nbad.com), 'About NBAD', 'Investor Relations', 'Financials', Annual Review Report - 2015, Consolidated Financial Statements, page 12).



<sup>1</sup> Based on total outstanding number of shares (issued less treasury shares).  
<sup>2</sup> Core business units comprise our offices and branches.

\*G4-17



## 3.2 Our Role

### Our Purpose

Banks play a crucial role in the economy, providing financial services to individuals, businesses and other organisations, through managing deposits and providing a safe place for people's money, providing credit and loans, processing payments and channelling deposits into lending, directly and through capital markets. By supporting economic development and international trade, banks can contribute to financial security for the economy, and society as a whole. Aside from providing financial services and driving economic activity, banks are also a significant source of employment, providing millions of jobs worldwide.

At NBAD, our primary role is to create value for our clients, shareholders and stakeholders. We are an integral part of the UAE's economy and society, helping people to manage their money and facilitating trade and investment.

We serve a wide range of customers across different business sectors and backgrounds. We provide financial advice from major corporate deals to smaller personal transactions. As our roots are in Abu Dhabi, we have a unique understanding of the dynamics of the Arab region and its connections to the world's markets. Our experience and expertise have developed over many decades in the region.

» NBAD ranks among the 50 safest banks in the world by Global Finance magazine.



As we specialise in key industrial and commercial sectors, we offer our clients expert advice in each sector. For example, if advice is required in relation to energy we have energy experts, and for real estate businesses, we have real estate experts. The same is true for the financial sector, transport and aviation and retail.

We put safety and soundness at the heart of our business model so that we can support our customers for the long-term. We strive to understand our customer's business needs and provide advice and tailor products that support these needs.

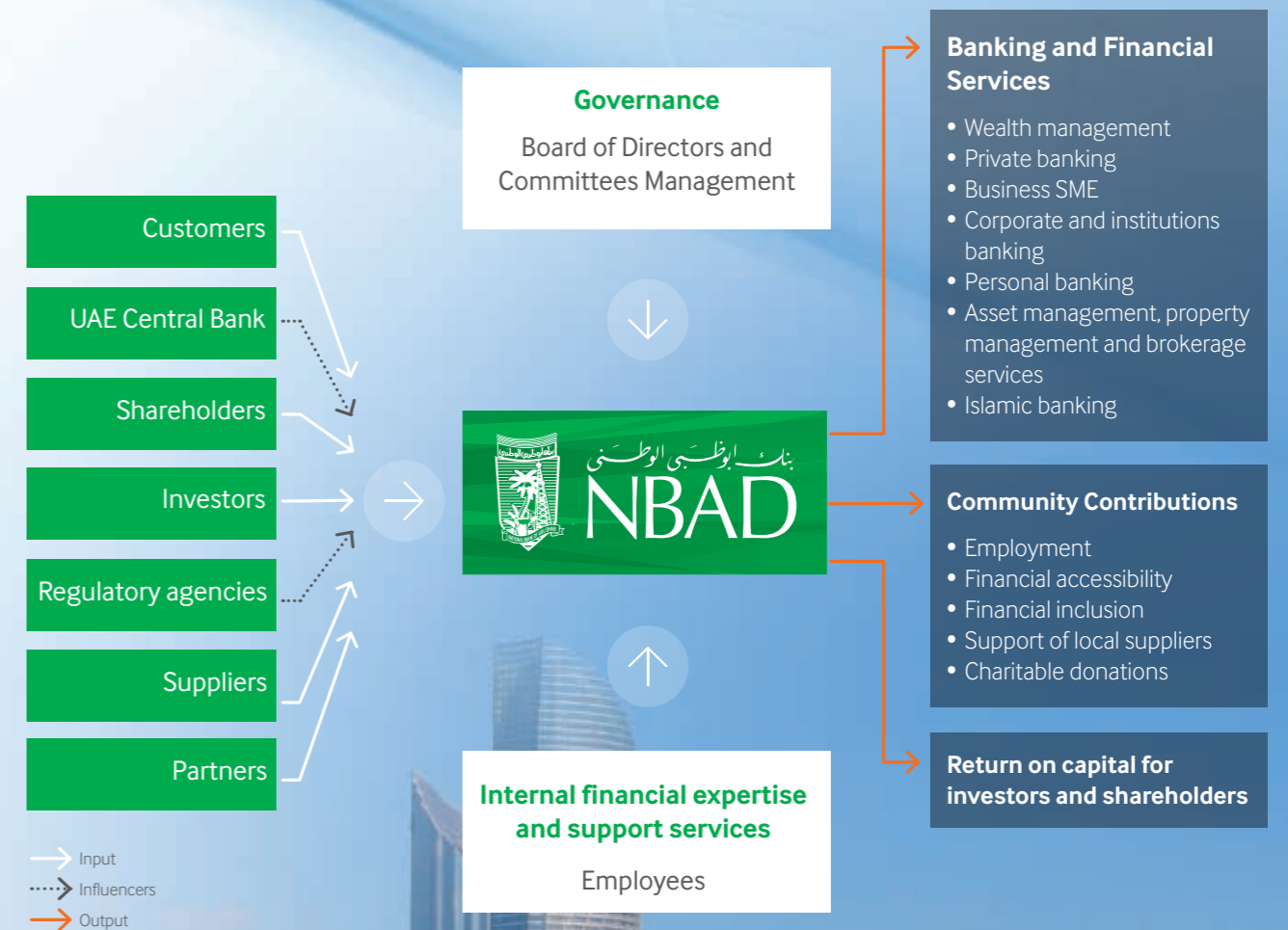
Our global network spans 17 countries and 47 offices outside the UAE. We employ 5,731<sup>3</sup> staff worldwide (excluding students, trainees and outsourced staff).



Through our business model, we help entrepreneurs, businesses and households to make well-informed financial decisions, creating value for society and the economy as a whole. In doing so, we support the Abu Dhabi Economic Vision to diversify and grow the economy in a sustainable manner.

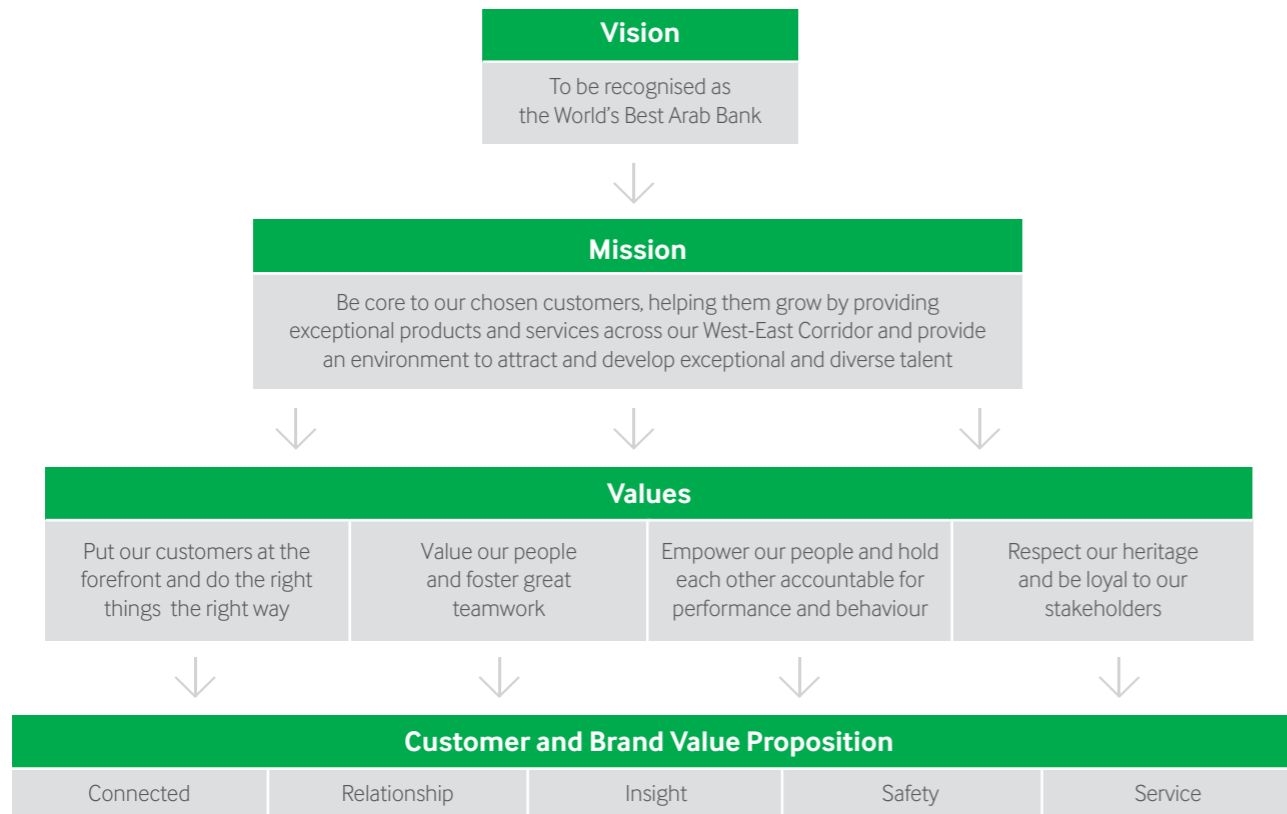
<sup>3</sup> This number excludes students, trainees and outsourced staff.

### Our Value Chain





### 3.3 Our Vision, Mission and Values



Our Vision, Mission and Values are the critical ingredients of our "One NBAD" customer value proposition. Our mission to be core to our chosen customers is built around four pillars and will be achieved primarily through organic growth.

<p><b>1</b> <b>Home market</b> Build the largest, safest and best performing bank first in the UAE, and over time in GCC and other countries throughout the West-East corridor.</p>	<p><b>2</b> <b>Wholesale and wealth network markets</b> Deepen our wholesale network across the new West-East Corridor and further integrate our existing European and North American platforms into this network.</p>	<p><b>3</b> <b>New franchise markets</b> Build five international bank franchises in the largest and fastest growing economies in the West-East corridor.</p>	<p><b>4</b> <b>Building the Spine</b> Supported by a world class spine (Operations and Technology, Risk, Finance, Legal, Compliance) combining exceptional customer service with leading cost efficiency.</p>
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### 3.4 Transparency and Accountability

#### Our Annual Reports

NBAD is 69.92% owned by the Abu Dhabi Investment Council (ADIC) on behalf of the Abu Dhabi Government. NBAD shares are listed on the Abu Dhabi Securities Exchange (ADX), which is regulated by the UAE Securities and Commodities Authority.

Consistent with our approach to employ high standards of transparency and disclosure for the benefit of shareholders and other stakeholders, we publish a wide range of reports containing financial and non-financial data.

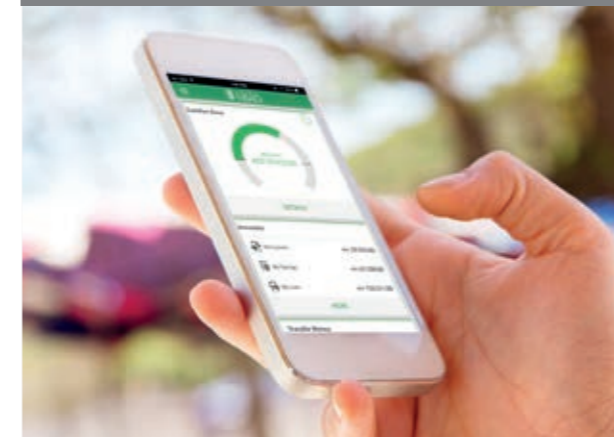
We meet all regulatory disclosure requirements, primarily through our continuous disclosures to ADX, and publication of our Annual Reports. These include our NBAD Vision and Strategy, Board and Senior Management, Risk Management and Basel II-Pillar III Disclosure Report, Corporate Governance Report, Financial Statements, Sustainability Report and Shareholders' information.

#### Our Website and Social Media

We launched a new social media strategy involving the creation of Twitter, Facebook, Instagram, YouTube and Google+ accounts. These are managed 24/7, in both English and Arabic, as increasingly important channels for our customers to stay in touch with us and reach us with their questions and comments. We continue to have the highest number of followers on LinkedIn of any bank in the UAE, and we are growing our follower-base rapidly on Twitter and Facebook.

Information which is beneficial to our stakeholders is generally made available and updated on our website (www.nbad.com). We are continuing to develop nbad.com as an easily discoverable and navigable place for product and service information, optimised for viewing on smartphones. We have also launched a mobile banking app that meets the needs of the highly smartphone-oriented UAE population. We will continue to develop new functionality in the app as we gather and act on our customers' feedback.

» We have over 135,000 followers on LinkedIn, and we are growing our follower-base rapidly on Twitter and Facebook.



#### Accountability



#### Values and Ethics

It is critically important for the members of the Group, Board of Directors, senior management and all employees to conduct themselves in accordance with the Bank's values and ethical standards in all that they do for and on behalf of NBAD.

The Board has responsibility for overseeing the culture within NBAD and sets the 'tone from the top', which is reinforced by senior management throughout the organisation. We have a number of relevant policies, which are proactively reinforced with all employees:

- Code of Conducts and Ethics;
- Whistleblowing;
- Anti-money laundering;
- Anti-fraud;
- Information security and confidentiality;
- Conflicts of interest;
- Remuneration;
- Gifts and hospitality; and
- Personal account dealing.

#### Codes of Conduct and Ethics

Codes of Conduct have been developed by the Board of Directors (the 'Board'), which apply to the Board, all employees and agents of NBAD. These Codes of Conduct set out the ethical and behavioural requirements of all NBAD representatives, and employees are required to read and sign the Code of Conduct and Ethics before joining the Bank. In accordance with our Corporate Governance Policy, all employees are accountable with regard to their actions in terms of risk and ethical behaviour.

## 3.5 Corporate Governance and Compliance

### Our Corporate Governance Framework

Our corporate governance culture is driven by the following:

- The responsibility and leadership of the Board to direct the Group's affairs and set its objectives;
- The selection of productive strategies and management of risk;
- The appropriate delegation and monitoring of power and accountability to management;
- Satisfying the interests of stakeholders through transparent and material disclosures;
- Ensuring compliance with all regulatory obligations; and
- Engaging with the community.



#### S&P Hawkamah ESG Pan Arab Index

For the sixth consecutive year, we were one of the top 10 organisations listed on the S&P Hawkamah ESG Pan Arab Index. We were ranked third in the index in 2015. This demonstrates our strong and progressive environmental, social and corporate governance practices, as indicated by the index criteria.

The index provides a measure of total organisational performance by linking stock market success to environmental, social and governance indicators. We value this measure highly as we believe that the index provides an effective measure of our overall corporate sustainability performance as a company.

Performance evaluation of the Board and its committees takes place on an annual basis, forming a key component of our Corporate Governance Framework.

### Management Structure\*

#### Board of Directors

The Group Board of Directors (the Board) is NBAD's highest governing body. It comprises of the Chairman, Deputy Chairman, nine non-executive and two independent Board members, all of whom are male. The Directors are elected for a three year term, after which they may be re-elected.

The non-executive nominations are determined by the majority overall shareholders and the independent nominations are determined by the minority shareholders of the Group. In addition, all Board Members must be approved by the relevant regulatory authorities of the UAE.

### The S&P Hawkamah ESG Pan Arab Index

The S&P Hawkamah Index measures the top 150 Arab listed companies based on their performance on nearly 200 environmental, social and governance (ESG) metrics. There appears to be a positive correlation between well recognised ESG practices (as evidenced by performance on the Hawkamah index) and corporate financial performance. This may be indicative of a link between following good ESG practices and strong management.

As one of the key tools identified to drive our sustainability strategy, the Index ensures we aim for greater public disclosure of information, which is material to our business and, therefore, our stakeholders.

As 'bad' behaviour is also measured, the process drives best in class controls and measures to ensure our employees are well trained on proper banking procedures and understand 'responsibility' in its widest sense.



### Responsibilities of the Board

The Board is responsible for directing the Group's affairs, creating value through NBAD's operations, and protecting the interests of shareholders and other stakeholders. The roles and responsibilities of the Board are documented in a Board Charter and associated policies.

The Board monitors the delegations of power through NBAD via management reporting frameworks, independent reviews and verifications by audit, compliance and external advisors.

The Board retains responsibility for approving significant group-wide policies, which are available for all employees. The Board is also responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. It ensures that NBAD maintains a sound risk management framework and internal control systems.

The day to day operations and implementation of Board decisions are managed by the Executive Management and its committees. The Deputy Group Chief Executive Officer has executive-level responsibility for sustainability issues. In terms of performance with respect to governance, the Board carries out self-assessments but does not currently assess itself against any specific sustainability criteria.

The Board of Directors' Code of Conduct and Corporate Governance Policy stipulate the Directors' responsibility to report conflicts of interest. The Corporate Governance and Nominations Committee is responsible for assessing any conflicts of interest related to Directors and Senior Management, and these are recorded within the committee/Board meeting minutes. We do not currently have a mechanism for disclosure of conflicts of interest to stakeholders. Although no formal process is in place for stakeholders to approach the Board of Directors, the Chairman holds a permanent office and support team at Head Office, which receives all communications addressed to the Chairman and Board of Directors.

The significant functions which form the control system include internal audit, risk, legal and compliance. The control functions report to the Board or designated committees, and administratively to the Group Chief Executive Officer.

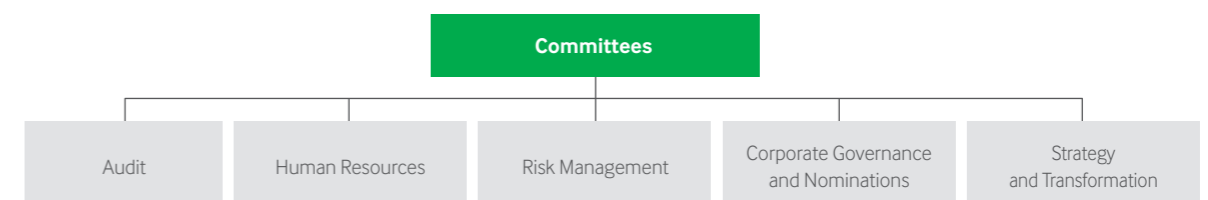
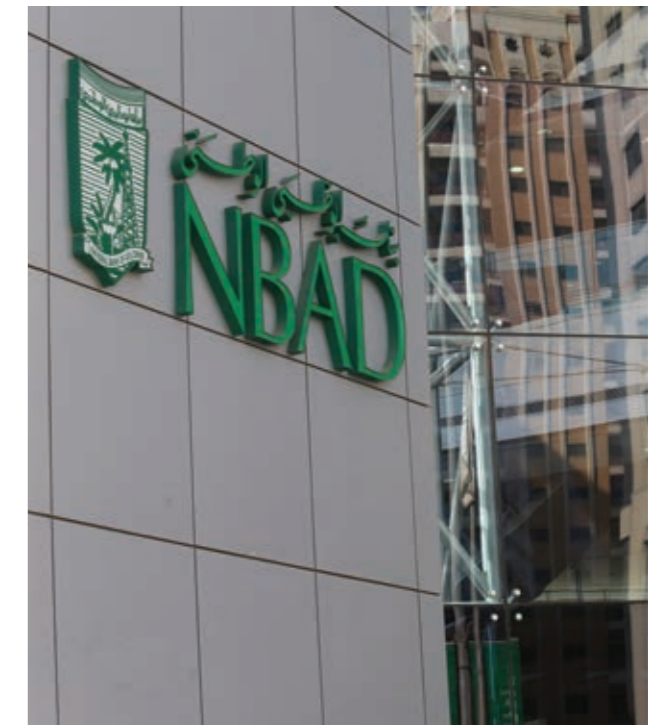
Further information on our Board of Directors (academic qualifications, skills and experience, other significant positions and commitments) can be found on our website ([www.nbad.com](http://www.nbad.com), 'About NBAD', 'Board of Directors').

### Board Committees

The Board has established five committees, each of which remain an integral part of the Board, and whose members are Directors of the Board. The Board is ultimately responsible for the risk management of the Group and has a Risk Management Committee to ensure the widest risks are identified and proper due diligence is achieved.

The remit of the Board committees is to consider topics in more detail, to manage conflicts of interest, to satisfy regulatory rules, and other relevant activities as necessary to ensure the proper governance of the Group. Each committee has a Charter, which is approved by the Board and outlines its authority, responsibilities, meeting frequency and practices, reporting and self-evaluation.

The committees are required to meet as frequently as is deemed necessary to fulfil their objectives and to allow sufficient time for discussions, presentations, deliberations, and decisions or recommendations to be clearly formulated. Further information on the roles and responsibilities of the committees can be found on our website ([www.nbad.com](http://www.nbad.com), 'About NBAD', 'Corporate Governance', 'Committees').



\*G4-18

## Compliance

### Regulatory Compliance

The Central Bank of the UAE is NBAD's lead regulator, and, as such, we are required to comply with all Central Bank regulations, circulars and notices. In addition, we are required to comply with all applicable laws and regulations of the UAE, including, without limitation, the UAE Commercial Companies Law, rules and standards established by the Securities and Commodities Authority (SCA) of the UAE, and the NBAD Articles of Association, as well as laws and regulations of the other jurisdictions in which the Bank operates.

As we are committed to practicing good corporate governance, we comply with the provisions of UAE Ministerial Resolution 518 of 2009 Concerning Governance Rules and Corporate Discipline Standards ("MR518"), although this is not a mandatory requirement for banks in the UAE.

In accordance with best practices and regulatory requirements, we continue to regularly review and implement a comprehensive set of policies for the prevention and detection of fraud, corruption, bribery, money laundering, terrorist financing, breaching of international sanctions and other criminal and civil offences. Our existing policies are benchmarked against best practice and international standards such as the Organisation for Economic Co-operation and Development (OECD) and Basel guidelines on Corporate Governance. Regulatory and compliance matters are regularly reported to the Executive Management, and are reported on a quarterly basis to our Audit Committee.

This year, we had no incidents of corruption or fines for non-compliance with laws and regulations or voluntary codes concerning marketing communications, product and service information and labelling or health and safety impacts of our products and services. We had no legal actions concerning anti-trust and monopoly practices.

### Anti-Money Laundering (AML)

Financial crime is a key focus for NBAD and we conduct on-going training and communication to embed the message that 'compliance is everyone's responsibility' across the Group. To combat money laundering and terrorist financing, NBAD has robust policies and programmes in place, including tracking tools to monitor suspicious transaction activity. We continually update our deterrence and detection infrastructure, and train employees in compliance controls to detect any criminal activity.

Since 2010, training on anti-money laundering, combating the financing of terrorism and sanctions has been mandated for all employees, not just for front line staff.

Our Anti-Money Laundering (AML) e-learning programme is a mandatory training course for all staff, which requires a minimum pass rate of 80%. 4,385 employees Group-wide completed the AML e-learning course in 2015. A total of 3,616 employees in the UAE (approximately 81% of UAE based staff) completed the e-learning training course. The training material is in line with the Anti-Money Laundering laws, AML best practice, and NBAD AML Policy.

### Whistleblowing

Whilst we have instituted a sophisticated set of systems and controls to segregate duties, establish limits and approval processes, and monitor and audit employee and stakeholder interactions, we are aware that systems are not fool-proof. We have, therefore, developed an over-arching Whistleblowing Policy which incorporates independent reporting channels, confidentiality and sensitivity, investigation powers, escalations, reporting, re-integration of findings into the operational and control framework, and regulatory co-operation.

As a leading financial service provider, we ensure that employees have an effective understanding of the Whistleblowing Policy, and regularly communicate the importance of adherence to it. We continuously seek to provide reassurance and protection to those employees who share their concerns on any suspicious financial transactions or unacceptable behaviour.

Suspicious or unacceptable activities for which we encourage employees to use the whistleblowing facilities, include (but are not limited to) financial fraud, criminal activities, health and safety risks, environmental damage, breach of policies, reputational damage and breach of privacy codes. Facilities to report such activities include a hotline number, online forms, an e-mail address, and direct interaction with members of the Legal and Compliance Division – whichever the employee feels most comfortable with.

## 4,385

employees Group-wide completed the AML e-learning training course.

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## 81%

of UAE-based employees completed the AML e-learning module.

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## 5

whistleblowing cases were reported. These cases were investigated and resolved.

## Ensuring Business Continuity

The BCM Lifecycle - Improving Organisational Resilience

Our Group Business Continuity Management (GBCM) program proactively identifies and handles risks by providing strategies and solutions for an effective response to ensure business continuity, and safeguard the interests of our key stakeholders, our customers and our reputation.

The program enables the critical activities of NBAD to continue in the aftermath of an incident. In the long-term it helps the Bank to recover and revert to business-as-usual as soon as possible.

Our Group Risk Committee is responsible for providing oversight and strategy for Business Continuity Management and IT Service Continuity Management at the Group.

Business continuity plans are developed at departmental levels throughout the group and all our business units identify their critical business process and recovery time objectives. These plans are tested annually.



## 3.6 Financial Stability and Economic Growth

### Global Economic Performance

This year, growth in developed economies was lower than expected, with early optimistic estimates steadily revised downward throughout the year.

Monetary policy in the United States gradually tightened this year, meaning that the global economy will continue to grow, however, at a modest rate. In the Eurozone, economic performance was muted, although monetary easing and falling energy costs helped certain economics show signs of improvement compared to a few years ago.

Growth slowed in sub-saharan Africa, largely due to low oil and commodity prices, while China entered a period of great uncertainty as it began a transition from being an export-led economy, to being a consumer and services driven economy.

The future of energy dominated much of the decision-making in the Arab world in 2015, with many countries reviewing their budgets and long-term plans as a result of the price of oil. GCC oil exporting countries remain resilient in a 'lower for longer' phase in oil prices and government spending by GCC oil exporters is expected to remain quite healthy, albeit at lower levels.

The UAE, as an important trade and logistics hub, continued to contribute to regional and domestic economic development through investing in a diversified economy that promotes business, creativity and entrepreneurialism. Banks such as NBAD have a crucial role to play in this changing economic environment, by advancing the UAE's position in international capital markets, maintaining liquidity in the domestic market, and supporting people and local businesses.

“During a difficult global economic climate, the Bank reported double-digit growth in its strategic businesses, which was offset by a decline in market and one-time gains. NBAD’s international strategy to diversify income and sources of liquidity has made the Bank resilient and prepared for long-term stable growth, ensuring it is able to continue delivering value to shareholders.”



**James Burdett**  
Group Chief Financial Officer,  
NBAD

### Financial Performance of the NBAD Group

Within the challenging economic environment in 2015, the bank delivered steady revenue growth of 1% to AED 10.6 billion and experienced a slight decline in net profits by 6% to AED 5.2 billion. Total assets grew by 8.1% to AED 407 billion.

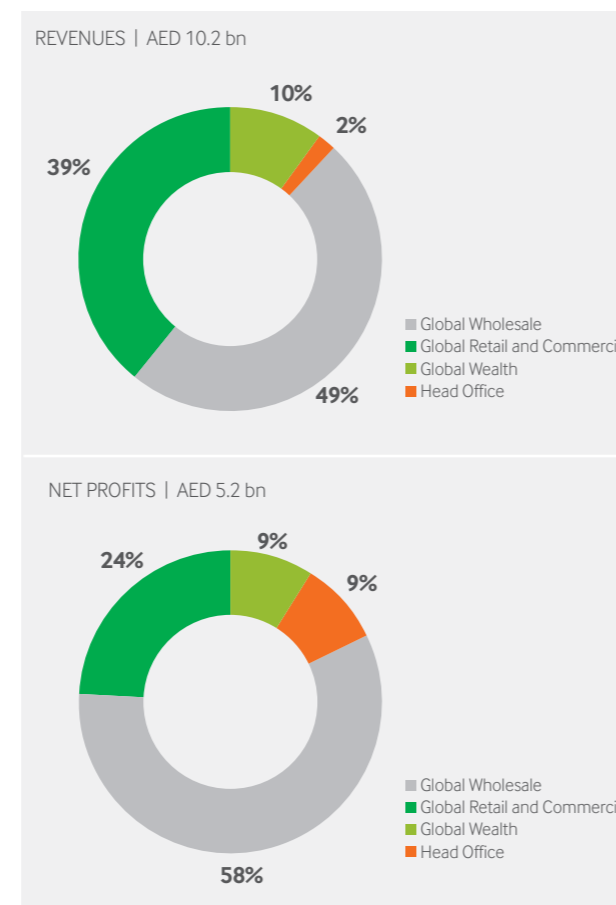
We successfully maintained our strong credit rating, strong liquidity and capital positions and achieved enhanced risk diversification. We ended the year with solid core revenue growth achieved through a robust risk and governance culture, a focus on meeting our core clients' needs and furthering our diversified business model.

Further information on our financial results can be found on our website ([www.nbad.com](http://www.nbad.com)).

#### Credit Ratings

	Fitch	Moody's	S&P
Long-Term Rating	AA-	Aa3	AA-
Short-Term Rating	F1+	P-1	A-1+
Outlook	Stable	Stable	Stable

#### Where we made our Profit in 2015

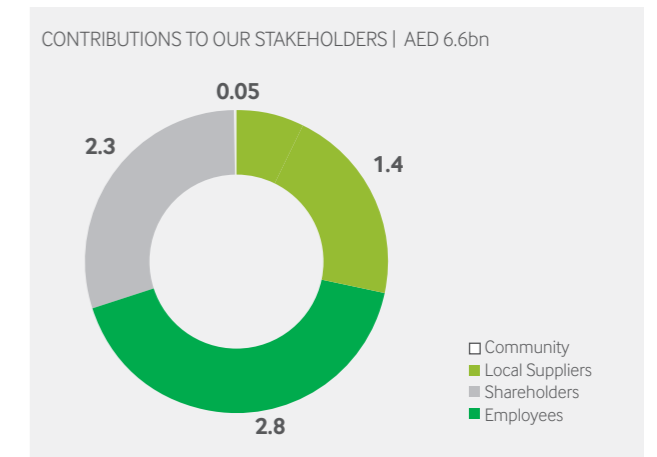


### Our Direct Economic Impacts\*

We are founding members and executive committee members of the Abu Dhabi Sustainability Group (ADSG), a multi-stakeholder membership organisation whose aim is to promote sustainability management in Abu Dhabi by providing knowledge sharing and capacity building opportunities for government, private and non-profit organisations. As a member of the ADSG General Secretariat, and having aligned our strategy with the Abu Dhabi 2030 Vision, we are progressively trying to quantify and manage our impacts as an organisation. Our financial payments to key stakeholder groups, including our shareholders, employees, the community and local suppliers are illustrated on the right. Our total contributions in 2015 amount to AED 6.6 billion.

Stakeholder	Type of contribution	AED (million)
Employees	Salary, benefits and rewards	2,773,739 ('000)
Shareholders	Total dividends provided	2,339,949 ('000)
Community	Direct charitable donations and sponsorships	46,788 ('000)
Local suppliers	Payment to local suppliers	1,400,490 ('000)
<b>Total</b>		<b>6,560,966 ('000)</b>

#### Contributions in 2015



### Alignment to the Abu Dhabi Vision 2030

We are still focused and committed to the success of Abu Dhabi and the UAE as a whole. We have continued to align our goals and objectives with the government's objectives and the Abu Dhabi Economic Vision, through various aspects of our business, including our commitment to finance renewable energy and sustainable business, our support of SMEs, and our financing of community facilities this year.

The table below illustrates our achievements in 2015, which support the Abu Dhabi Vision 2030.

Abu Dhabi Vision 2030 Priority	2030 Objective	What we did in 2015	Report Section
Supporting Economic Development of Abu Dhabi	Enhance competitiveness	Formed our Sustainable Business practice to identify and drive funding towards energy efficiency and renewable energy projects. Announced our US\$10 billion commitment over 10 years to finance sustainable business. We are also supporting SME skills development through the establishment of our NBAD SME Academy.	Chapter 5, Citizenship: Our Key Ambitions.
Supporting Social and Human Resource Development in the Emirate	Expanded skilled workforce	Providing learning and development opportunities.	Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Training and Development'.
Supporting Infrastructure Development and Environmental Sustainability	Raise standard of living and create complete communities with access to high quality healthcare, education, civic, open space and retail amenities	Project financing of community facilities including education and healthcare establishments.	Chapter 6, Section 6.2 'Responsible Financing', 'Project Financing'.
Enhance energy security to meet future demand	Diversification of hydrocarbon based economy and development of alternative energy sources	Formed our Sustainable Business practice to identify and drive funding towards energy efficiency and renewable energy projects. Announced our US\$10 billion commitment over 10 years to finance sustainable business.	Chapter 5, Section 5.1 'NBAD and the Future of Energy'.

\*G4-24

## 4. Our Sustainability Strategy

### 4.1 Towards a Sustainable Future

Recognised as one of the safest banks globally and as the leading local bank, we are able to take capital from today and use it effectively for the good of tomorrow. In this way we will ensure that we are responding to the challenges of climate change and supporting the active growth of entrepreneurship with localised, nationally focused sustainability models.

Throughout 2015, and we believe for the foreseeable future, environmental and climate change-related issues will continue to dominate the sustainability agenda of many companies in North America and Europe. Local enterprises in Latin America, the Middle East, Africa and Asia will strive for a greater balance between environmental and social aspects.

We believe that it is imperative for us to address sustainability challenges in our own way and adopt innovative models to ensure that we focus on the issues that, whilst having global significance, are regionally relevant and can be addressed locally. Significantly, in 2015 we launched a strategic approach to citizenship to take on two key ambitions which we consider to be the most pressing issues where we believe we can make an effective contribution.

From an environmental perspective, we are taking a leading role in new energy solutions, by exploring and understanding how the financial sector can shape a more sustainable future. With the conclusion of the COP21 climate agreement in Paris this year, the world has acknowledged that there is a real and urgent need to address climate change. Nations across the MENA region have signed up to COP21, and there have been a number of high-profile clean energy commitments from governments in the region in the past 12 months.

» The UAE is aiming for 30% clean energy by 2030<sup>4</sup>. In Abu Dhabi, the leadership has committed to secure 7% of its total energy needs from renewable sources by 2020 while Dubai has committed to a 5% target<sup>5</sup>.

We believe that the UAE has the potential to become a global centre of energy, transitioning from a traditional hydrocarbon based economy to developing and implementing alternative energy sources, including renewables and energy efficiency.

This is particularly important in the current economic climate with the decline in international oil and gas prices, the looming gap between energy demand and supply, the outcome of the COP21 agreement driving government commitments to decarbonise economics and the desire of nations around the world to diversify sources of energy supply.

» Looking ahead, it is clear that the energy system of the future will not be the same as the past. In the future, traditional energy and renewables will work together in a much more integrated energy mix. »

Abdulla M S AbdulRaheem  
Deputy Group CEO, NBAD

We have established a dedicated team to evaluate and create new financing products that will support the development of renewable energy and sustainable business. We were also the first bank in the UAE to commit to the Equator Principles (EP), the global benchmark that requires us to follow international best practice in relation to environmental and social risk analysis and management.

In terms of the social and economic aspects of sustainability, we have identified an urgency and growing need to develop a thriving and prosperous SME sector in the UAE. We know that job creation supports economic growth and contributes to the diversification and resilience of the economy. We have made a commitment to support the growth of the UAE's SME sector, as we believe that SMEs are powerful engines of wealth generation and sustainable livelihoods.

We also continue to focus on 'the essentials', - our core sustainability initiatives which focus on raising sustainability awareness within the Bank, maintaining external partnerships and collaborations, conducting stakeholder engagement and identifying where improvements need to be made across the business units. Through our 'core sustainability initiatives', we aim to ensure continual improvement in terms of creating value for our stakeholders.

» At NBAD, we are positioning sustainability as a key strategic focus. 2015 was the year in which we developed the architecture to do so. »

Nathan Weatherstone  
Head of Sustainable Business, NBAD



## 4.2 Our Commitment to Citizenship and Corporate Sustainability

### Our Sustainability Policy

We take a long term view of our business decisions at all times, ensuring that short term actions do not damage our ability to operate successfully in the future. We seek out new opportunities, particularly in the Energy and Small and Medium Enterprise sectors, through the active management of current and future risks, balancing the needs of people and society, the environment and our profitability, and thereby ensuring the continued success of the Group.

Our sustainability objectives are aligned with the Abu Dhabi Government's sustainability and economic plans. The Bank's sustainability policy is applicable Group-wide and sets out broad principles for taking a precautionary and responsible approach to operations and business. Our risk management processes and policies are robust and support these principles (www.nbad.com, 'About NBAD', 'Investor Relations', Annual Report 2015, page 34). Further details of our sustainability policy can be found in Appendix B.

### Key Highlights of 2015

#### Sustainable Business Team

Established a client-facing team dedicated to promoting sustainable business, the first of its kind amongst regional banks.

#### Equator Principles

We became signatory to the Equator Principles on 20th September this year, the first bank to do so in the UAE.

#### Sustainable Business Banking

Launched our 10 x 10 initiative in which we have committed US\$ 10 billion over the next 10 years towards the global growth of sustainable business.

#### Future of Energy

Published our 'Financing the Future of Energy' Report which highlights recent developments in the renewable energy sector and explores how this presents an opportunity to the banking and financial sectors.

#### SME Academy

In alignment with the UAE Government's objectives to grow the SME sector, we launched our SME Academy to deliver free skills building workshops to address the skills gaps amongst SMEs and to drive growth in this sector.

#### The Dubai Chamber's Centre for Responsible Business and CSR Label

Through our membership of the Dubai Chamber's Centre for Responsible Business, we once again met the requirements of the Dubai Chamber CSR Label for the fourth consecutive year, against our progress and achievements for 2015. We achieved 79.5% of the maximum score, an improvement from our 2014 score of 78%. This was largely due to leadership commitments towards continuous improvement and the sustainability agenda.



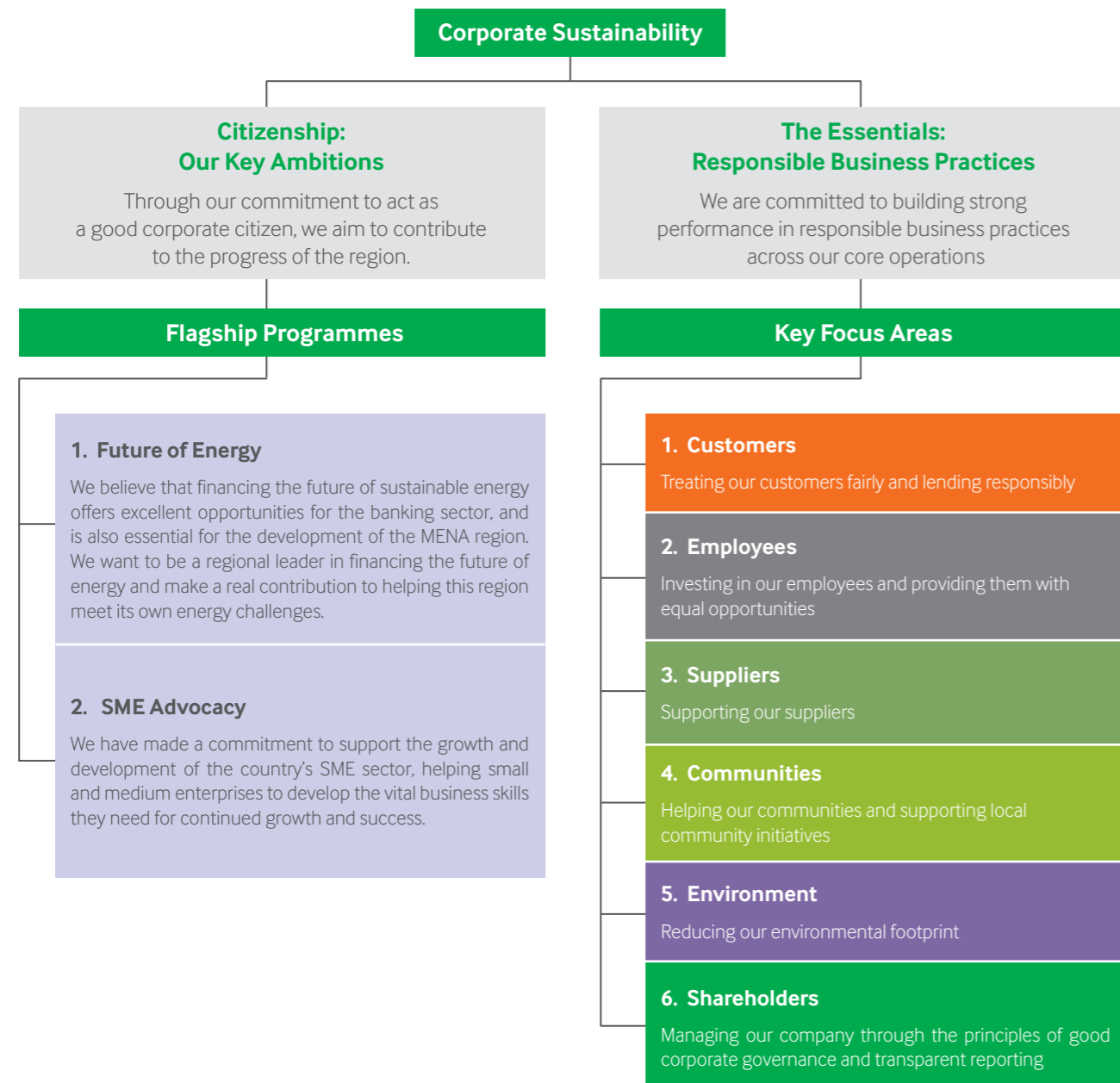
#### Abu Dhabi Sustainability Group (ADSG) Leadership Awards

We were awarded the Best Sustainability Report 2014 at the Abu Dhabi Sustainability Group (ADSG) Leadership Awards.



<sup>4</sup> 'UAE eyes new clean energy generation target by 2030', The National (January 2016), www.thenational.ae/business/energy/uae-eyes-new-clean-energy-generation-target-by-2030.  
<sup>5</sup> 'Abu Dhabi: investing in an evolving world energy market', Masdar, www.masdar.ae/en/media/detail/abu-dhabi-investing-in-an-evolving-world-energy-market.

## Our Sustainability Strategy: Priority Areas of Focus



## 4.3 Managing Sustainability

### Driving the Sustainability Agenda: Our Corporate Sustainability (CS) Team

Our Corporate Sustainability (CS) team is positioned within the Group Marketing and Communications (Group Marcom) department of the Bank. The team has a continuing responsibility to develop the Group's Corporate Sustainability Strategy and objectives, and reports on progress through collaboration with the Group businesses.

The CS team is also responsible for measuring and assessing the sustainability maturity of the Bank through the use of an online tool developed by the Abu Dhabi Sustainability Group (ADSG), which provides a means for member organisations to assess their current sustainability maturity in a quantitative way. We did not undertake a sustainability maturity assessment in 2015 as the tool is currently being redeveloped by ADSG. The revised tool will be re-launched in 2016.

The team acts as a strategic sustainability adviser and is responsible for assisting the Group businesses towards achieving NBAD's sustainability objectives and commitments. The CS Team reports to the Head of the Marketing and Communications (Group Marcom) and advises the Deputy Group Chief Executive Officer, and where appropriate, the Executive Committee (EXCO), of recommended actions and initiatives in line with the Bank's CS Charter.

Previously, the team was supported by the Bank's Sustainability Stakeholders Group (SSG) along with a number of sustainability champions, identified from different business units within the Bank. The Group Heads of Divisions and Business were invited to join the Sustainability Stakeholders Group (SSG), or to nominate a senior member of their team to represent them. The SSG members were required to formally verify the information and data included in the annual Sustainability Report that falls within their area of business.

In 2015, we decided that it would be more effective to approach the Executive Committee directly in order to elevate sustainability as a key strategic focus on the internal agenda. To meet internal audit requirements, we approach the business units supplying the data and information and the Executive Committee directly, to formally verify the information included in the annual Sustainability Report. In 2015 there was no internal audit to assess the implementation of environmental and social policies and risk assessment procedures.

### Embedding Sustainability within the Business: The Creation of our Sustainable Business Team

The creation of our Sustainable Business platform in 2015 is unique amongst regional banks. Challenging 'banking business as usual', the Sustainable Business team will bridge between our product and client relationship coverage teams to promote socially and environmentally sound banking practices. It will also review and evaluate new financing products to support the development of renewable energy and sustainable business and cater for our large universe of clients who require specialist capabilities in sustainable financing.

The team will also be the custodian of the Bank's commitment to and implementation of the Equator Principles, and will in time develop industry-specific guidance notes to further integrate sustainability into NBAD's business practices.

At the annual World Future of Energy Summit (WFES) in Abu Dhabi, the Bank signalled its intention to be a leader of growth in environmentally sustainable activity through its aim to fund, invest and facilitate a target of US\$ 10 billion of sustainable business within the next ten years. The Sustainable Business team will drive this commitment to ensure that the target is achieved.



» NBAD has committed to finance, facilitate and invest US\$ 10 billion over 10 years to activities focused on environmental solutions.

## 4.4 An Informed Sustainability Strategy

### Listening to our Stakeholders\*

We have a number of stakeholders that can impact and are impacted by the Bank's operations. These include our customers, shareholders (owners) and investors, Government and regulators, employees, suppliers, the local community, competitors, partners, peers and the environment.

In 2015, we conducted four external stakeholder engagement workshops to obtain our stakeholders' views on the most important issues a bank should focus on in its operation and activities. We also engaged with our stakeholders through other means, which are outlined in the table below.

#### Our Stakeholders



#### Stakeholder Engagement Process in 2015

Stakeholder Groups	Engagement Means and Frequency	Stakeholder Feedback
<b>Management representatives, Government and regulators</b>	<ul style="list-style-type: none"> <li>✓ NBAD EXCO Meetings (weekly/ monthly)</li> <li>✓ NBAD BoD Meetings (quarterly)</li> <li>✓ Meetings and e-mails (as required)</li> </ul>	<p>Our management representatives are informed of our sustainability approach and initiatives in weekly/monthly meetings.</p> <p>We have continued to engage on the issue of sustainability throughout the year through many different public platforms, with stakeholders across the finance sector, policy makers, business leaders and energy experts. We have positively contributed at events hosted by the Clean Energy Business Council, the UAE Ministry of Climate Change and Environment/United Nations Environment Programme (UNEP) Finance Initiative, the Dubai Chamber of Commerce and the World Future of Energy Summit.</p>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>✓ Annual General Meetings (AGM) (annual)</li> </ul>	<p>Copies of our sustainability reports are available at the AGM and on our website for shareholders to raise any concerns.</p> <p>Our Chairman has instructed us on occasions to support various charities or philanthropic causes.</p>

\* G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

Stakeholder Groups	Engagement Means and Frequency	Stakeholder Feedback
<b>Customers</b>	<ul style="list-style-type: none"> <li>✓ Branches, E-channels, Toll-free number, Relationship Management Meetings (as required)</li> <li>✓ Customer Satisfaction Survey (annual)</li> </ul>	<p>A Group Customer Satisfaction Survey was conducted across the customers of the NBAD group businesses. The majority of our businesses achieved the global average benchmark for customer satisfaction with regard to their respective line of business. We have launched and are rolling out our Customer Complaints Management System (CMS) within the Bank to capture record and resolve all complaints received from our customers. We have developed this system to ensure we provide exceptional products and services to our customers.</p>
<b>Employees</b>	<ul style="list-style-type: none"> <li>✓ Global People Survey (annual)</li> <li>✓ HRG Internal Business Partners, E-mails, Meetings (as required)</li> <li>✓ Town Halls (as required)</li> </ul>	<p>We carried out our annual Global People Survey in 2015 and we are developing a programme of action to address issues raised.</p>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>✓ E-mails, meetings and telephone-calls (as required)</li> <li>✓ Supplier Satisfaction Survey (annual)</li> </ul>	<p>As our focus this year was on enhancing our procurement processes within the Bank, we did not carry out a supplier satisfaction survey. We do, however, plan to conduct a survey in 2016.</p>
<b>Local Community and partners</b>	<ul style="list-style-type: none"> <li>✓ Events (as required),</li> <li>✓ Online channels, Media channels (as required)</li> <li>✓ Dialogue through local authorities and regulators (as required)</li> </ul>	<p>Four external stakeholder engagement workshops were conducted in 2014 to obtain feedback from our stakeholders. The results of these are illustrated in our materiality matrix in the next section. We have a commitment to conduct our stakeholder engagement workshops every 2 years.</p> <p>We held ongoing discussions with Emirates Wildlife Society-World Wildlife Fund (EWS-WWF), the Environment Agency, Abu Dhabi (EAD), AD SG, the UAE Ministry of Climate Change and Environment /UNEP Finance Initiative and the Dubai Chamber of Commerce.</p>
<b>Environment</b>	<ul style="list-style-type: none"> <li>✓ Events (as required)</li> </ul>	<p>Ongoing informal discussions with Emirates Wildlife Society-World Wildlife Fund (EWS-WWF), the Environment Agency, Abu Dhabi (EAD), AD SG, the UAE Ministry of Climate Change and Environment /UNEP Finance Initiative and the Dubai Chamber of Commerce with regard to environmental issues.</p>

\*G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

## Identifying our Material Issues\*

Our reporting process has been developed around the issues that we believe are highest in importance for our stakeholders, and on our ability to deliver our strategy. The material issues of importance to NBAD and our stakeholders are aligned with six key focus areas:

- Respecting our Customers;
- Caring for our Employees;
- Preserving our Environment;
- Supporting our Suppliers;
- Helping our Communities; and
- Benefitting our Shareholders.

### Internal Perspective

In order to identify the issues most material to our business, we conducted an internal materiality assessment in 2014. As part of this analysis, we created a pool of potential material issues with a sustainability context (including the GRI aspects). We also added other material topics which we felt would be of interest to our external stakeholders.

As part of our internal materiality assessment, we evaluated the importance of each material issue identified in relation to our operations and activities.

We participated in the Abu Dhabi Sustainability Group (ADSG) support workshops and presented our internal materiality analysis for our peers to review, as part of a report support programme conducted for organisations in Abu Dhabi. The boundaries of each material aspect are indicated in Appendix A (GRI Tables 1, 2 and 3).

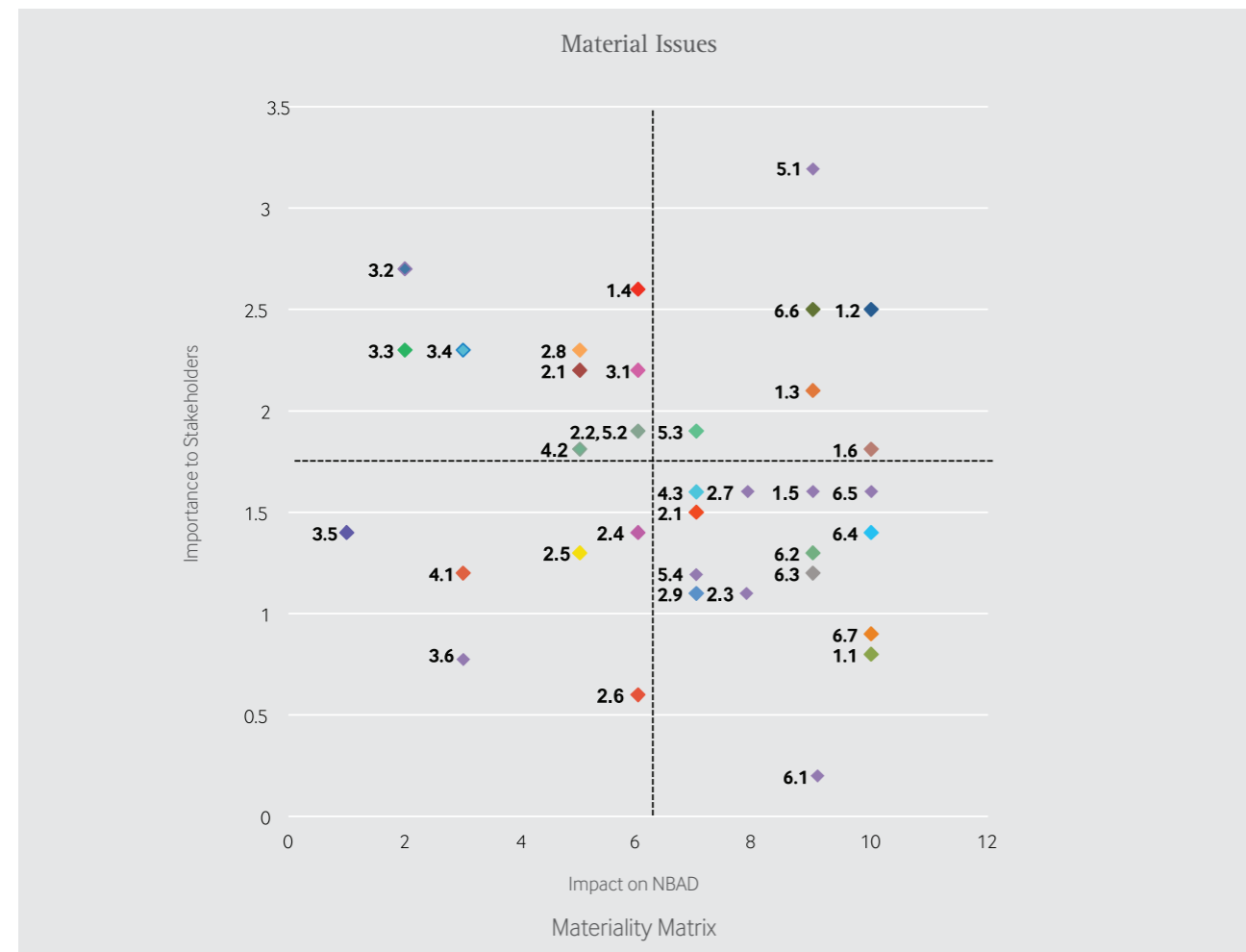
### External Perspective

We conducted four external stakeholder workshops to obtain our stakeholders' feedback on how a bank should operate in a responsible way. We invited representatives from six of our external stakeholder groups to these workshops.

We prepared a set of questionnaires in which we asked our stakeholders for their views on the most important issues a bank should focus on and report on. We provided an overview of the sustainable approach and initiatives we are currently involved with. We received valuable feedback from our stakeholders, the results of which are included in our materiality matrix.

### Materiality Matrix

The materiality matrix provides a snapshot of the material issues of high, medium and low importance in relation to sustainability issues identified from an internal and an external perspective.



\*G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

Focus Areas	Importance to NBAD and Stakeholders	Material Issues
1.0 Respecting our Customers	↑ High	1.2 Customer satisfaction 1.3 Responsible communication 1.6 Regulatory compliance 5.1 Operational contribution (eg. Citizenship) 5.3 Economic value generation (eg. distributing profits to stimulate the economy) 6.6 Responsible financing
2.0 Caring for our Employees	↕ Medium	1.1 Customer data privacy 1.5 Access to financial services 2.1 Job creation and security 2.2 Human rights 2.3 Hiring staff from local community (market presence) 2.7 Employee engagement 2.8 Employee Diversity and equal opportunity 2.9 Emiratisation 2.10 Employee Grievance mechanisms 3.1 Materials consumption 3.2 Energy consumption 3.3 Water consumption 3.4 Waste management 4.2 Responsible procurement 4.3 Procurement choice 5.2 Collaborations and partnerships 5.4 Financial contribution (eg. charitable donations in monetary terms) 6.2 Alignment to Abu Dhabi Vision 2030 6.3 Transparency and accountability 6.4 Business continuity 6.5 Anti-corruption 6.7 Regulatory compliance (shareholders) 6.1 NBAD's financial performance (eg. turnover, profits)
3.0 Preserving our Environment		
4.0 Supporting our Suppliers		
5.0 Helping our Communities	↓ Low	2.6 Learning and development 3.6 Regulatory compliance (environment) 4.1 Supporting suppliers 2.4 Employee benefits and remuneration 2.5 Health, safety and well-being 3.5 Impacts on biodiversity
6.0 Benefitting our Shareholders		

## Material Issues

As evident from the materiality matrix, the six material issues of high importance include customer satisfaction, responsible communication, compliance with regulations and codes, operational contribution (providing services which facilitate economic growth), economic value generation (distributing profits to stimulate the economy and benefit the community) and responsible financing.

In this report, we have provided details on how we manage the material issues of high and medium importance to our stakeholders and/or the Bank, which were identified through our materiality analysis. We have also provided information on other issues, including employee benefits, learning and development opportunities and our support of local suppliers. We have reported on these issues following feedback from our employee engagement survey and requests from external stakeholders.

\*G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27



## 5. Citizenship: Our key ambitions

As a good corporate citizen, we want to become a leading advocate for SMEs in the UAE, and to highlight the role of the financial sector in the future of energy, which is a pressing global issue.

The results of our external stakeholder engagement process and materiality analysis indicate that operational contribution (i.e., providing services which facilitate economic growth), are amongst the material issues of highest importance to our stakeholders and to us as a Bank. Our Sustainability Policy also outlines our commitment to seek out new opportunities, particularly in the Energy and SME enterprise sectors, balancing the needs of people and society, the environment and our profitability (refer to Appendix B).

We have, therefore, developed and launched our Corporate Citizenship strategy and committed to two flagship programmes, which support our long-term ambition to be a leading bank on a number of issues that have global significance and local relevance. These include the Future of Energy initiative and our SME skills development programme, which have been discussed in more detail in this chapter.



### Future of Energy

We engaged with the University of Cambridge and PricewaterhouseCoopers (PwC) to explore how the Gulf's financial sector can help shape a more sustainable future in the context of new energy solutions. The outcome was published in the 'Financing the Future of Energy' Report. This major piece of research highlighted the recent developments in the renewable energy sector and how they present an opportunity to the banking and financing industry. We want to develop innovative financial structures and products that will support the development of the energy sector and meet the challenges of future energy demands.

We have highlighted the opportunities for the financial community to take action through cross-sector engagement, using our in-depth report on 'Financing the Future of Energy' to shape the debate.

### SME Advocacy

The SME sector is vital to the diversification and long-term growth of the UAE economy.

Launched in September 2015, our NBAD SME Academy addresses two of the most important requirements in building a business – access to capital and business skills. Since its launch, over 100 SMEs in the UAE have benefitted from essential training skills, which include corporate governance, accounting, customer service and expansion strategies.

## 5.1 NBAD and the Future of Energy\*

“As the world changes, NBAD's core clients are also changing. A few years ago, I very much doubt whether we had more than a handful of clients engaged in sustainable business practices in power generation. Today, however we have a large universe of clients who are active in the sector and who require their financial institutions to embrace and understand the dynamics of the fast-growing renewables industry.”

Mark Yassin  
Senior Managing Director – Head of Global Banking and  
Co-Head of Global Wholesale Banking, NBAD



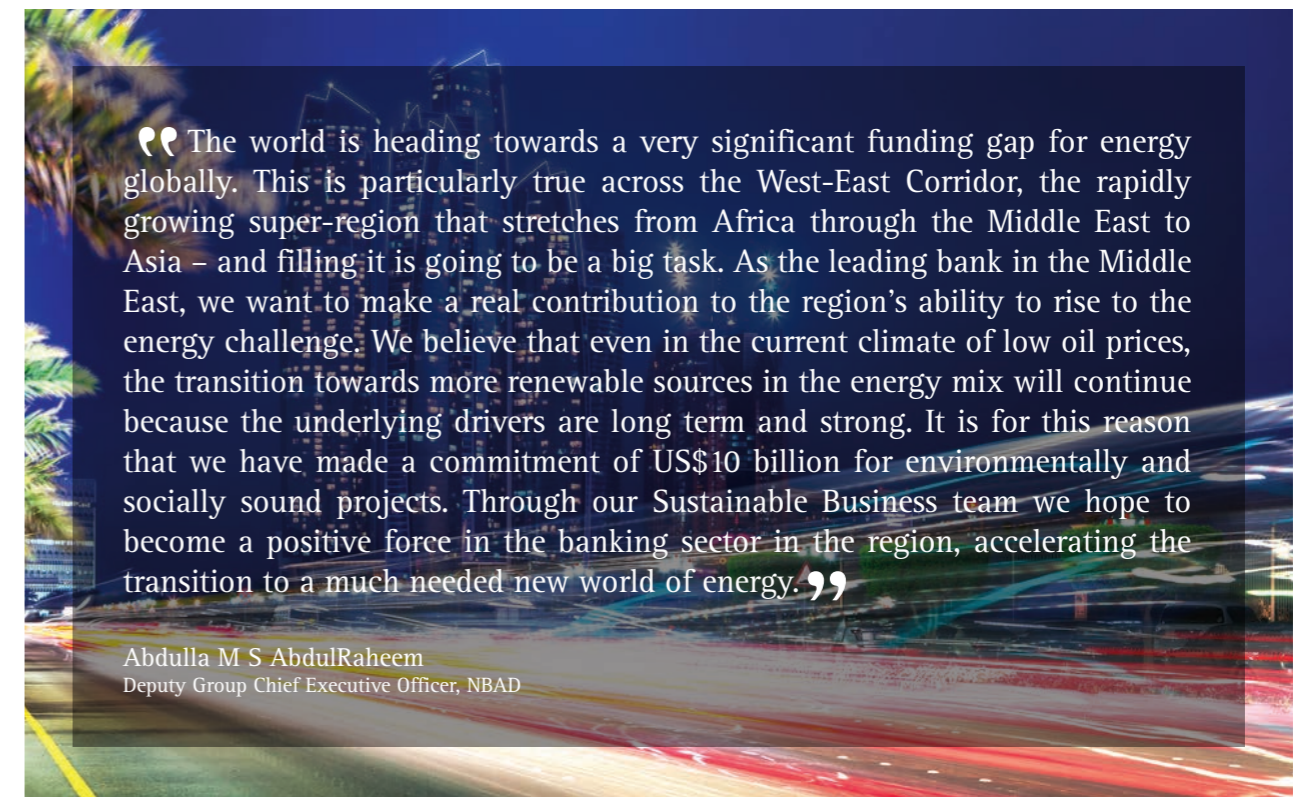
### Financing the Future of Energy

At NBAD, we believe that financing renewable energy and other forms of sustainable business offers excellent opportunities for the banking sector, and is also essential for the development of the MENA region.

In 2014, we engaged with the University of Cambridge and PricewaterhouseCoopers (PwC) in collaboration with Masdar, to explore how the financial sector can help shape a more sustainable future in the context of funding new energy solutions. The outcome was published in a report entitled 'Financing the Future of Energy' this year. This major piece of research highlighted the recent developments in the renewable energy sector and how this presents an opportunity to the banking and financing industry. It has been internationally acclaimed and referenced globally. The report was

headlined in March 2015 at the Global Financial Markets Forum (GFMF), NBAD's flagship annual conference for the financial services industry.

The report highlighted that US\$ 48 trillion of investment was required over the next 20 years to meet the global energy gap, the majority being in renewables. This is a significant funding gap, and we believe that private capital will be needed to meet the scale of this requirement. Based on the evidence of the report, we believe that there is a significant opportunity for banks and the financial community to support the power sector and, act as a catalytic force in the transition to an energy mix in which renewable energy is more integrated.



“The world is heading towards a very significant funding gap for energy globally. This is particularly true across the West-East Corridor, the rapidly growing super-region that stretches from Africa through the Middle East to Asia – and filling it is going to be a big task. As the leading bank in the Middle East, we want to make a real contribution to the region's ability to rise to the energy challenge. We believe that even in the current climate of low oil prices, the transition towards more renewable sources in the energy mix will continue because the underlying drivers are long term and strong. It is for this reason that we have made a commitment of US\$10 billion for environmentally and socially sound projects. Through our Sustainable Business team we hope to become a positive force in the banking sector in the region, accelerating the transition to a much needed new world of energy.”

Abdulla M S AbdulRaheem  
Deputy Group Chief Executive Officer, NBAD

Using the insights from this report, we continued to engage on the issue of sustainability throughout the year with stakeholders across the finance sector, policy makers, business leaders and energy experts through many different public platforms. These included events hosted by the Clean Energy Business Council, the UAE Ministry of Climate Change and Environment / United Nations Environment Programme (UNEP) Finance Initiative, the Dubai Chamber of Commerce and the World Future of Energy Summit.

During the Global Financial Markets Forum (GFMF) in 2015 where we launched our 'Financing the Future of Energy' report, we held two sessions on the Future of Energy and promoted the climate change agenda at these sessions. We also participated in knowledge sharing with leaders of the future in 2015, presenting to the UAE Young Professionals in Energy. We made a positive contribution to two UNEP-FI round table discussions in May and November 2015, where NBAD took a leading role in discussions on climate change and sustainability.



Mark Yassin presenting to the UAE Young Professionals in Energy, 2015

### 'Financing the Future of Energy' Report

The 'Financing the Future of Energy' report launched in March 2015 had some interesting findings. It told us that the global demand for additional energy was very significant - US\$ 48 trillion over the next 30 years - and that the rate of demand in MENA was increasing at three times the global average. It highlighted that renewables were already an established part of the energy mix elsewhere, with more than half of investments into power infrastructure in 2014 being in renewable technologies. It also informed us that renewable energy was highly competitive in comparison with the alternatives and equivalent with oil at US\$ 10 per barrel. The report is available at [www.nbad.com/content/dam/NBAD/documents/content-hub/sustainable-business/Financing-The-Future-Of-Energy-Report-2015.pdf](http://www.nbad.com/content/dam/NBAD/documents/content-hub/sustainable-business/Financing-The-Future-Of-Energy-Report-2015.pdf)



## Establishment of our Sustainable Business Team

In response to the opportunities set out in the 'Financing the Future of Energy' Report, we established our dedicated Sustainable Business team this year to evaluate and create new financing products that will support the development of renewable energy and sustainable business. There is a substantial demand for energy in the region and renewables will form a material part of this demand. The UAE Government alone has committed to AED 72 billion to invest in renewable energy by 2021.

Our definition of Sustainable Business is largely based on the areas set out in the Green Bond Principles issued by the International Capital Market Association (ICMA), and includes clean energy generation as well as other sectors such as transportation schemes that result in modal transfer from road to rail, sustainable water and waste management projects and energy-efficient real estate. The Sustainable Business team will explore and promote environmentally sound banking opportunities in these sectors.

Our approach will be client driven and the Sustainable Business team will become involved where our core clients have a touch point with one of these activities. The team will essentially bridge between our client-facing coverage teams and our product specialists and over time, will develop a deeper understanding of the sector to enhance our capabilities and expertise for the benefit of our clients. The team will also engage with key regulators, policy makers and industry players to capture up to date market trends and promote continued partnership between the financial sector and environmentally sustainable businesses. The Bank retains its interest in promoting green bonds and the Sustainable Business team will also lead the Bank's preparation and assurance process in readiness for any potential issue in line with the Bank's liquidity management requirements.

“ In early 2015, colleagues and I at the University of Cambridge, PwC and NBAD developed the 'Financing the Future of Energy' Report. Since then, NBAD has pledged to “lend, invest and facilitate“ \$10 billion of financing for sustainable energy projects, showing the power of the financial community to bring about change at real scale. They have become a living laboratory for sustainability through their Sustainable Business team, and their commitment has put Abu Dhabi and the UAE more generally 'onto the map' of nations showing the way forward to the world of 2050.”

Prof Douglas Crawford-Brown  
University of Cambridge and Cambridge  
Science and Policy Consulting



\*G4-24

## Becoming signatory to the Equator Principles

We are the first bank in the UAE to become signatory to the Equator Principles (EP), the global benchmark for assessing environmental and social risks in project finance. The Equator Principles are a voluntary set of guidelines based on International Finance Corporation (IFC) standards on social and environmental sustainability, and on the World Bank Group's Environmental, Health and Safety general and sector-specific guidelines.

Our commitment to EP provides the basis for us to further define our institutional ESG ('environmental social and corporate governance') frameworks when we engage with clients, and to adopt international best practice in social and environmental risk evaluation. In addition, it supports our commitment as a bank to track and report our own ESG performance, in alignment with the Global Reporting Initiative's G4 guidelines and the Carbon Disclosure Project (CDP).

As environmental and social risk management remains a key priority for NBAD, our policies and standards will continue to evolve in response to emerging risks and new product development. NBAD is also consistently one of the top 10 rated companies across the GCC Sustainability Index from Hawkamah, the Institute for Corporate Governance.

## Our "US\$ 10 Billion in 10 Years" Sustainable Business Target

We announced our commitment to lend, invest and facilitate a total of US\$10 billion of financing within the next 10 years for projects which are focused on environmentally sustainable activities. The commitment, which is a first for a GCC bank, supports the research from NBAD's 'Financing the Future of Energy' Report, which identified a funding gap of US\$48 trillion dollars required in the next 20 years to meet global energy demand, with renewables playing a critical role in the energy mix of the future. We have taken this step because we are committed to helping this region meet its energy challenge.



EQUATOR PRINCIPLES	
Principle 1	Review and Categorisation
Principle 2	Social and Environmental Assessment
Principle 3	Applicable Social and Environmental Standards
Principle 4	Action Plan and Management System
Principle 5	Consultation and Disclosure
Principle 6	Grievance Mechanism
Principle 7	Independent Review
Principle 8	Covenants
Principle 9	Independent Monitoring and Reporting
Principle 10	EPFI reporting

“ Our research has identified that there is approximately US\$ 640 billion of investment required for renewable energy projects across the West-East Corridor. But sustainable business is wider than just renewables and includes activities like clean transportation, sustainable water, waste management and energy efficient real estate. The scale of the opportunity is significant and today we commit NBAD to an ambitious but much needed goal. Working with clients across a range of sectors, we will lend, invest and facilitate US\$10 billion over 10 years for environmentally sustainable activities.”

Nathan Weatherstone  
Head of Sustainable Business, NBAD

## Tackling Climate Change through Better Policies and Better Business Practices

“ In 2021, the United Arab Emirates (UAE) will celebrate the golden jubilee of the union. As the country looks into the future, it needs to respond proactively to the challenges that it will face. Vision 2021, the national strategic plan to become among the best countries in the world by 2021, recognises climate change as one of humanity’s big challenges and states the country’s commitment to play its part to develop and implement innovative solutions to reduce its carbon footprint.

Since 1996, the UAE has been an official party to the United Nations Framework Convention on Climate Change, the main framework for intergovernmental efforts to tackle climate change. In December 2015, the UAE government participated in the Paris Climate Conference, the most significant climate meeting over the last decade that concluded in a new global deal to govern climate action from 2020 onwards - the Paris Agreement. Before the conference, the UAE submitted its intended national determined contribution (INDC), a voluntary commitment for the post-2020 period to limit emissions and improve resilience through economic diversification, a strategy that that will yield co-benefits in terms of both mitigation and adaptation. To this end, the UAE will pursue a portfolio of actions, including an increase of clean energy to 24% of the total energy mix by 2021<sup>6</sup>.

The UAE joined over 170 countries to sign the Paris Climate Agreement during a ceremony convened by the United Nations Secretary-General in New York. Signing on behalf of the UAE government was **H.E. Dr. Thani Al Zeyoudi**, Minister of Climate Change and Environment, who expressed:

“ The UAE is proud to be here today to send a united message to the world. We will make the Paris Agreement work, and we will work individually and collectively to find the best courses of climate action? ”



UAE Minister of Climate Change and Environment signing the Paris Climate Agreement



The UAE delegation also included **H.E. Razan Al Mubarak**, Secretary-General of Environment Agency-Abu Dhabi who added:

“ The Environment Agency of Abu Dhabi is committed to play its part and calls for an urgent and multi-stakeholder approach to climate change that balances the need to reduce greenhouse gas emissions, decouple carbon dioxide from economic growth, adapt to a changing climate, and engage our community of citizens and residents to do their part in addressing what may be humanity’s greatest environmental, societal and economic challenge. ”

To do their part to address climate change, government, business and society need to take collective action to change consumption and production patterns to favour less energy and water intensive products and services. This can be enabled through better policies to provide incentives to businesses to measure, manage and report GHG emissions. At least 40 countries, both developed and developing, currently have mandatory emissions reporting programmes in place and there are also a handful of sub-national programmes. In the absence of mandatory requirements, we need a critical mass of better businesses that voluntarily measure, manage and report their GHG emissions.

Some are already paving the way. The National Bank of Abu Dhabi is committed to support the UAE agenda to tackle climate change. With this purpose, the Bank has commenced reporting its carbon emissions through CDP using the internationally accepted GHG Protocol Corporate Accounting and Reporting Standard, which provides a step-by-step guide for companies to use in quantifying and reporting their GHG emissions. Next year, the Bank will also undergo training and assistance to develop a carbon management strategy with the objective of positioning the Bank on a par with global banking and finance sector leaders in carbon management. ”

### Eva Ramos Perez-Torreblanca

Member of the UAE Delegation to the 2015 Paris Climate Conference  
Director, Environmental Policy Analysis and Economics  
Integrated Environmental Policy and Planning Sector,  
Environment Agency - Abu Dhabi



<sup>6</sup> UAE Ministry of Foreign Affairs (2015): Intended Nationally Determined Contribution of the United Arab Emirates, Submitted to the UNFCCC on 22 October 2015.

<sup>7</sup> WAM, Emirates News Agency (2016): UAE reaffirms its climate action during the Paris Agreement signing ceremony. New York, 23 April 2016.

## 5.2 Supporting Small-Medium Enterprises (SMEs)

**Our ambition is to champion the growth of a vibrant SME sector in the region. Through our support of SMEs, it is our belief that we can also make a significant contribution towards Abu Dhabi’s 2030 Vision for a more diverse and resilient economy.**

As part of our citizenship strategy, we have made a commitment to support the growth and development of the country’s SME sector, helping small and medium enterprises to develop the vital business skills they need for continued growth and success.

Small and medium-sized businesses are a powerhouse of economic change and job creation, providing livelihoods for individuals and their families. We aim, through our SME flagship programme, to help equip SMEs with the essential skills and capabilities they require to run a successful business, by identifying critical skills gaps and facilitating appropriate training modules in association with specialists in each area.

### The role of SMEs in regional progress

The 300,000 SMEs in the UAE represent 90% of the nation’s private sector workforce. They are, therefore, vital to helping the nation diversify its economy and succeed over the decades to come. This sector already contributes over 60% to non-oil GDP in the UAE<sup>8</sup>. The Abu Dhabi Government, through its Abu Dhabi Economic Vision for the future, has prioritised the growth and development of SMEs, and has introduced initiatives to give targeted support to the sector.

Entrepreneurs and small businesses in the region have the opportunity to tap into new technologies to grow their companies and compete on a global stage like never before. A shortage of business skills, however, is a significant obstacle to SMEs being able to seize these opportunities. As businesses expand, broad skillsets are needed to deliver on their operational priorities, from business planning to talent development and risk management.

SMEs can struggle to build the capacity to tackle these issues. In a highly competitive environment, it is essential for SMEs to have the right abilities to innovate and adapt. A staggering 82% of SMEs fail within the first three years, for two main reasons: a lack of finance, and shortage of skills.

### Our Role

Small and medium-sized enterprises form the heart of NBAD’s commercial customer base in our Retail and Commercial banking division, and we have a long track record of supporting the sector in terms of finance. Beyond the products and services we offer, we are now developing citizenship initiatives to support SME skills as well.

We have been cognizant of the challenges SMEs face on the path to growth and therefore, established the NBAD SME Academy this year to help ensure that local SMEs have access to the crucial knowledge and skills they need to sustain and grow. At the heart of this is our commitment to provide access to workshops providing training free of charge to this key group of businesses.

» By the end of 2015, over 100 SMEs in the UAE undertook training through NBAD’s SME Academy. Attendees have been positive about their experiences: from adding new skills to their repertoire, through to developing new business contacts and networks.



<sup>8</sup> MoF continues to provide support to SMEs and young Emiratis’, Ministry of Finance (April 2016) [www.mof.gov.ae/En/AboutMinistry/News/Pages/2362015B.aspx](http://www.mof.gov.ae/En/AboutMinistry/News/Pages/2362015B.aspx)

## Launching the NBAD SME Academy

We launched the pilot phase of the NBAD SME Academy in September 2015, which is scheduled for completion in March 2016. The skills building workshops were delivered by organisations (including Moody's, the Association of Chartered Certified Accountants (ACCA), Hawkamah the Institute for Corporate Governance, PricewaterhouseCoopers (PwC) and the specialist Ron Kaufman) recognised as specialists in their areas of expertise. The workshops conducted as part of the pilot project comprised the following:

- How to make your Business Bankable;
- Understanding and Implementing Principles of Accountancy;
- Understanding Corporate Governance;
- Effective and Efficient Marketing Tactics; and
- Attaining Leadership in Customer Service.

The four workshops delivered in the pilot phase had a total of 378 participants. An evaluation at the end indicated that over 75% of the participants found these workshops extremely helpful.

“ I am a technical engineer and I don't know much about banking processes and accounting. I found this kind of programme excellent for SMEs. Personally I am not aware of any other bank doing this. ”

Vadivu Muthuraman  
Academic Director of Best Kids Brain Skill Development Centre

“ Thanks for the workshop material and certificate. It was great to be there, meet people, and was an amazing learning experience. ”

Mohsin Ayub  
SPF Realty

## Scaling up our support\*

“ SMEs are one of the most important communities in the future growth and prosperity of the UAE and the GCC region. They are the fabric of healthy and resilient economies. We know these businesses need two things: finance and skills. At NBAD we are proud to support SMEs with finance through our business. And now we are making a long-term commitment to giving this vital sector access to skills too. The NBAD SME Academy is a first step in achieving that ambition. We were encouraged by the positive feedback from participating entrepreneurs after the pilot phase, and are looking forward to taking this initiative to scale over the year ahead. ”

Nilanjan Ray  
Managing Director,  
Global Commercial Banking

Encouraged by a successful start, we will increase our support for the NBAD SME Academy in 2016.

We asked the participants of the pilot project for their input on how to make the courses offered by the Academy most valuable and practical to them. Based on their feedback, we are evolving and expanding the curriculum which we will launch in September 2016. Our aim is to reach a much wider network of SMEs in our second year. The workshop sessions will be tailored to support revenue generating companies in a growth phase. We will work with high caliber experts to develop courses which can help SMEs fulfil their aspirations for the future.

Our long-term ambition is to continue expanding and enhancing skills-building initiatives for SMEs to support a thriving sector and competitive regional economy.



\*G4-24

## 5.3 Our Future Commitments

Our future commitments in relation to our Citizenship programmes are outlined below. A summary of all our future commitments is included in Appendix F.

### Short-term (2016)

- Plan and implement the next training curriculum for SMEs, with the aim to reach a wider SME network.
- Identify environmentally sustainable projects to finance and invest in to achieve our sustainable business target of US\$10 billion of financing within the next 10 years to such projects.
- Identify projects eligible for any future Green Bond issue through due diligence of projects and transaction sponsors to capture any associated environmental and social risks (on-going commitment).

### Medium-term (2017-2019)

- Develop innovative financial structures and products that will support the development of the energy efficiency and renewable energy industry within the region and across the West-East corridor (ongoing commitment).
- Identify environmentally sustainable projects to finance and invest in to achieve our sustainable business target of US\$10 billion of financing within the next 10 years.
- Continue to expand and enhance skills-building initiatives for SMEs to support a thriving sector and competitive regional economy.

### Long-term (2019 and beyond)

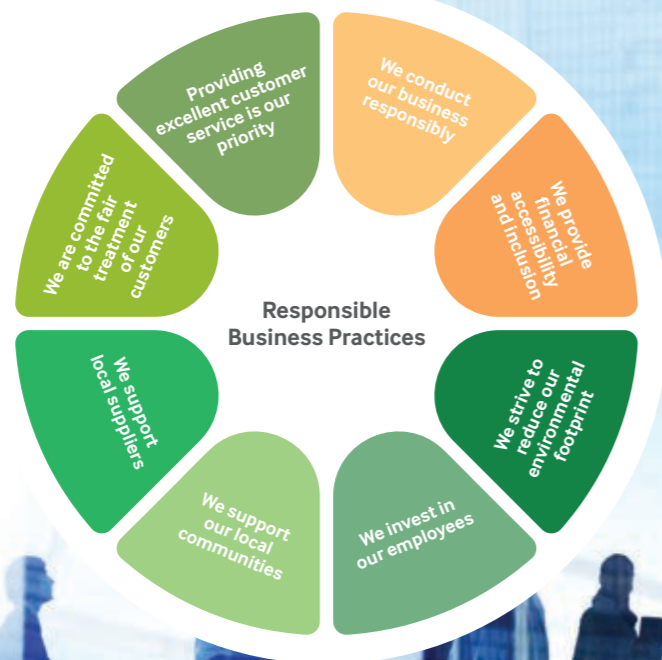
- Lend, invest and facilitate a total of US\$10 billion of financing within the next 10 years to projects focused on environmentally sustainable activities.
- Continue to support Abu Dhabi and the UAE's economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030 (ongoing commitment).
- Continue to expand and enhance skills-building initiatives for SMEs to support a thriving sector and competitive regional economy.

## 6. The Essentials: Responsible Business Practices

Because of the important position we have in the lives of individuals and in the country, it really matters that we conduct our business in a responsible and sustainable way. That means being honest, fair and transparent, and using good judgement and common sense to manage risk.

The results of our external stakeholder engagement process and materiality analysis clearly show that customer satisfaction, responsible marketing and communication, and responsible financing are amongst the material issues of highest importance both for our stakeholders and to us as a Bank. Customer data privacy, access to financial services, responsible procurement and procurement choice are also issues identified as material to our operations and activities.

We have declared our commitment to doing business in a responsible way formally through our Sustainability Policy (refer to Appendix B), by becoming signatory to the Equator Principles this year and by establishing a dedicated Sustainable Business team. We discuss how we address these material issues in further detail within this chapter.



### 6.1 Customer Experience

Our customers are at the heart of everything we do. We recognise that at its very core, banking has and continues to be a people-to-people business.

#### Customer Satisfaction\*

##### Customer Satisfaction Surveys

Providing excellent customer service continues to be our top priority. We continued to conduct our benchmarking exercises and customer satisfaction surveys in 2015 to improve and upgrade our performance and address our customers' needs.

A Group Customer Satisfaction Survey was conducted across the customers of the NBAD Group businesses. Our business segments use the feedback from this survey to drive improvements across processes and products to deliver customer service excellence.

A new web-based survey platform – 'Voice of the Customer' - was launched in 2015 to enable our customers to provide feedback on NBAD's products and services at their convenience. Customers are able to complete the surveys through a dedicated web link or electronically within our branches. We will be reviewing the results of the feedback on a monthly basis to address our customers' needs and expectations.



» A new NBAD Mobile Banking app was launched in 2015. Available in both English and Arabic, it provides customers with easy access to their finances to complete their banking transactions.

Our Customers said	We have
Improve online banking access channels	We upgraded our channels and customer touchpoints, including our branches, website, online banking, mobile banking and ATMs to enhance the services we provide. We also launched our mobile banking app this year.
Improvements in complaint handling and resolution	Our new Customer Complaints Management (CMS) was developed and implemented in 2014 to record and resolve complaints within set timeframes. This year, we have succeeded in resolving customer complaints with faster turnaround times to meet those set timeframes.
Improve clarity of information on our products and services	This year we developed comprehensive guidelines on personal loans and mortgages to make it easier for our customers to understand the processes involved in obtaining mortgages and loans to avoid confusion. These will be available online in 2016.

## Complaints Management System (CMS)

Our complaints management system (CMS) was launched in March 2014. The system was successfully launched in the UAE and in a number of international locations. The international roll out of this system is still underway. Through this system, our branches and departments are able to capture, record and address all complaints relating to their particular business units. We ensure that each complaint is addressed and resolved appropriately through a formal customer complaint handling process.

## Serving our Customers

In line with our 2015 commitments, we increased the number of branches with Service Ambassadors from 22 to 42. The Service Ambassadors' role is to ensure that our customers receive a high quality and efficient level of service, and to promote and assist in the use of alternative banking channels, including online banking, telephone banking, ATMs and CDMs, to speed up transaction times. The introduction of Service Ambassadors at our branches has added significant value to our banking services, including the following:

- Reduction in customer complaints related to waiting times and an increase in customer compliments;
- As a result of the internal surveys conducted, we are seeing increased levels of customer satisfaction scores in the branches with Service Ambassadors; and
- Service Ambassadors actively promote role model behaviour within the branches through the efficient and effective service they provide to customers.



Service Ambassadors

## Fair Treatment

### Responsible Communication, Marketing and Sales

We provide product information in a way that is clear and fair, and in a manner which seeks to keep the customer informed and to improve their financial awareness. We have developed a "Treating Customers Fairly" policy, which sets out our commitment to deal with customers fairly at all times in the conduct of our business and only to sell products that fit their profile and needs.

We take reasonable care to ensure that borrowers are aware of the obligations they are undertaking. We also ensure that we are transparent about service charges, interest rates and the basis of calculations. We have developed product guidelines for our customers to provide them with step-by-step guidance on obtaining personal mortgages and loans. Our customers will be able to access this information on our website in 2016.

## Refurbishment of our Branches

Throughout 2015, 26 branches were renovated and upgraded as part of our branch retrofit programme. The goal of this project is to refurbish our branches to create a consistent look and feel across our network, and provide a customer-friendly atmosphere that is both vibrant and welcoming. It is important that our customers are kept advised of the location of their closest alternative branch, together with the closure and reopening of these branches. We do this via a text messaging service (SMS) in Arabic and English. We also place notices outside our branches and on our website to inform customers of the refurbishment plans.

## Customer Data Privacy

**It is the policy of the Bank that both the financial records of our customers and the relationships between the Bank and its customers are kept confidential.**

We are committed to safeguarding the confidentiality and privacy of all our customers' information, including personal, business and other data. We have a comprehensive Information Security Policy in effect, which is rigorously implemented and is subject to frequent internal audits. Our information security policies and requirements broadly align to internationally accepted information security management standards such as ISO27001 and Payment Card Industry – Data Security Standard (PCI-DSS).

Our security infrastructure is among the best in the financial industry and ensures that our systems are secure from internal and external threats, with a comprehensive and robust system in place for disaster recovery.

Our Code of Conduct and Ethics includes specific references to protecting data, particularly with regard to our customers and all complaints related to breaches of customer privacy or confidentiality are recorded and monitored for necessary action.

Out of an estimated number of over 400,000 customers, there were **0.003%** cases of fraud and **0.01%** complaints were recorded through our Complaint Management System (CMS) in relation to customer data privacy. Each case was recorded and investigated and appropriate corrective action was taken to resolve each case.

## 6.2 Responsible Financing

**NBAD is committed to doing business in an ethical and sustainable way - both in the UAE and around the world.**

### Compliance Screening

#### Anti-Money Laundering, Counter Financing of Terrorism and Sanctions Compliance

We aim to achieve the highest level of compliance with the UAE's laws, regulations and guidelines on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT). In the jurisdictions within which the Bank operates, we meet and always seek to exceed the relevant local laws and regulations. Our Group AML policy adopts best international practices and is benchmarked against all the jurisdictions in which we operate.

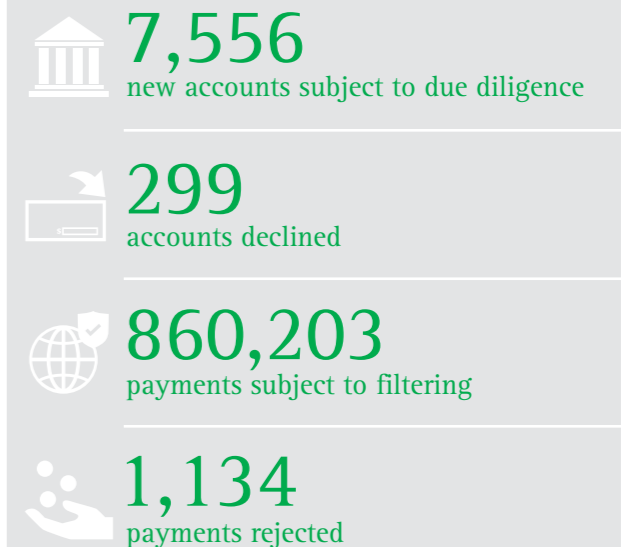
We are committed to preventing the use of our financing services for terrorist financing purposes. We will not knowingly deal directly or indirectly with any person, entity or group subject to anti-terrorism measures, or whom we believe or have reason to believe is involved in the financing of terrorist activities. We are also committed to comply with economic and trade sanctions imposed against countries, governments, individuals and entities specified by the competent authorities.

Our Financial Crime unit includes Sanctions Compliance specialists who monitor international sanctions issued and the programmes imposed by the UAE, UN, EU, UK and US to ensure they are not breached. We are committed to complying with all relevant sanctions requirements for every transaction we perform or relationship we maintain.

### Client Due Diligence

We aim to ensure that our policies and procedures comply with relevant laws and regulations with respect to our Know Your Customer (KYC) policies and other client identification requirements. These policies form a fundamental part of our internal control regime and AML procedures as they reduce the risk of credit losses and suspicious transactions being made on accounts, protecting the Bank against fraud and other reputational risks. We take all reasonable efforts to ascertain the true identity of our customers and we have relevant procedures and approval processes in place for all staff involved in the onboarding of customers. In accordance with international best practice, we apply a risk-based approach (RBA) with regard to our customer onboarding process.

Customers and counterparties are regularly screened against lists of terrorists and sanctioned names issued by the UN, US, EU, UK and UAE by our Sanctions Compliance team. We have specific procedures in place to report and act on any suspicious transactions. We aim to ensure full transparency on every financial transaction, to screen outgoing and incoming transactions for sanctioned entities or countries, and to review the status of customers from time to time. In compliance with the above mentioned principles, the Bank declined a number of business relationships and rejected a number of transactions in 2015.



## Selling the Right Products to the Right Customers

### Risk Profiling

We are committed to acquiring a thorough understanding of our customers' general attitude towards investing and their willingness to accept risk in pursuit of what potentially could result in higher returns. Our methodology is based on the development of a comprehensive product suitability assessment that is matched to our defined client risk profiles. This is then matched with respective product risks to ensure our clients receive the right products with minimal risks.

In relation to any investments or transactions made by the Bank, we have a risk framework by which we operate. Whilst we currently do not record the number of companies held in our portfolio which we have interacted on environmental or social issues, we will start to capture this information through our implementation of the Equator Principles and the application of an enhanced credit process.

### Responsible Lending

In accordance with our 'Know Your Customer' policies, we ensure that we offer the right products and facilities to suit our customers' needs and requirements. We adhere strictly to the UAE Central Bank regulations governing the retail lending business, ensuring that our customers' repayment capability is properly assessed and considered when extending loans and facilities. We apply an aggregate of 50% debt services ratio (DSR) for customers and aggregate of 30% DSR for pensioners within the maximum age threshold.

The assessment of eligibility for loans is based on verifiable income, and does not include variable components such as bonuses and variable commission or overtime pay. Stress testing is conducted for mortgage loans and credit bureau checks are carried out prior to issuing retail credit facilities to ensure that customers are able to manage their repayments.

## Ethical Investments and Solutions

We offer Shari'a-compliant products and services through Abu Dhabi National Islamic Finance (ADNIF), a wholly owned subsidiary of NBAD. In addition, we also offer products through NBAD's Islamic Banking Division (ISD-NBAD) operating from ADNIF premises. We develop Shari'a compliant products and services tailoring to various segments within Retail, Commercial & Corporate besides the investments products which are handled through our Treasury and Investment and Global Asset Management divisions.

Shari'a-compliant investment solutions and Islamic products are governed by the principles of minimising risk exposure while optimising yields in terms of investment. They are developed in accordance with relevant UAE Central Bank regulations as well as the guidelines and resolutions of our Shari'a Fatwa and Supervisory Board.

ADNIF, guided by Shari'a rules and principles, offers a variety of products and services (ranging from current, savings and investment accounts offered through ISD-NBAD to credit cards and financing products), which address our customers' needs through Islamic financing and investment modes such as Murabaha<sup>9</sup>, Ijarah<sup>10</sup> and Istisna'a<sup>11</sup>.

Our ISD-NBAD Treasury and Investment Division offers our corporate, HNWI, individual and financial institutional customers Shari'a-compliant funding, liability management and asset management solutions.

All Shari'a-compliant financial solutions offered to customers are reviewed and approved by our Shari'a Fatwa and Supervisory Board of independent Shari'a scholars to ensure that our services meet Islamic guidelines.

Our Global Asset Management business has also developed a number of Shari'a-compliant products and services to meet the needs of our customers. These include our Islamic MENA Growth Fund, Sukuk Income Fund and the Shari'a MENA Dividend Leader Fund. These products offer a higher level of risk mitigation, a wider range of instruments to invest in, greater liquidity and are more cost-effective for our customers.

We offer ethical investing by way of adherence to Shari'a principles for some of our investment funds and segregated mandates. We provide our customers with access to a professional and well-prepared investment team so that they can make informed and reliable investment choices in relation to these funds and segregated mandates.

These investments are endorsed by our Shari'a Fatwa and Supervisory Board of independent Shari'a scholars. We apply a qualitative and quantitative screening filter for these investments. In accordance with Shari'a principles, we do not invest in businesses with links to gambling, pork, alcohol, tobacco, certain forms of entertainment and weaponry. This year, 11% of the assets managed by Global Asset Management were subject to Shari'a-compliant screening.

## Project Financing

### Supporting the Abu Dhabi Economic Vision 2030

Our Global Project and Structured Finance (GPSF) team provides solutions to clients to meet their short-term and mid-term capital expenditure and working capital requirements. The team provides asset-based lending, structured trade, development finance, project finance and acquisition financial solutions both within UAE and internationally. We are a firm supporter of the Abu Dhabi 2030 vision and were involved in a number of projects this year including the following:

- Zayed University, Abu Dhabi - a Public Private Partnership for the financing of the campus of one of the largest universities in the UAE; and
- Danat Al Emarat Hospital, Abu Dhabi - a hospital exclusively for women and children in Abu Dhabi with a capacity of 117 beds.

Moving forward, our newly formed Sustainable Business team will identify and drive funding towards renewable energy and energy efficiency projects. This will support the Abu Dhabi Government's targets to diversify away from hydrocarbons and invest in renewable energy.

The UAE has set targets to focus investment on harnessing the vast renewable energy potential. The UAE Government has committed AED 72 billion to renewable energy by 2021.

In Abu Dhabi, the leadership has committed to secure 7% of its total energy needs from renewable sources by 2020 while Dubai has committed to a 5% target<sup>12</sup>.

<sup>9</sup> Murabaha works by the bank supplying goods for resale to the customer at a price that includes a margin above the costs, and allows them to repay in installments. This might be used to provide a mortgage on a property. The property is registered to the buyer from the start (Islamic Finance, The Low Down on Shari'a-Compliant Money, The Guardian, 29 October 2013)

<sup>10</sup> Ijara works as a leasing arrangement: the bank buys something for a customer and then leases it back to them. Different forms of leasing are permissible, including those where part of the instalment payment goes toward the final purchase. This might be used to help you buy a car or other item, or to help a business buy equipment. (Islamic Finance, The Low Down on Shari'a-Compliant Money, The Guardian, 29 October 2013)

<sup>11</sup> Istisna'a is a contract of exchange with deferred delivery, applied to specified made-to-order items (www.islamicfinance.com)

<sup>12</sup> <http://www.masdar.ae/en/media/detail/abu-dhabi-investing-in-an-evolving-world-energy-market>

## Application of the Equator Principles (EP)

As a signatory to the Equator Principles, we will review and rewrite our credit policies and procedures to ensure that front-line credit coverage teams include an evaluation of environmental risks in all credit application processes. Where these are deemed to be of sufficiently high potential risk, the information will be passed to our Sustainable Business team for further due diligence and recommendations on how to proceed.

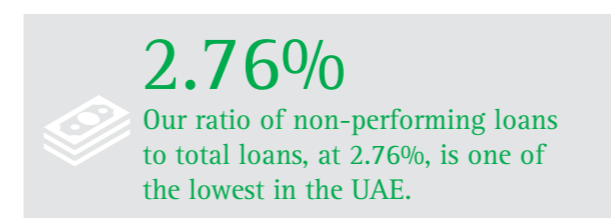
Where transactions are not covered by existing international best practice frameworks, such as carbon based commodity-backed financings, our Sustainable Business team will also evaluate the environmental and social risks to which the bank may be exposed, reporting directly to the Bank's risk management division with recommendations on how to proceed.

The integration of environmental and social risks into the Bank's overall credit risk process is also being driven by our ambition to issue a Green Bond in the future. The due diligence process for identifying potential assets to be funded by the proceeds of any future Green Bond, will include a robust evaluation of transaction sponsors to capture any associated environmental and social risks.

As part of our Sustainable Business strategy, we will develop a range of position statements for particularly high risk economic sectors to offer guidance on risks beyond NBAD's risk appetite and/or minimum thresholds. We will also provide internal awareness training on the Equator Principles, and more detailed training on the policies and procedures developed as part of the EP implementation process. We will capture and report annually on projects which fall under the remits of the Equator Principles.

## Loan Quality

Non-performing loans (NPLs) have decreased by over 5% in 2015 vis-à-vis 2014 to AED 6.2 billion from AED 7.8 billion. The NPL ratio<sup>13</sup> stood at 2.76% of the loan book, which continued to decrease and remained one of the lowest among peers. Total provisions represented 105% of non-performing loans.



### Loan Quality

Loan Quality (AED million)	2014	2015	Annual Change
Non-performing loans	6,160	5,847	-5.1%
% Non-performing loan ratio	3.07%	2.76%	-31 bps <sup>14</sup>
% Provision coverage	108%	105%	300 bps

Composition of Past Due not Impaired	2014	2015
Less than 30 days	153.43	342.24
31-60 days	151.31	608.02
61-90 days	177.44	272.69
More than 90 days	1,161.76	603.70
<b>Total</b>	<b>1,643.96</b>	<b>1,826.65</b>

<sup>13</sup> NPL ratio = non-performing loans net of interest in suspense divided by gross loans net of interest in suspense.

<sup>14</sup> Basis points.

## Financial Accessibility and Inclusion

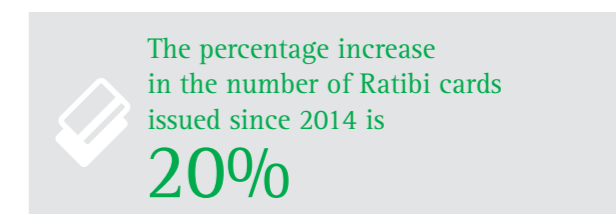
As mentioned in **Chapter 3**, we service our customers in the UAE through our 114 branches and cash offices, 576 ATMs/CDMs, private banking units, online banking channels and 24-hour contact centre support.

We provide ATMs and branches in rural and harder to reach areas. We have 42 ATMs and 15 branches in low populated and economically disadvantaged areas of the UAE.

Besides the conventional banking practices undertaken in our branches, we have developed a number of easy to use and convenient channels to ensure financial accessibility to our customers. These channels include our internet services (NBAD online), ATM machines, a 24-hour customer contact centre, automated phone banking facilities and the new NBAD mobile banking app which was launched this year.

We have continued to provide services to the lower income or underbanked customer segment (employees who earn up to AED 5,000 per month) through the provision of the 'Ratibi' salary debit card in accordance with the UAE's regulatory requirements for the wage protection scheme. This salary debit card enables the low income segment of the population to have access to a regulated financial product as part of the UAE Government's wage protection scheme. At the same time, employers, whilst adhering to the regulations, are provided with a service enabling them to track salaries of low income workers. They, as a result, do not need to handle large amounts of cash and it provides security for the lower income customer segment. The payroll card includes free accidental insurance in the event of hospitalisation or death. The logistic services, construction and hospitality sectors are the industries benefiting the most from the product.

An initiative to launch a mobile app for our Ratibi customers next year is in progress, which will provide access to their funds and will offer digital banking services including balance enquiry and cards transaction mechanisms, mobile recharges and remittances. This will provide a valuable service to the low income segment who are not eligible for regular bank accounts due to Central Bank regulations on the minimum wage required for these accounts.



## 6.3 Responsible Procurement\*

We want to be recognised as the customer of choice for our suppliers.

### Our Automated Procurement System

Our procurement activities are centralised through our Procurement and Commercial Management department. We also have a formal Procurement Policy in place, which incorporates the principles of sustainability.

In line with the environmental elements of this policy, all our procurement processes, including preparation of requests for proposals (RFPs), requests for quotation (RFQs), supplier registration and invoice payments are now online, automated, and paperless. Our suppliers are also aware that there is no requirement to submit hard copies of supporting documents.

We have established our Supplier Relationship Management (SRM) unit, which is responsible for developing beneficial relationships with suppliers. The SRM unit, and the sourcing team for suppliers, are jointly responsible for implementing projects with suppliers.

To ensure that any complaints and grievances from our suppliers are captured and addressed appropriately, we have developed and launched our supplier complaint management process in 2014. We did not receive any grievances regarding impacts on society from our suppliers during this year. We aim to fully integrate this process within our automated procurement system by 2018.

This year, we automated our invoice payment process for suppliers, in addition to a number of internal claims processes (including medical, relocation, educational processes) to eliminate the submission of hard copies of supporting documentation and avoid unnecessary printing. These processes are now available online for our suppliers and employees.

### Supporting Local Suppliers

We have continued to review and update our vendor database this year. This process is currently ongoing to ensure that the details of our suppliers are up to date. We also record our expenditure on local suppliers through our automated procurement system.

We recorded a total spend of AED 1.4 billion on local suppliers. This is approximately 86% of the total spend in 2015.

### Supplier Selection and Assessment

We have developed a Supply Chain Social and Environmental Code of Conduct, which outlines minimum requirements for vendors to conduct their business in an environmentally and socially responsible way through effective management of environmental impacts, health and safety risks and implementation of responsible labour practices. Suppliers are required to:

- Comply with all applicable laws and regulations, including UAE Labour Law;
- Read and understand NBAD's sustainability policy;
- Understand and comply with NBAD's Supply Chain Social and Environmental Code of Conduct;
- Provide transparent and accurate information to NBAD with regard to information requested; and
- Cooperate in any future periodic site audits and assessments.

The code of conduct will be incorporated in our supplier registration process once this registration process is finalised. We have not yet started to screen our new suppliers using this sustainability criteria, however we will begin to once the code of conduct is integrated within our supplier registration process.

We are aware of the risk of possible child labour and forced or compulsory labour through our supply chain, particularly through third party suppliers, and our Procurement Policy specifies minimum expectations for suppliers on this subject. We also comply with the UAE labour law, which addresses labour practice criteria. We did not identify any operations with child labour or forced labour risks and no human rights review or impact assessments were conducted during this reporting period.

## 6.4 Investing in our People

People are the human capital at the heart of the Bank – our most valuable asset.

The material issues identified through our stakeholder engagement process and materiality analysis include employee engagement, diversity and equal opportunity, the creation of jobs and security, human rights, hiring from the local community (market presence, Emiratisation), and the provision of employee grievance mechanisms. We have declared our commitment to invest in our employees formally through our Sustainability Policy (refer to Appendix B).

We discuss how we manage and address these issues in further detail within this chapter. We have also included information on the career development opportunities and employee benefits we provide to our employees, as a result of feedback from our employee engagement survey and requests from external stakeholders.

### Our Employees

#### Key Employee Data

UAE based Employee Data	2014	2015
Total workforce (including trainees and students)	4,697	4,571
Number of UAE based employees	4,535	4,446
Sponsored trainees and students	162	125
Outsourced staff	1,253	1,718
% of women in the workforce	37%	39%
Number of nationalities	82	87
Number of UAE nationals in the workforce (excluding Watani)	1,177	1,275
Number of UAE nationals representing senior management (Bands 4 and 5)	51	53
Number of UAE nationals in training	162	125
Total number of UAE nationals in the bank (including trainees and students)	1,339	1,400
% Workforce turnover (excluding outsourced staff)	11.6%	14.4%
% Turnover of female employees (excluding outsourced staff)	4%	13.6%
% Turnover of male employees (excluding outsourced staff)	7.5%	14.9%
Leaver/joiner ratio	0.7	1.2
Men	0.75	1.6
Women	0.6	0.9
Total number of employees hired (excluding trainees, students, outsourced staff)	728	518
Under 30 years	273	235
31-50 years	437	278
Over 50 years	18	5
Number of men hired (excluding trainees, students, outsourced staff)	434	257
Number of women hired (excluding trainees, students, outsourced staff)	294	261
Number of men who left the bank (excluding trainees, students, outsourced staff)	340	401
Number of women who left the bank (excluding trainees, students, outsourced staff)	184	239
Employee Satisfaction	74%	71%

Competency Development	2014	2015
Total number of training days delivered	30,759	23,826
Number of employees trained	6,216	7,374
Average training per employee (hours)	35	23
Average training per employee (days)	5	3
Average training per female employee (days)	6.78	10
Average training per female employee (hours)	47.5	70
Average training per male employee (days)	3.7	5
Average training per male employee (hours)	26	33
Number of e-learning hours delivered	11,566	38,852
Number of employees who completed sustainability awareness e-learning programme	269	4,141

\*G4-24, G4-26, G4-27



UAE based Employee Data		
	2014	2015
<b>Employee Benefits</b>		
Total number of males who took parental leave	97	134
Total number of females who took parental leave	69	122
Total number of males who returned to work	95	127
Total number of females who returned to work	68	117
Total number of male employees who were employed 12 months after returning to work from parental leave	94	120
Total number of female employees who were employed 12 months after returning to work from parental leave	55	116
<b>Health and Safety</b>		
Total number of sick leave days	18,011	19,042
Average number of sick leave days/employee	3.83	6.88
Number of OHS incidents	23	16
Number of injuries	0	6



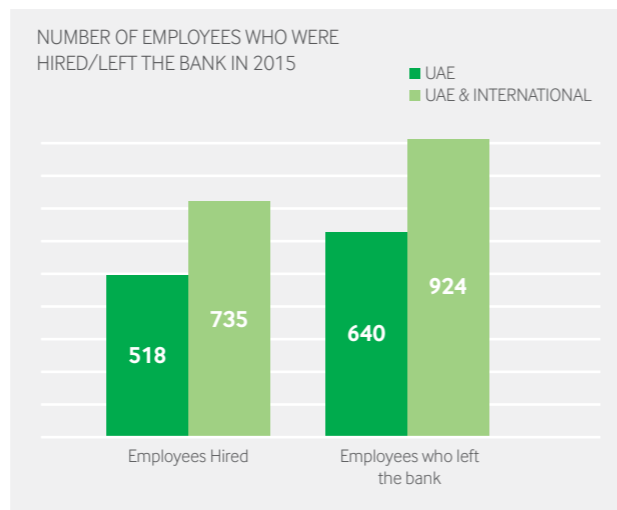
#### Workforce in the UAE

This year, the number of our full-time employees in the UAE decreased slightly (4%) from 4,535 employees in 2014 to 4,446 in 2015. In addition to our directly employed people, we sponsored 125 students and trainees. The number of outsourced (third party contracted) staff increased from 1,253 staff in 2014 to 1,718 in 2015. This increase in the proportion of outsourced staff has occurred mainly in relation to sales staff who were hired in order to meet our sales targets for the year. Approximately 95% of total outsourced staff members are based in the UAE, out of which approximately 70% were located in the UAE offices.

#### Employee Turnover

In 2015, in the UAE and internationally, a total of 735 employees were hired and a total of 924 employees left the Bank. In the UAE alone, 518 employees were hired and 640 left the Bank. The percentage workforce turnover in the UAE was 14.4% in 2015 which was slightly more compared to 11.6% in 2014.

Detailed people numbers, including our international workforce, can be found in Appendices C-1 and C-2. The definitions of our performance indicators are included in Appendix C-3. A glossary of terms can be referred to in Appendix D.



**41%** of employees who left resigned to explore different career opportunities or for personal reasons

**2%** of employees retired

Less than **4%** of employees were made redundant globally

## Diversity and Inclusion

### Nationalities

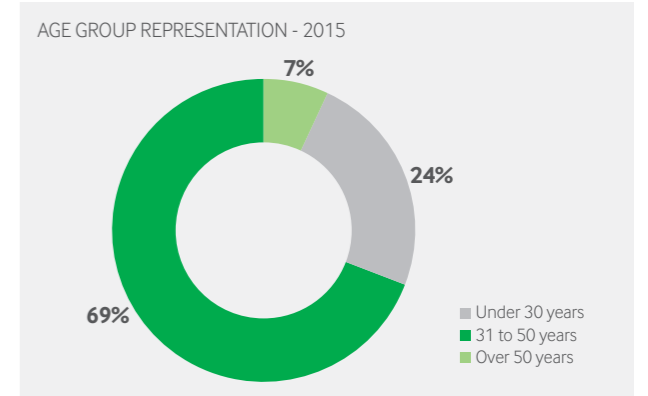
Our diverse employee base of 87 nationalities helps us to understand and meet the needs of our customers across the world. Within the UAE, there is a positive skew toward regional employment, with the top 10 nationalities heavily influenced by the Gulf, India, and more widely the MENA region. Representation of Emiratis in the UAE has increased by 4.5% since 2014.

### Age Group

The percentage of employees under 30 years and over 50 years has decreased slightly, while the percentage of employees between the age group of 31-50 has increased slightly since 2014.

### Women

Women represent 39% of the UAE workforce. The percentage of women in the UAE workforce has increased slightly since 2014. There has also been a slight increase in the number of women in senior-level and middle-management positions in the UAE. This is due to the movement of staff across different bands and positions within the organisation.



Women	2014	2015
% of total Group workforce	35%	37%
% of total UAE workforce	37%	39%
% of senior-level positions in UAE (Bands 5 and 4)	12%	13%
% of middle-management positions in UAE (Bands 3 and 2)	34%	36%
% of Branch Managers (UAE Only)	54%	50%



## Emiratisation

Unlike other countries, the indigenous population in the UAE is the minority. The UAE Government is, therefore, keen to enhance employment opportunities for UAE Nationals. This remains an important focus of the Abu Dhabi 2030 Vision. We are committed to the professional development of Emiratis as one of our key strategies aligned to the Abu Dhabi Vision 2030. We are also committed to building a highly skilled, highly productive and sustainable workforce for the UAE.

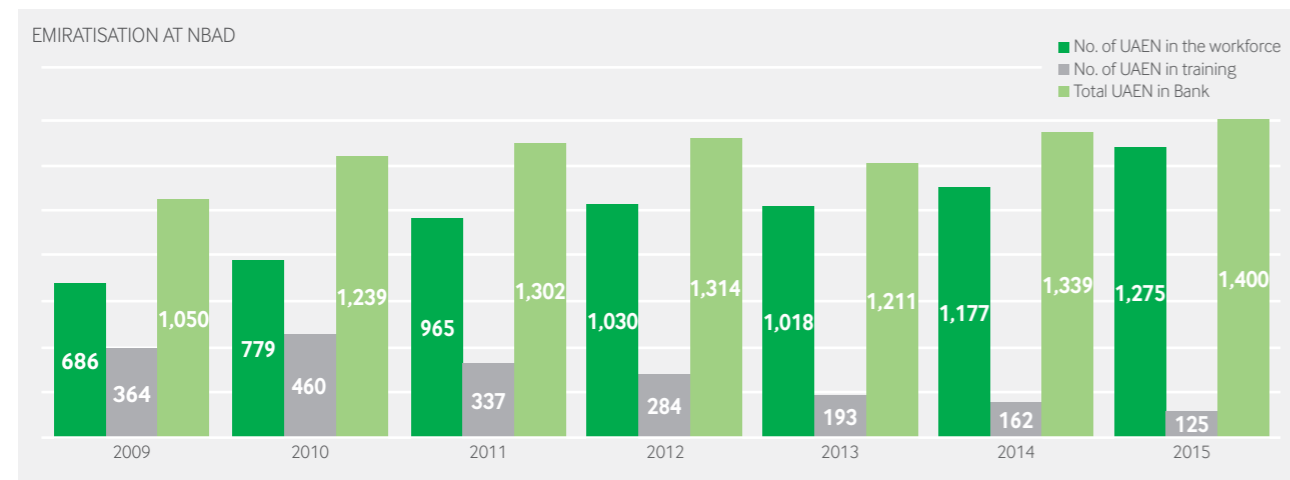
We offer high potential UAE Nationals the opportunity for career progression through a talent management unit which looks after developing and retaining UAE National talent. We had a net increase of 98 UAE Nationals this year. In the UAE, 20% of senior management and 21% of middle management are Emirati. We have an integrated approach to our Emiratisation strategy, which is measured and monitored in our Group Balanced Scorecard.

As part of our Emiratisation initiative, we launched a part-time employment scheme for UAE nationals to serve the Bank's clients in its various contact centres. Under the initiative, the new recruits work five days a week, for four hours a day with full employment benefits. Female candidates are given the option to join our Al Ain contact centre, a facility that is managed and staffed exclusively by Emirati women.

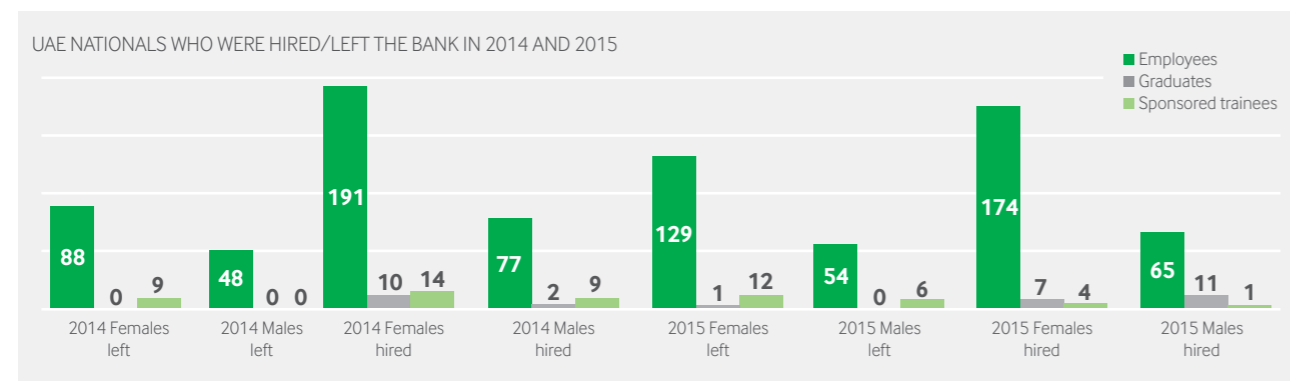
Our focus moving forward will be aligned with the UAE Nationalisation strategy in the banking and insurance sector. We will increase our focus on training efforts and the placement of UAE Nationals within different functional roles and hierarchical levels.



### Total Number of UAE Nationals in the UAE Workforce



### Total Number of UAE Nationals who were hired/left



## Labour Practices

### Human Rights

We are committed to provide equal opportunities and fair practices when it comes to people management. We aim to recruit a professional, qualified, skilled and diverse workforce that meets our organisational needs, regardless of gender, nationality, religion, colour, cultural/ social background, age, languages, ethnicity, social affiliations, or other classifications. We reject discrimination of all types that affects fair and equal opportunities.

We abide by those principles of human rights included in the UAE Federal Labour Law and the Constitution of the UAE. We encourage employees to raise and share their concerns or feedback through employee engagement channels such as the Global People Survey (GPS), town halls sessions and internal business partners or through our whistleblowing facility for compliance-related issues. There have been zero (0) complaints of human rights related incidents recorded through our whistleblowing system.

Our employees are aware of their rights and processes ensuring their fair treatment through publication of our HR policies and processes on our internal website. There have been no reported incidents of discrimination or violations of human rights or indigenous rights. No human rights review or impact assessments or training of security personnel on human rights were conducted this year.

### Grievances

Our Human Resources (HR) team has developed a grievance policy and employees have direct access to grievance mechanisms by contacting the HR business partners and/or a direct communication with management through an open door policy. We have developed a formal recording system for grievances and we ensure that all grievances are resolved in a timely manner. 23 grievances were recorded and resolved in 2015. We did not receive any grievances regarding impacts on society this year.

### Employee Engagement\*

One of the key strategic drivers of our vision is employee engagement. Employee engagement indicators are obtained from our annual Global People Survey (GPS). This is an important channel by which we engage with our employees to enable them to share their thoughts, raise their concerns and highlight the potential areas of improvements in people management practices. For UAE specifically, 70% of employees were engaged in the survey.

We also conduct a number of town hall sessions for our employees and arrange quarterly conference calls throughout the year to discuss how we are doing as a bank, what is working and what improvements need to be made. Employees are given the opportunity to raise questions with the Group Chief Executive Officer (CEO) and senior executives about the results, strategies and overall direction of the Bank.



Town Hall, Dubai

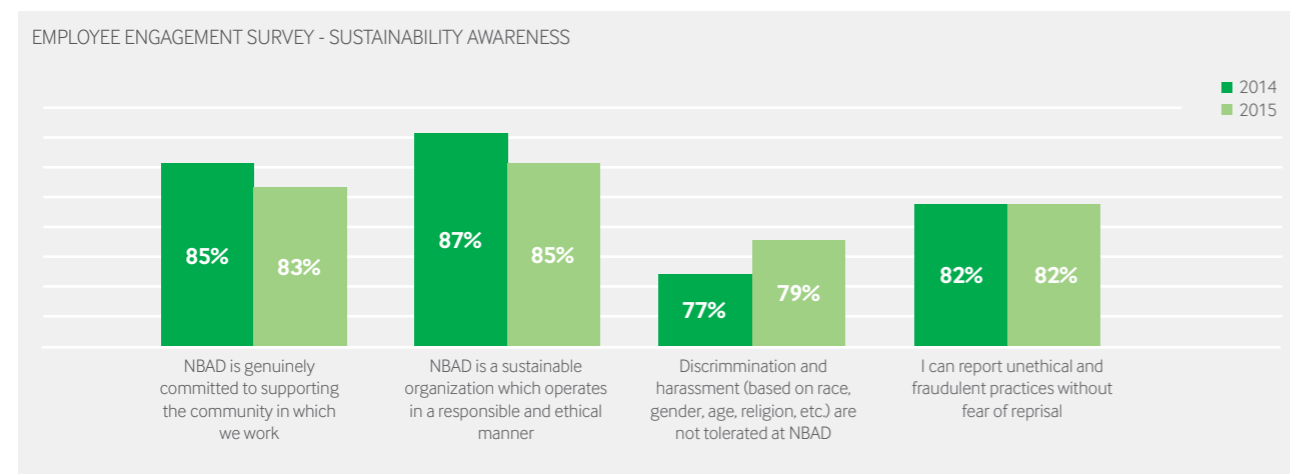
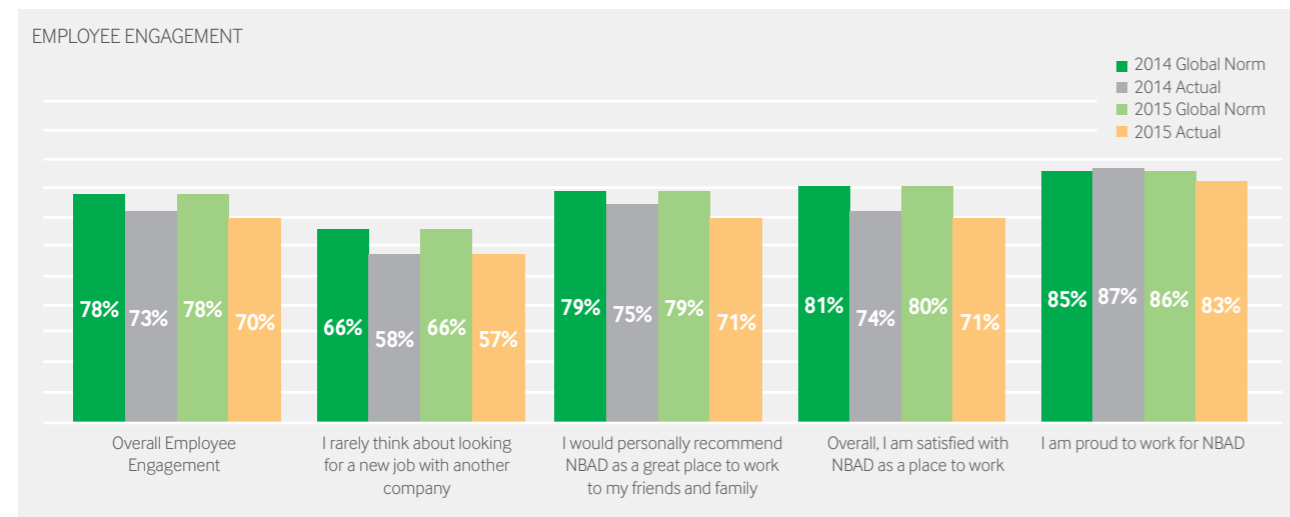


Town Hall, Abu Dhabi

\*G4-24, G4-26, G4-27

## Results of the 2015 Employee Engagement Survey (UAE)

We continue to track our staff engagement level against the top quartile of engagement scores of the global banking and insurance industry through our annual survey, which all staff are invited to complete. The results of the survey for employee engagement remain relatively similar to the previous year, although the pride level of employees is slightly below the global norm. Our annual Global People Survey has resulted in a programme of action to interpret the results and generate action plans to address issues raised. Our executive management has reiterated the importance of employee engagement to all line managers by placing this measure as a key objective for us to achieve in our Group balanced scorecard. We will also continue to carry out sustainability awareness sessions for our employees, to inform them of our progress in relation to our corporate citizenship objectives and our core sustainability initiatives.



## Investing in our Employees

### Fair wages

We benchmark our total compensation packages against the upper quartile of the pay market. Our 'Pay for Performance' reward strategy does not consider gender, nationality or age when determining the basic salary of our employees. Since 2011, we have carried out checks to determine whether our policy is being implemented by comparing the basic salary of men and women across two specific job roles, held by about 10% of our UAE employees. We compared the salaries for 1,775 men and women in all Band 1 roles in 2015, and found that women are paid slightly higher than men on average.

Ratio of wages - Men : Women	
2013	0.966 : 1
2014	0.910 : 1
2015	0.972 : 1

### Employee Health and Safety

At NBAD, the health and safety of our employees and customers is of core importance. We have a Group Occupational Health and Safety (GOHS) policy in place, and have formed a Group Occupational Health and Safety Committee. The committee comprises three members of staff who are based in the UAE. All OHS-related queries and complaints are tracked in accordance with the policy. The results of any inspections, including incident and investigation reports and action plans are documented. There were 23 incidents recorded during this year, which were investigated and resolved appropriately. There were no staff-related near misses, accidents, injuries or fatalities reported during this year.

### Training and Development

We provide training programmes through our NBAD Academy, as well as through external institutions, including world-renowned business schools and leading universities in the UAE. Refer to Appendix C2 for further information on training data for our UAE employees for 2015.

We also provide training and raise sustainability awareness internally through our mandatory sustainability e-learning training programme, ongoing internal communication and the annual Sustainability Awareness Week for our employees, which is organised by our Corporate Sustainability Team. We raise awareness on the importance of issues such as waste management and recycling, reducing energy and water consumption, using sustainable transport options and the impacts of climate change. This year, 4,141 employees completed the sustainability awareness e-learning training programme. Next year, we plan to conduct internal awareness training sessions on the Equator Principles and training on the policies and procedures developed as part of the Equator Principles implementation process.

Career progression is very important to us. Our Professional Banker programme, which was launched in 2014, continues to provide growth opportunities for all staff through the provision of training programmes and exposures which aim to broaden their knowledge and experience in banking and finance. This year, 214 employees participated in the programme, 33% of whom were UAE Nationals.

### Employee Benefits

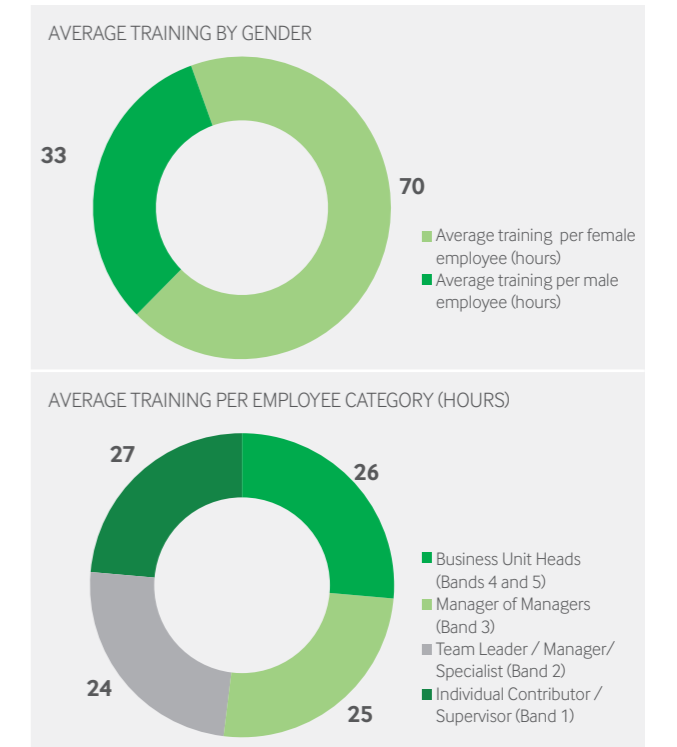
All employees of the organisation are covered by policies relating to benefits. These policies are reviewed periodically and assessed for improvement against international best practice. Some of the benefits include:

- Provision of early retirement on health grounds;
- Interest-free property rental loans and an interest-free car parking loan for employees based in our ADNEC office;
- Parental leave;
- Flexible working hours;
- Reduced rates on car loans, mortgages, personal loans and educational loans;
- Subsidised health club memberships;
- Membership in the Abu Dhabi Government employee travel plan, which offers discounted flights; and
- Provision of long term study leave with sponsorship.

### Overtime Policy

We ensure that our working hours and conditions comply with the local laws and regulations of labour practices. We also ensure that we provide incentives and rewards for employees with regard to additional working hours and overtime. Our overtime policy ensures that when working overtime is absolutely necessary, employees in specific job roles are financially compensated and rewarded for their time and efforts.

### UAE Employee Training Data



\* G4-24, G4-26, G4-27

## 6.5 Generating Value for our Community

We understand the importance of engaging with our communities and sharing best practices within our sphere of influence.

The results of our external stakeholder engagement process and materiality analysis indicate that operational contribution (i.e., providing services which facilitate economic growth), economic value generation (the distribution of profits to stimulate the economy) and our collaborations and partnerships are amongst the material issues of highest importance to our stakeholders and to us as a Bank. Our Sustainability Policy outlines our commitment to remain profitable and support our community through the provision of jobs and financial services (refer to Appendix B). We have discussed how we have addressed these material issues in further detail within this chapter.

### Economic Contributions

By considering the sustainability triple-bottom line (People, Planet, Profit) in our banking operations, we ensure sustainable growth and positive economic contributions of our business. We are committed to utilising the positive value generated by our business to benefit different stakeholder groups impacted by our operations. Our objective is to ensure diversification of the economic value we generate to benefit the community.

Our Economic Contributions in 2014 and 2015

		% change	2014	2015
Value Generated	Revenues (total operating income) (AED '000s)	1%	10,414,717	10,555,850
	Global Net Profits (AED '000s)	-6%	5,578,869	5,231,817
	<b>Total (AED '000s)</b>	<b>13%</b>	<b>15,993,586</b>	<b>15,787,667</b>
Value Distributed	Employee compensation (Salary, benefits and rewards) (AED '000s)	10%	2,532,726	2,773,739
	To Providers of Capital (dividends and payments on other capital instruments) (AED '000s)	10%	2,077,466	2,541,136
	Donations and Community Investments (AED '000s)	-8%	50,973	46,788
	Payments to Government (taxes) (AED '000s)	10%	271,688	298,143
	Suppliers (payments of purchases) (AED '000s)	3.9%	1,162,462 <sup>15</sup>	1,400,490
	<b>Total (AED '000s)</b>	<b>11.6%</b>	<b>6,095,315</b>	<b>7,060,296</b>

### Charity and Donations

Our financial support for social and community involvement includes commercial sponsorships and community investments. Our community investments focus on supporting activities that can benefit our people and the wider society, such as a national financial literacy programme, and sporting and cultural events.

Our financial support includes donations from channels such as ATM donations and sponsorships. Our Zakat Fund and donations are managed by our Islamic Banking Division - Abu Dhabi National Islamic Finance (ADNIF). 'Zakat' is the practice of charitable giving by Muslims based on accumulated wealth. Our Zakat donations are made annually based on our profits (usually 2.5% of our profit). ADNIF, through NBAD, also offers our customers (NBAD cardholders) the opportunity to make Zakat donations using NBAD ATMs. Customers using our ATMs have the opportunity to donate to the Red Crescent as part of their transactions.

Our total community support in 2015 amounted to AED **46,788,000** equivalent to **0.9%** of our net profits.

Charitable donations through our ATM channel amounted to AED **2,707,482**

Our Zakat Fund payments in the UAE amounted to AED **18,111,427**

<sup>15</sup> This figure includes our expenditure on local suppliers.

### Charitable Donations and Community Support

#### Raising Funds for Charities in Abu Dhabi

NBAD held a charity paintings sale and bake sale event to raise funds for the Rashid Pediatric Centre and Future Centre for Special Needs in Abu Dhabi. The events were organised by our Group Internal Audit (GIA) team who visited the centres to spend time working with the children and staff and to present the donation cheques. A total amount of AED 110,000 was raised for these charities. The donations will be used by the centres to sponsor children's education, purchase educational tools and equipment, and create additional play areas.



#### The Angel Appeal Charity for Seafarers

The Bank donated over 2,000 jute bags to the Angel Appeal Charity for Seafarers. The bags were packed with personal care items donated from other organisations and distributed to seafarers at Mina Zayed in Abu Dhabi and at Mina Hamriya in Dubai. The bags were originally corporate gifts, but were unused due to a change in the Bank's logo. Rather than discarding them, we decided to donate the bags to help support the community.



#### Support for charities in Kenya

NBAD supported Etihad Airways in their contribution to two community outreach activities in Kenya, with donations to the Dream Children's Home, and the Children in Freedom organisation. The Dream Children's Home is located between Ngong and Matasia, just outside Nairobi. The Home was established in 2004, to provide basic needs and support for orphans and vulnerable children in Kenya.

NBAD donated corporate items including jute bags, drinking water bottles, tents and cool boxes, whilst Etihad Airways donated over 700 cabin blankets through the 'Blankets 4 Africa' initiative, and school supplies.



#### Improving Living Conditions in Impoverished Areas, Egypt

Our office in Egypt has donated US\$ 600,000 to the Federation of Egyptian Banks (FEB) to support the development and improvement of living conditions in some of the poorest areas in Egypt. The FEB started the development initiative in April 2014, with the aim of improving the living conditions in slum areas. Since the launch of the initiative, the living conditions of over 50,000 residents in the targeted areas have been enhanced through the construction of new sidewalks, pavements and street lights, improvements in the sanitary networks, including sewage and drinking water systems, and removal of rubble and dust from the streets which were contributing to poor air quality and pollution. The residents, particularly the younger population, are trained on maintaining the area and mobilising the community to create new initiatives.

## Collaborations and Partnerships\*

It is hard to achieve significant impact alone, or within a single sector. We believe that by developing cross-sector partnerships, we will achieve greater impact and success. Multi-stakeholder partnerships harness competencies, experience, values and resources to enable co-working around a common vision to achieve a shared goal. We see the benefits of this approach through our relationships with a number of organisations, some of which have been included below. We are founding members and elected members of the Abu Dhabi Sustainability Group (ADSG) Facilitation and Coordination Committee. As a signatory to the Equator Principles, we are a member of a group of international Equator Principles financial institutions (EPFIs) that have adopted and voluntarily subscribed to the Equator Principles.

We have identified, through external engagement with our sustainability peers and partner organisations, that the women's market, SME development, access to finance and debt due to lack of financial literacy are key issues for the financial industry in the UAE and MENA region. Our citizenship strategy focuses on the development of SMEs' skills in the region. We also provide financial support to Emirates Foundation (EF) including the national financial literacy programme 'Esref Sah!'. We are actively engaged in various committees of the UAE Banks Federation to improve the performance and role of our sector, and in 2016 will begin development of our own financial literacy programme.



### Emirates Foundation's (EF) 'Esref Sah!' Programme

EF's 'Esref Sah!' programme is the first UAE-wide initiative aimed at adopting positive financial behaviour among youth and building skills to advance their own economic progress.

The programme addresses challenges facing young people in the UAE today in relation to managing their personal finances and, most notably, debt. Lack of financial literacy constitutes a significant barrier to successful business ventures for today's youth, particularly in the areas of entrepreneurial activity, according to research.

Since its inception in mid-2013, Esref Sah has engaged over 40,000 youth across the UAE. However, EF's priority is to scale up the programme further in order to reach more of its target audience of 15-35 year olds living in the UAE and equip them for success in the workplace.



\* G4-24

## 6.6 Environmental Stewardship

**We will not compromise the environment in pursuit of profit, and we are committed to reducing our own impacts through responsible procurement, operations and facilities management.**

The material issues identified through our stakeholder engagement process and materiality analysis include our consumption of resources (energy and water) and associated greenhouse gas (GHG) emissions, materials (paper) consumption and waste (paper and electronic waste) management. We have declared our commitment to preserving the environment formally through our Sustainability Policy (refer to Appendix B). We discuss how we address these material issues in further detail within this chapter.

We are committed to making a real contribution to help this region to meet these energy and water scarcity challenges not only through our Future of Energy programme but also as part of our internal sustainability initiatives. By working towards proactively responding to the risks and opportunities emerging from strong carbon management, energy efficiency and climate change strategies, we are in full support of the Government's strategic vision and goals for the future of the UAE.

### Reducing our Environmental Footprint

#### Environmental Challenges and Opportunities in the UAE

Our direct environmental impacts are limited to water, energy and paper consumption, and the greenhouse (GHG) gases they produce. We currently have no premises located or planned in areas of high biodiversity value. Still we take these responsibilities seriously, given the scarce nature of water, and the need to use large amounts of energy to produce fresh water through desalination, adding further weight to the current challenges the UAE faces in producing and supplying energy in line with the rapid development and expansion of the country. Forecasts indicate that the demand for desalinated water is expected to almost double by 2030. Energy demand is predicted to double by 2020<sup>16</sup>.

As part of a five year strategy, the Environment Agency – Abu Dhabi has proposed a number of water management solutions, including strategies for the management of desalinated, recycled and groundwater sources. Recent national policies have involved cuts in water and energy subsidies in attempts to encourage less energy and water intensive consumption and production patterns. The reduction in subsidies has resulted in an increase in water and electricity tariffs in both Dubai and Abu Dhabi. It is expected that Abu Dhabi will remove water and electricity subsidies by 2018. The removal of subsidies on energy and water in the UAE will lead to a more realistic price for the production and supply of energy and water and will drive investment in performance improvement.

As mentioned in Chapter 4.0 (Section 4.1), the UAE, amongst other nations is striving to diversify its economy away from hydrocarbons. This is not only due to the current economic climate, the increasing gap between energy demand and supply and the outcome of the COP21 agreement last year, but to reduce over-dependence on one sector and to diversify and grow the economy.

In December 2015, the UAE Government participated in the Paris Climate Conference, prior to which, the UAE submitted its intended national determined contribution (INDC) or climate action plan, outlining its commitment to limit emissions and address climate change through economic diversification. The UAE will sign the COP21 agreement in 2016 and has already set targets to achieve 30% clean energy by 2030.

The reduction of carbon emissions from urban environments was a key topic of discussion at COP21. As stated by **H.E. Dr. Thani Ahmed Al Zeyoudi**, UAE Permanent Representative to the International Renewable Energy Agency (IRENA) and Director of Energy and Climate Change at Ministry of Foreign Affairs,

“Energy consumption in buildings, particularly for cooling, is the major source of emissions in the UAE. Improving building energy and water efficiency is a high priority for the UAE, which also contributes to reducing costs<sup>17</sup>.”

In line with the UAE's targets to improve energy and water efficiency and limit emissions, we want to improve the environmental performance of our own buildings, operations and activities and calculate our resource consumption data and greenhouse gas (GHG) emissions as accurately as possible in order to be able to set targets for reduction. We are the only bank in the region to have begun reporting our GHG emissions through our annual submission to CDP (formerly the Carbon Disclosure Project).

In this section, we describe the measures we have taken as part of our core sustainability initiatives, to monitor and manage the environmental impacts of our buildings. These form part of the responsible business practices we are involved with internally.

“In the West-East Corridor..., consumer demand is shifting, with an emerging preference for clean energy. Governments are pushing harder..to decarbonise their economies. Subsidies for fossil fuels will go..., which will boost the role of renewable technologies. The looming gap between supply and demand needs to be filled, and nations around the world are committed to decarbonising their economies and diversifying their energy suppliers. These trends are here to stay.”

Abdulla M S AbdulRaheem  
Deputy Group Chief Executive Officer, NBAD

<sup>16</sup> 'Energy Efficiency in the UAE', UAE State of Energy Report 2015, UAE Ministry of Energy.

<sup>17</sup> 'COP21: Building energy, water efficiency high priority for UAE', Emirates 24/7 (December 2015), www.emirates247.com/business/cop21-building-energy-water-efficiency-high-priority-for-uae-2015-12-06-1.612895.

## Key Environmental Data

Environmental Impact	2014	2015
<b>Resource Consumption</b>		
Electricity consumption (GigaJoules)	224,131	227,033
Electricity consumption (kWh)	62,256,920	63,064,808
Electricity consumption per capita (kWh)	11,417	11,004
Electricity consumption per capita (GigaJoules)	41	40
Water consumption (IG)	31,008,698	17,022,339
<b>Materials (Paper) consumption</b>		
Paper consumption (kg)	249,475	238,625
Paper consumption per capita (kg)	46	41
Paper recycled (kg)	153,726	135,828
Paper shredded (tonnes)	154	136
Paper recycling rate (%)	62	57
<b>Emissions (tonnes)</b>		
Total emissions (tonnes)	36,397	201,059
Total CO <sub>2</sub> emissions per capita	6.67	35
CO <sub>2</sub> emissions from fleet	1,001	935
CO <sub>2</sub> emissions from electricity consumption (tonnes)	31,751	32,163
CO <sub>2</sub> emissions from water consumption (tonnes)	1,940	1,065
CO <sub>2</sub> emissions from air travel	1,705	731
CO <sub>2</sub> emissions from e-waste	-	332
CO <sub>2</sub> emissions from total paper recycled	-	2,852
CO <sub>2</sub> emissions from paper purchased	-	162,981
<b>Electronic waste (e-waste)</b>		
Total e-waste collected (kg)	9,334	25,516
E-waste recycled (kg)	5,558	15,811
Total e-waste refurbished for re-use (kg)	3,776	9,705
Total revenue from e-waste recycled (AED)	6,457	22,412

## Monitoring our Consumption of Resources

In 2015, we saw a slight increase in our estimated total consumption of electricity and a decrease in water consumption in our offices and branches. Our energy consumption is linked to our electricity usage, business-related travel and fleet fuel (diesel and petrol) used for transportation. In the UAE, our energy consumption originates mainly from electricity usage at our NBAD branches.

We have been reporting our resource consumption and emissions data for a number of years. However, due to data issues in the past we have been unable to obtain accurate utility bills for the offices and premises which we lease, and therefore calculating and disclosing our environmental data and setting meaningful targets has been a challenge.

To overcome these challenges, in 2014, we met with the Abu Dhabi Distribution Company (ADDC) to improve the accuracy of our data on the consumption of utilities in our 14 NBAD-owned buildings. We now have online access to these utility bills and are able to track our annual consumption more accurately. In 2015, we discovered that utility bills belonging to a number of personal accounts were being included in the total consumption rate for water and electricity at these buildings. We have excluded these accounts from our data for this year to obtain a more accurate total consumption rate.

The methodology used in 2013 and 2014 to calculate our water and energy consumption for all employees across the UAE, was also utilised for our 2015 data. In order to calculate energy and

water consumption for all employees in the UAE, we collated utility bills<sup>18</sup> for the 14 NBAD-owned buildings, including our Head office and ADNEC office. These have the highest occupancy rate out of all our UAE premises. We use the base consumption rate figures from the 14 buildings (comprising 2,937 employees) to extrapolate the total consumption rate for all our 5,731 employees (including outsourced staff) across the UAE.

Based on this current method, it is difficult to set a realistic or meaningful target. We are currently trying to resolve these problems in order to obtain accurate information across the UAE and internationally, prior to setting targets.

### Verification of Environmental Data

As a result of increasing demand for transparent climate change information and as part of our carbon disclosure to CDP, our UAE GHG emissions in 2015 have been externally assured by a third party for the first time. This includes calculation and verification of our emissions from e-waste and paper purchased and recycled in 2015. We have started to calculate our emissions from fuel and electricity for our international business units and plan to include this in our 2016 reporting and external verification process.

Our 2015 emissions have been externally assured to the ISO 14064-3 standard. The verification process included an assessment of our GHG information system and monitoring and reporting methodology. This process will provide us with recommendations to improve data quality and climate change disclosure in 2016.



<sup>18</sup> The utility bills include energy and water consumption for the 14 NBAD-owned buildings in addition to 20 branches which are rented by NBAD.

## Electricity Consumption

The electricity consumption for our 14 NBAD-owned buildings has been included for 2013, 2014 and 2015. The electricity consumption in 2014 is based on the consumption rate of 2,937 employees in the buildings. The electricity consumption rate increased in these buildings during 2015. This may be due to an increase in the number of employees in these buildings from 2,337 in 2014 to 2,937 in 2015. Based on this consumption rate, the total estimated electricity consumption for all 5,731 employees (including outsourced staff) across our UAE premises is 63,064,808 (kWh).

## Water Consumption

Although our water consumption is minimal with regard to our activities, we are aware of the importance of responsible water consumption in the UAE. Our activities in terms of water use are related mainly to employee usage and use for cleaning purposes. The water we consume is municipal water and our waste water is diverted to the public sewage network. At present, we are not implementing any water recycling or reuse practices. We do not produce water discharge/effluent other than standard sewage, 100% of which is processed by the municipality.

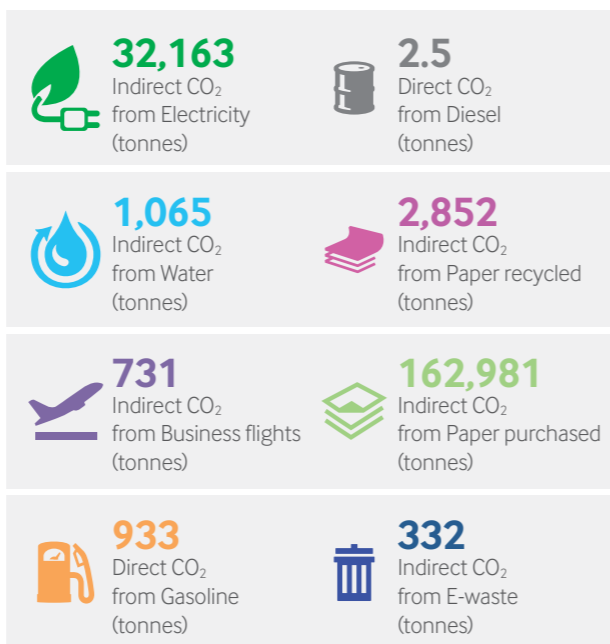
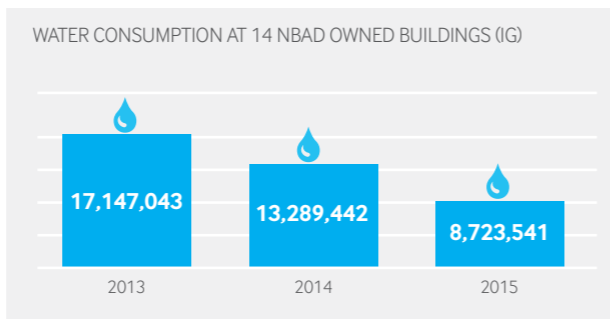
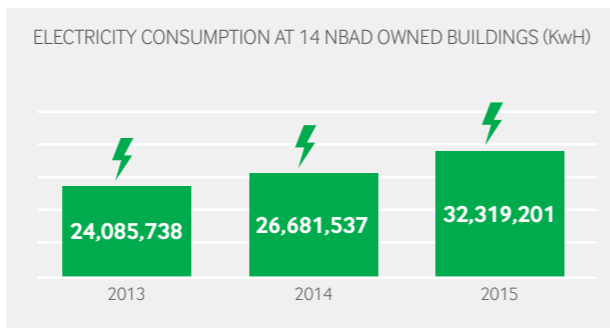
The water consumption for our 14 NBAD-owned buildings has been included for 2013, 2014 and 2015. Consumption in 2015 is based on the consumption rate of 2,937 employees in the buildings. Water consumption in our NBAD-owned buildings decreased in 2015. This may be due to three branches being permanently closed, and thirteen branches being temporarily closed for renovation during this year.

Based on this consumption rate, the total estimated water consumption for all 5,731 employees (including outsourced staff) across our UAE premises, is 17,022,339 Imperial Gallons (IG). The UAE water consumption pattern has shown a steady decline over the last two years. We will continue to monitor our electricity and water consumption rates for these buildings and compare these with the results in 2015, which we consider to be more reliable due to external verification.

## Measuring our GHG Emissions

We measure our GHG emissions from our UAE operations, using power and water factors developed for Abu Dhabi specifically. As mentioned earlier, our UAE carbon emissions data has been externally assured in 2015 for the first time and we have also included our emissions from e-waste and paper purchased and recycled in the 2015 GHG emissions calculations. Our total estimated indirect CO<sub>2</sub> emissions in 2015 amounted to 200,124 tonnes, based on our business travel (flights), electricity use, water consumption, e-waste and paper purchased and recycled. It is not possible to measure the impact of our employees' transportation to and from work as the majority use personal cars.

In 2015, our travel agent implemented software, which provides an improved method of calculating our GHG emissions, therefore we are unable to compare and report on our year on year flight emissions for this report. If we compare the business travel mileage for flights however, it is evident that we travelled approximately 20% less in 2015, covering a total of 6,840,339 miles in 2015 compared to 8,509,836 miles in 2014.



We use a minimal number of vehicles for business purposes and have decreased the number of our vehicles from 118 in 2014 to 91 in 2015. The fleet consumption was 250 gallons (32.9 GJ) of diesel and 108,467 gallons (14,292 GJ) of petrol in 2015. We reduced the amount of petrol used in 2015 and decreased our direct CO<sub>2</sub> emissions from fuel (diesel and gasoline) usage slightly from 1,001 tonnes of CO<sub>2</sub> in 2014 to 935 tonnes of CO<sub>2</sub> in 2015.

Our total CO<sub>2</sub> emissions this year, including indirect and direct emissions amount to 201,059 tonnes. We cannot compare these results to previous years due to the improved accuracy of data achieved through the external assurance this year, and calculation of emissions from additional sources. We will, however, continue to measure and monitor these emissions more accurately moving forward.

## Managing our Resource Consumption

### Minimising our Environmental Impacts

Within our own operations and facilities, we continue to monitor and measure our environmental footprint and are constantly seeking ways to minimise electricity and water wastage, fuel use and greenhouse gas emissions. It is not possible to currently measure our overall waste production by type, however a waste management plan identifying the main waste streams for our Head Office, Khalidiya and NBAD Academy buildings has been prepared and implemented for these buildings. This plan has been approved by the Abu Dhabi Centre for Waste Management (AD CWM).

Representatives of our NBAD premises and facilities management teams attended accredited training by the Energy Institute, organised under the AD SG flagship energy management programme. Our colleagues received certificates of recognition for their participation and production of an energy management case study, which was used by AD SG to produce a report outlining best practice achieved in Abu Dhabi.

### Sustainable Transport

We continue to support the Department of Transport's (DoT) Transport Mobility Management Plan (TMMP) through awareness activities and the provision of a park and ride shuttle service from Zayed Sports City to our ADNEC offices. Additionally, there is a shuttle service between our Head Office, Khalidiya and ADNEC premises and an additional private park and ride shuttle service from Zayed Sports City to our ADNEC offices. Services are free for our employees and help to reduce traffic emissions and the amount of fuel consumed through individual commuting between these offices in Abu Dhabi.

### Managing our Paper Consumption

Paper is used in large quantities through the Bank's activities, including operations, issuing contracts and procurement, correspondence, services offered to clients and promotional materials. Our standard copier paper is made from agro residue (wheat pulp) and constitutes the majority of our paper consumption. We do not use any recycled materials. We undertook a paper consumption awareness campaign in 2015 as part of our Sustainability Awareness Week. We have also implemented a managed print services system in the UAE. This involved the installation of multi-functional printers, copiers and scanners, in place of existing printers, copiers and scanners across the Bank.

The new print management system reduces printing and operational costs, reduces the amount of unclaimed and wasted print-outs, requires less space for storage and reduces the quantity and cost of consumables (ink cartridges and paper) purchased. The system also provides options to monitor the amount of paper used for printing per individual and department. We have decreased the amount of paper consumed this year. The total amount of paper stocks ordered in 2015 was 238,625 kg as opposed to 249,475 kg in 2014.

### Sustainable Retrofits of our Offices and Branches

Since early 2013, we have been carrying out retrofits of our offices and branches using sustainable materials in line with Estidama Pearl II/LEED Silver guidelines. Our office furniture (desks and chairs) and carpets are made from up to 90% recyclable materials. We have continued the branch conversion project in 2015, providing LED lighting (conforming to Estidama Pearl 2/LEED requirements) as part of the sustainable retrofits. A total of 26 branches were designed and/or renovated this year according to these requirements.



## Improving our Environmental Performance

### Results of the Environmental Audit

We are fully committed to support national efforts through the implementation of energy and water-saving solutions and engagement initiatives. We want to manage the risk of increasing costs of energy and water (linked to security of supply issues and regulation). We therefore, commissioned an environmental audit this year of two of our offices (Head Office and Khalidiya building) to identify the most cost-effective energy conservation measures to be implemented in the buildings. The audit included an assessment of each buildings' energy consumption profile and efficiency performance, provided recommendations on energy conservation measures (ECMs), and quantified energy savings and return on investment (ROI). In addition, a gap analysis against LEED requirements was undertaken for each building, identifying areas for improvement, with potential certification targets and implementation costs.

The audit at our Head Office identified significant savings through the implementation of energy conservation measures including a building management system (BMS) upgrade, and the installation of energy efficient lighting and water saving fixtures. Energy and water savings of 22.5% (AED 488,498 per year) were identified for the Head Office building, resulting in the abatement of approximately 1,367 t CO<sub>2</sub>e per year. The total investment required for the implementation of the proposed ECMs for this building was estimated at AED 1.44 million with a pay back of only 3.2 years. We will review and prioritise the implementation of energy conservation measures in these buildings to achieve energy and water savings and ROI



### Carbon Disclosure to CDP

CDP is an international not-for-profit organisation which requests information on energy use, greenhouse gas emissions, and the risks and opportunities related to climate change from many of the world's largest companies. This initiative is based on the idea that through effective measurement and transparency, companies are better placed to manage their carbon emissions and protect themselves from the risks of climate change. We have

been disclosing and submitting data on our direct and indirect carbon emissions to CDP since 2014 when we participated in a climate change pilot programme with CDP, Masdar and ADSG. Our 2015 CDP climate change response has been analysed and benchmarked against companies within our industry group globally, and we have demonstrated an improvement over the last year. We have externally verified our 2015 emissions data to improve the accuracy of our methodology and data submissions. We will continue our annual climate and carbon reporting to CDP in 2016 in order to strengthen our sustainability performance and manage our climate change risks.

## Raising Sustainability Awareness

### Sustainability Awareness Campaigns

We carried out environmental and health awareness campaigns throughout 2015 for our employees and outsourced staff, including the annual Sustainability Week, Sustainable Transport Day, Earth Hour, World Water Day, World Environment Day and Workplace Wellness Day campaigns. This year, 4,141 employees completed the Bank's mandatory sustainability awareness e-learning training. This is an interactive programme designed to enhance our employees' awareness and understanding of the concept of sustainability within NBAD, and how to work in a more responsible and sustainable way.

We held the annual employee Sustainability Awareness Week and a Sustainable Transport Day during the year. These activities not only contribute towards supporting employee engagement, but also raise awareness on issues of importance to the Bank. We update staff on what the Bank is doing in areas such as waste management and recycling, reducing energy, water and paper consumption. We also encourage the use of sustainable transport options available, and draw attention to the impacts of climate change. Employees are invited to learn about saving water and electricity, keeping fit and healthy as well as sharing their ideas on how to make NBAD a more sustainable bank. Our staff participated in a number of recycling activities, challenges and quizzes where they could win prizes.



Sustainable Transport Day



Wellness Day

## 6.7 Our Future Commitments

Our future commitments in relation to responsible business practices are outlined below. A summary of all our future commitments is included in Appendix F.

### Short-term (2016)

- Engage with our customers through our customer satisfaction survey to identify and meet our customers' needs and expectations.
- Maintain the number of Service Ambassadors within our branches to ensure that our customers receive a high quality and efficient level of service.
- Continue our support of the Abu Dhabi 2030 Vision through financing of infrastructure, power, transport, community facilities and multi-use developments (on-going commitment).
- Apply and implement the Equator Principles' requirements through the provision of internal training and awareness and integrate the requirements of EP within existing policies and procedures.
- Launch of the mobile app service for our Ratibi customers to provide them with 24/7 access to funds.
- Increase our focus on training efforts and the placement of UAE Nationals within different functional roles and hierarchical levels.
- Provide support to Emirates Foundation's financial literacy programmes.
- Continue our annual climate and carbon reporting to CDP.
- Review and prioritise the implementation of energy conservation measures identified in our environmental audit for the Head office and Khalidiya buildings to achieve energy and water savings and ROI.

### Medium-term (2017-2019)

- Undertake direct engagement with our stakeholders for the perception and materiality analysis aspect of our sustainability reporting (every two years).
- Ensure compliance to the Equator Principles' requirements including annual reporting on applicable EP projects (on-going commitment).
- Develop relevant Group-wide Environmental and Social Governance (ESG) policies and position statements to support our sustainable business practices.
- Retain our ranking in the top 10 position on the S&P Hawkamah ESG Pan Arab Index, which is important to us as a regional validation of our transparency and responsibility and as a commercial measure of our potential value to investors.
- Fully integrate our supplier complaints management system within our automated procurement system.
- Finalise the supplier registration process and incorporate the Supply Chain Social and Environmental code of conduct in the supplier screening process.
- Seek feedback from employees on NBAD as an employer through our employee satisfaction survey, to highlight potential areas of improvement in our people management practices.
- Investigate how our sustainability objectives can be incorporated into employees' annual performance targets to measure and reward our employees' performance against these targets.
- Review and prioritise the implementation of energy conservation measures identified in our environmental audit for the Head office and Khalidiya buildings to achieve energy and water savings and ROI.
- Monitor, record and assess trends in relation to paper, water, waste and energy consumption and set targets for reduction.

### Long-term (2019 and beyond)

- Continue to support Abu Dhabi and the UAE's economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030.
- Provide certified training for associates under the Professional Bankers programme, to build a pipeline of professional individuals with the ability to meet our strategy. New recruits will also be part of this group, providing employment opportunities for talented individuals.
- Undertake responsible marketing and communications training for relevant staff to provide an understanding of the relevance of sustainability within their area of business.
- Investigate incorporation of sustainability-specific objectives in managers' formal appraisal to integrate the principles of sustainability within our organisation.
- Improve the environmental performance of our NBAD buildings and branches to minimise our resource consumption and mitigate associated impacts.



## Appendices

# Appendix A

## GRI G4 Content Index

### GRI G4 CONTENT Index/ISO 26000 Index

- The Report follows the GRI guidelines G4 at "Core" level.
- Coverage of indicators is characterized as Full (F), Partial (P), Not Reported (NR) or Not Applicable (NA).
- Material aspects and boundaries are indicated in the GRI Tables below.
- 'NBAD, UAE' refers to our UAE operations.
- 'NBAD Group wide' operations refer to our UAE and international operations.

Table 1 - General Standard Disclosures

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
<b>Strategy and Analysis</b>						Yes (NBAD, UAE)
G4-1	Most senior executive statement.	Chapter 1 'Message from the Chairman' and 'Message from the Group Chief Executive Officer (CEO)', pg 5-6.	F	No		6.2
G4-2	Description of key impacts, risks and opportunities.	Chapter 1 'Opening Remarks', pg 4-7. Chapter 3 Sections 3.1 to 3.2, pg 12-14. Chapter 3 Section 3.3, pg 16. Chapter 3 Section 3.5 pg 21. Chapter 3 Section 3.6 pg 22-23. Chapter 4 'Our Sustainability Strategy', Sections 4.1 to 4.4, pg 24-27. Chapter 5 'Citizenship-Our Key Ambitions' pg 33-35, pg 37-38. Appendix B – Our Sustainability Policy.	F	No		6.2
<b>Organisational Profile</b>						Yes (NBAD, UAE)
G4-3	Name of organisation.	National Bank of Abu Dhabi PJSC. Chapter 1 'Opening remarks', pg 4.	F	No		6.2
G4-4	Primary brands, products, and/or services.	Chapter 3 Section 3.1, pg 12 (refer to www.nbad.com for information on our business segments, products and services), Section 3.2 'Our Value Chain' pg 15.	F	No		6.2
G4-5	Location of headquarters.	Chapter 3 Section 3.1 'Who We Are', pg 12.	F	No		
G4-6	Number of countries organisation operates (major operations or relevant to TBL).	Chapter 3 Section 3.1 'Who We Are', pg 12, Section 3.2, 'Our Role', pg 14.	F	No		
G4-7	Nature of ownership and legal form.	Chapter 3 Section 3.1 'Who We Are', pg 12. Chapter 3 Section 3.4 'Transparency and Accountability', 'Our Annual Reports', pg 17.	F	No		
G4-8	Markets served (geographic breakdown, sectors served, types of customers).	Chapter 3 Section 3.1, 'Who We Are' pg 12, Section 3.2, 'Our Role', pg 14.	F	No		



<sup>1</sup>Information regarding our financial statements has been externally assured. We also have limited third party assurance this year for our 2015 GHG emissions data.

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
G4-9	Scale of the reporting organisation.	Chapter 3 Section 3.1, 'Who We Are' pg 12-13, 'Our Role', pg 14, Section 3.6 'Financial Stability and Economic Growth', pg 22-23. Chapter 6 Section 6.4 'Investing in our People', 'Workforce in the UAE', pg 48.	F	No		
G4-10	Total workforce by type, contract, region, broken down by gender.	Chapter 6 Section 6.4 'Investing in our People', 'Our Employees', 'Diversity and Inclusion', pg 49.	F	No		
G4-11	Employees with collective agreements (by percentage).	Collective bargaining is not relevant in the UAE.	NA	No		
G4-12	Organisation's supply chain.	Chapter 3 Section 3.2 'Our Value Chain', pg 15. Chapter 6 Section 6.3 – 'Responsible Procurement', pg 46. Chapter 6.0, Section 6.5 'Generating Value for our Community', pg 54.	F	No		
G4-13	Significant changes in report period (size, structure, ownership, supply chain).	Chapter 3 Section 3.1, 'Who We Are', pg 12-13, 'Our Role', pg 14. Chapter 6 Section 6.4 'Investing in our People', 'Workforce in the UAE', pg 48.	F	No		
G4-14	Whether and how precautionary approach addressed.	Chapter 3 Section 3.4 'Transparency and Accountability', pg 17, Section 3.5 'Corporate Governance and Compliance', 18-21. Chapter 4 'Our Sustainability Strategy', Section 4.2, pg 25.	F	No		6.2
G4-15	The economic, environmental and social principles and initiatives to which the organisation subscribes.	Chapter 3, Section 3.6 'Our Direct Economic Impacts', pg 23. Chapter 4 Section 4.2 'Our Sustainability Policy', pg 25. Chapter 5 Section 5.1 'Becoming signatory to the Equator Principles' pg 35. Chapter 6, Section 6.2 'Application of the Equator Principles', pg 45, Section 6.5 'Generating Value for our Community', 'Collaborations & Partnerships' pg 56, Section 6.6 'Environmental Stewardship', pg 57, 61.	F	No		
G4-16	Membership in associations (industry, national/international, governance bodies, projects, committees, substantive funding beyond membership, strategic membership).	Chapter 3 Section 3.6 'Our Direct Economic Impacts', pg 23. Chapter 4 Section 4.2 'Our Commitment to Citizenship and Corporate Sustainability', 'Our Sustainability Policy', pg 25. Chapter 5 Section 5.1 'Becoming signatory to the Equator Principles' pg 35. Chapter 6, Section 6.2 'Application of the Equator Principles', pg 45, Section 6.5 'Generating Value for our Community', 'Collaborations and Partnerships', pg 56.	F	No		

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
<b>Identified Material Aspects and Boundaries</b>						Yes (NBAD, UAE)
G4-17	Entities included in consolidated financial statements or equivalent documents.	Chapter 3 Section 3.1 pg 12. Also refer to our website www.nbad.com ('About NBAD', 'Investor Relations', 'Financials', Annual Review Report -2015, Consolidated Financial Statements, page 12).	F	No		
G4-18	Process for defining report content and Aspect Boundaries.	Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure' pg 18-19. Chapter 4 'Our Sustainability Strategy', Section 4.4, pg 28, 30-31.	F	No		
G4-19	Materials Aspects identified in the process for defining report content.	Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-31.	F	No		
G4-20	Aspect Boundary for each material Aspect within the organisation.	Chapter 4 Section 4.4 'An Informed Sustainability Strategy' pg 28-31. The main focus of the report is on our UAE operations.	F	No		
G4-21	Aspect Boundary for each material Aspect outside the organisation.	Chapter 4 Section 4.4 'An Informed Sustainability Strategy' pg 28-31. The main focus of the report is on our UAE operations.	F	No		
G4-22	Effect and reasons of information re-statements (mergers, acquisitions, base years, methods).	Any restatements and their explanations have been recorded in Appendix E. Also refer to Chapter 1.0 'Opening Remarks', 'About this Report', pg 4.	F	No		
G4-23	Significant changes (scope, Aspect Boundaries).	Chapter 1 'Opening Remarks', 'About this Report', pg 4.	F	No		
<b>Stakeholder Engagement</b>						Yes (NBAD, UAE)
G4-24	Stakeholder groups engaged by the organisation.	Chapter 3 Section 3.6 'Our Direct Economic Impacts', pg 23. Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-31. Chapter 5 Section 5.1 'NBAD and the Future of Energy', pg 33-34, Section 5.2 'Supporting SMEs', pg 38. Chapter 6 Section 6.1, 'Customer Experience', 'Customer Satisfaction' pg 41, Section 6.3 'Responsible Procurement', pg 46. Section 6.4, 'Investing in our People, 'Labour Practices', 'Employee Engagement' pg 51-52, Section 6.5 'Collaborations and Partnerships', pg 56.	F	No		
G4-25	Basis for identification and selection of stakeholders.	Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-31.	F	No		6.2
G4-26	Stakeholder engagement process (frequency, type, group).	Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-31. Chapter 6 Section 6.1, 'Customer Experience', 'Customer Satisfaction' pg 41, Section 6.3 'Responsible Procurement' pg 46. Section 6.4, 'Investing in our People, 'Labour Practices', 'Employee Engagement' pg 51-52.	F	No		6.2

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
G4-27	Concerns raised by stakeholders and response.	Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-31. Chapter 6 Section 6.1, 'Customer Experience', 'Customer Satisfaction' pg 41, Section 6.3 'Responsible Procurement' pg 46. Section 6.4, 'Investing in our People, 'Labour Practices', 'Employee Engagement' pg 51-52.	F	No		6.2
<b>Report Profile</b>						Yes (NBAD, UAE)
G4-28	Reporting period (eg fiscal/ calendar year).	Chapter 1 'Opening Remarks', 'About this Report', pg 4.	F	No		
G4-29	Date of previous report.	Chapter 1 'Opening remarks', 'About this Report' pg 4. Our 2014 report 'Creating Value for our Stakeholders' is available on our website - <a href="https://www.nbad.com/content/dam/NBAD/documents/AboutNBAD/corporate-sustainability-report2014.pdf">https://www.nbad.com/content/dam/NBAD/documents/AboutNBAD/corporate-sustainability-report2014.pdf</a>	F	No		
G4-30	Reporting cycle.	Chapter 1 'Opening Remarks', pg 4. We report annually.	F	No		
G4-31	Contact point.	Chapter 1 'Opening Remarks', pg 4.	F	No		
G4-32	Table for location of General Standard Disclosures.	Refer to Appendix A for GRI tables.	F	No		
G4-33	Policy and practice for external assurance.	Chapter 1 'Opening Remarks', pg 4.	F	No		
<b>Governance</b>						Yes (NBAD, UAE)
G4-34	Governance structure (eg BoD committees strategy or oversight).	Chapter 3 Section 3.4 'Transparency & Accountability', pg 17 and Section 3.5 'Corporate Governance and Compliance' pg 18-19. Also refer to our website - <a href="http://www.nbad.com/en-ae/about-nbad/corporate-governance/Corporate-Governance-Framework.html">http://www.nbad.com/en-ae/about-nbad/corporate-governance/Corporate-Governance-Framework.html</a> .	F	No		6.2
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Chapter 3 Section 3.5 'Corporate Governance & Compliance', 'Management Structure' pg 18-19.	F	No		
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Chapter 3 Section 3.5 'Corporate Governance & Compliance', 'Management Structure' pg 18-19.	F	No		

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure', pg 18-19. Chapter 4 Section 4.4 'An Informed Sustainability Strategy', pg 28-29.	F	No		6.2
G4-38	Report composition of the highest governance body and its committees.	Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure' pg 18-19.	P	No		6.2
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organisation's management and the reasons for this arrangement).	Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure' pg 18-19.	F	No		6.2
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Chapter 3 Section 3.5 'Corporate Governance & Compliance', 'Management Structure', pg 18-19.	F	No		6.2
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Chapter 3 Section 3.5 'Corporate Governance & Compliance', 'Management Structure', pg 18-19.	P	No		6.2
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Chapter 4 Section 4.2 'Managing Sustainability', pg 27. Chapter 6 Section 6.4, 'Investing in our Employees', 'Training and Development', pg 53, Section 6.6 'Environmental Stewardship', 'Raising Sustainability Awareness' pg 62.	P	No		
G4-44	Processes of evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure', pg 18-19.	F	No		6.2
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities.	Chapter 3 Section 3.4 'Transparency and Accountability' pg 17 and Section 3.5 'Corporate Governance and Compliance' pg 18, 'Management Structure', pg 18-19.	F	No		6.2
G4-49	Report the process for communicating critical concerns to the highest governance body.	Chapter 3 Section 3.5 'Corporate Governance and Compliance', pg 18, 'Management Structure' and 'Compliance' (Whistleblowing system), pg 18-20.	F	No		6.2

General Standard Disclosures	Summary	Report Section	Coverage/Omissions	External Assurance <sup>1</sup>	Material Aspects (Boundary)	ISO 26000
<b>Ethics and Integrity</b>						Yes (NBAD, UAE)
G4-56	Mission, values, codes of conduct, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Chapter 3 Section 3.3 'Our Vision, Mission & Values' pg 16, Section 3.4 'Transparency and Accountability' pg 17.	F	No		6.2
<b>DMAs</b>						Yes (NBAD, UAE)
<b>G4-DMA</b>	Why impact is material. How material Aspect or its impacts are managed. Evaluation of the management approach.					
Policies		Chapter 4.0 Section 4.2 'Our Commitment to Citizenship and Corporate Sustainability' pg 25. Section 4.4 'An Informed Sustainability Strategy' pg 28-31. Chapter 4 pg 25. Chapter 5 pg 32. Chapter 6 pg 40. Appendix B.	F	No		
Commitments		Chapter 5 Section 5.3, pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.	F	No		
Goals and targets		As above.	F	No		
Responsibilities		Chapter 3 Section 3.5 'Corporate Governance and Compliance' pg 19, 'Management Structure', pg 18-19. Chapter 4 Section 4.3 'Managing Sustainability' pg 27. Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.	F	No		
Resources		As above.	F	No		
Specific actions		See Commitments.	F	No		ISO 26000

Table 2 - Specific Standard Disclosures

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>ECONOMIC</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to economic performance is described by our 'Economy' clause in our Group wide Sustainability Policy (refer to Appendix B) – "We must remain financially profitable in the long-term to benefit all of our stakeholders through the provision of jobs, creation of shareholder value and giving access to trusted financial services. Our operations should align with, and contribute to, the financial stability and economic development of the communities where we conduct our business." Our Islamic Banking business manages our Zakat fund and our Group Marcom Team all other 'charitable' activities and corporate sponsorships. A set of guidelines have been provided but we do not have a formalised community investment policy. Chapter 3.0 Section 3.6, Financial Stability and Economic Growth pg 22, Appendix C1. Chapter 4.0, Section 4.1 to 4.4 pg 24-31</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance &amp; Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 Managing Sustainability pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>		F	No	Economic Performance	6.2, 6.8
<b>Economic Performance</b>					Yes (NBAD, UAE)	
G4-EC1 (including sector supplement)	Direct economic value.	Chapter 3 Section 3.6, 'Financial Stability & Economic Growth', Appendix C1.	F	No		6.8, 6.8.3, 6.8.7, 6.8.9
<b>Market Presence</b>					Yes (NBAD, UAE)	
G4-EC6	Proportion of senior management hired from the local community.	Chapter 6 Section 6.4 'Investing in our People', 'Key Employee Data' pg 47, Appendix C2 'Group Workforce Figures'.	F	No		6.8, 6.8.5, 6.8.7
<b>Indirect Economic Impacts</b>					Yes (NBAD, UAE)	
G4-EC7	Development and impact of infrastructure investments and services supported.	Chapter 6 Section 6.2 'Responsible Financing', 'Project Financing', pg 44.	F	No		6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9
<b>Procurement Practices</b>					Yes (NBAD, UAE)	
G4-EC9	Spending on locally based suppliers.	Chapter 6 Section 6.3 'Responsible Procurement' pg 46.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>ENVIRONMENTAL</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to Environmental performance is described by the 'Environment' clause in our Group wide Sustainability Policy - We employ best practices and recognised standards, both local and international, to ensure proper environmental management and impact reduction related to our operations and products. We do not compromise the long term environmental security of the communities where we operate, in favour of short term profit." (refer to Appendix B). We are signatories to the Equator Principles (EP) and we will be implementing EP requirements in the projects we finance moving forward. Materials - We have a centralised paper collection and recycling system which also supports data security. Energy - Our energy consumption is monitored consistently but we continue to find new challenges and issues with the reliability of some of this information. We have externally verified our GHG emissions calculations this year to ensure accuracy of reporting. Water - Our water consumption is monitored consistently but we continue to find new challenges and issues with the reliability of this information. We have externally verified our GHG emissions calculations this year to ensure accuracy of reporting. Compliance – see main policy statement above. Chapter 6 Section 6.6. It is not possible to currently measure our overall waste production. Supplier Environmental Assessment - see main policy statement above and Chapter 6.0, Section 6.3.</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance &amp; Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 Managing Sustainability pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>		F (all aspects)	Yes (GHG emissions)	Materials Energy Water Compliance Supplier Environmental Assessment	6.2, 6.5
<b>Materials</b>					Yes (NBAD, UAE)	
G4-EN1	Materials used by weight or volume.	Chapter 6 Section 6.6 'Key Environmental Data', 'Monitoring our Consumption of Resources' pg 59-60, 'Managing our Resource Consumption' pg 61.	F	No		6.5, 6.5.4
G4-EN2	Percentage of materials used that are recycled input materials.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Managing our Resource Consumption' pg 61.	F	No		6.5, 6.5.4
<b>Energy</b>					Yes (NBAD, UAE)	
G4-EN3	Energy consumption within the organisation.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources' (electricity consumption and fuel consumption) pg 59-60.	F	No		6.5, 6.5.4
G4-EN4	Energy consumption outside of the organisation.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources' pg 59, 'Measuring our GHG Emissions' pg 60.	P	No		6.5, 6.5.4

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
G4-EN6	Reduction of energy consumption.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources' pg 60, 'Managing our Resource Consumption' pg 61, 'Raising Sustainability Awareness' pg 62.	F	No		6.5, 6.5.4
<b>Water</b>					Yes (NBAD, UAE)	
G4-EN8	Total water withdrawal by source.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources' pg 59, 'Water Consumption' pg 60.	F	No		6.5, 6.5.4
G4-EN9	Water sources significantly affected by withdrawal of water.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources' pg 59, 'Water Consumption' pg 60.	P	No		6.5, 6.5.4
G4-EN10	Percentage and total volume of water recycled and reused.	Chapter 6 Section 6.6 'Monitoring our Consumption of Resources' pg 59, 'Water Consumption', pg 60.	F	No		6.5, 6.5.4
<b>Biodiversity</b>						
G4-EN11	Areas of high biodiversity value.	Chapter 6 Section 6.6 'Reducing our Environmental Footprint' pg 57.	F	No		6.5, 6.5.6
G4-EN12	Impact on biodiversity.	Chapter 6 Section 6.6 'Reducing our Environmental Footprint' pg 57.	F	No		6.5, 6.5.6
<b>Emissions</b>					Yes (NBAD, UAE)	
G4-EN15	Direct GHG emissions (by weight).	Chapter 6 Section 6.6 'Key Environmental Data', pg 58, 'Monitoring our Consumption of Resources' pg 59, 'Measuring our GHG Emissions', pg 60.	F	Yes		6.5, 6.5.5
G4-EN16	Indirect GHG emissions (by weight).	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources', 'Measuring our GHG Emissions' pg 60.	F	Yes		6.5, 6.5.5
G4-EN17	Other indirect GHG emissions.	We are not aware of any other indirect greenhouse gas emissions.	NR	No		6.5, 6.5.5
<b>Effluents &amp; Waste</b>					Yes (NBAD, UAE) Paper, electronic waste	
G4-EN22	Total water discharge by quality and destination.	Chapter 6 Section 6.6 'Monitoring our Consumption of Resources' pg 59, 'Water Consumption' pg 60.	F	No		
G4-EN23	Total weight of waste by type and disposal method.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Managing our Resource Consumption', 'Minimising our Environmental Impacts' pg 61.	P	No		6.5, 6.5.3
<b>Products and Services</b>						
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Zero products are sold with reclaimed packaging materials.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Compliance</b>						
G4-EN29	Fines and sanctions of non-compliance.	Zero (0) fines and sanctions.	F	No		6.5
<b>Transport</b>						
G4-EN30	Impact of people and product transportation.	Chapter 6 Section 6.6 'Key Environmental Data' pg 58, 'Monitoring our Consumption of Resources', 'Measuring our GHG Emissions' pg 60.	P	No		6.5, 6.5.4, 6.6.6
<b>Overall</b>						
G4-EN31	Investment for environmental protection (by value, type).	Chapter 6 Section 6.6 'Managing our Resource Consumption' pg 61, 'Improving our Environmental Performance' pg 62.	P	No		
<b>Supplier Environmental Assessment</b>					Yes (NBAD, UAE) and supplier	
G4-EN32	New suppliers that were screened using environmental criteria (percentage).	Chapter 6 Section 6.3 'Supplier Selection and Assessment' pg 46.	F	No		
<b>Environmental Grievance Mechanisms</b>						
G4-EN34	Grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	Zero (0) grievances reported.	F	No		
<b>SOCIAL</b>						
<b>LABOUR PRACTICES AND DECENT WORK</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to labour and work performance is described in our 'People' clause in our Group-wide Sustainability Policy – "We treat employees equitably and with respect, and seek to provide a safe and healthy work environment. We provide opportunities to develop for all employees and ensure fair pay and compensation." (refer to Appendix B). Chapter 6.0 Section 6.4</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance &amp; Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 'Managing Sustainability' pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>		F (all aspects)	No	Employment Occupational Health & Safety Training and Education Diversity & Equal Opportunity Equal Remuneration for Women and Men	6.2, 6.4, 6.3.10
<b>Employment</b>					Yes (NBAD, UAE)	
G4-LA1	Turnover of personnel (by age group, gender, region).	Chapter 6 Section 6.4 'Investing in our People', 'Our Employees', 'Employee Turnover', pg 48.	P	No		6.4, 6.4.3
G4-LA3	Return to work and retention rates after parental leave, by gender.	Chapter 6 Section 6.4 'Our Employees', 'Key Employee Data', pg 48.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Labour/Management Relations</b>						
G4-LA4	Minimum notice period for operational changes.	Not reported.	NR	No		
<b>Occupational Health &amp; Safety</b>						
G4-LA5	Employees represented by H&S committees (percentage).	Chapter 6 Section 6.4 'Investing in our Employees', 'Employee Health and Safety' pg 53.	F	No		6.4, 6.4.6
G4-LA6	Injury, disease, lost days, absenteeism, fatalities (rates).	Chapter 6 Section 6.4 'Investing in our Employees', 'Employee Health and Safety' pg 53.	P	No		6.4, 6.4.6
G4-LA8	Health and safety issues in collective agreements.	There are no trade unions in the UAE.	NA	No		
<b>Training and Education</b>						
G4-LA9	Training (by average hour, employee category).	Chapter 6 Section 6.4 'Investing in our Employees', 'Training and Development' pg 53.	F	No		6.4, 6.4.7
<b>Diversity &amp; Equal Opportunity</b> Yes (NBAD, UAE)						
G4-LA12	Breakdown of employees (by category, gender, etc).	Chapter 6 Section 6.4, 'Investing in our People', 'Diversity and Inclusion' pg 49.	F	No		6.3.7, 6.3.10, 6.4, 6.4.3
<b>Equal Remuneration for Women and Men</b> Yes (NBAD, UAE)						
G4-LA13	Ratio of basic salary of women to men by employee category, by significant locations of operation.	Chapter 6 Section 6.4 'Investing in our Employees', 'Fair Wages' pg 53.	F	No		6.3.7, 6.3.10, 6.4.3, 6.4.4
<b>Supplier Assessment for Labour Practices</b> Yes (NBAD, UAE)						
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	Chapter 6 Section 6.3 'Responsible Procurement', 'Supplier Selection and Assessment' pg 46.	F	No		6.3.5, 6.4, 6.4.3
<b>Labour Practices Grievance Mechanisms</b> Yes (NBAD, UAE)						
G4-LA16	Grievances about labour practices filed, addressed and resolved through formal grievance mechanisms.	Chapter 6 Section 6.4 'Investing in our People', 'Labour Practices', 'Grievances' and 'Employee Engagement' pg 51.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>HUMAN RIGHTS</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to Human Rights performance is described in our Group-wide Sustainability Policy – "We treat employees equitably and with respect, and seek to provide a safe and healthy work environment. We provide opportunities to develop for all employees and ensure fair pay and compensation." (refer to Appendix B). Clauses on best practice in relation to our suppliers have been included in our Procurement policy and procedures. We have specific policies on Whistleblowing which allows all employees to report any form of incorrect behaviour without fear of reprisals. We currently do not have a process for screening for Human Rights, nor do we have specific human rights clauses in investment agreements or contracts. We are signatories to the Equator Principles (EP) and we will be implementing EP requirements in the projects we finance moving forward. Chapter 3 Section 3.5 pg 18-21. Chapter 4 Section 4.1 to 4.3 pg 24-27. Chapter 6 Section 6.4, 'Labour Practices', 'Human Rights' pg 51. Appendix B.</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance &amp; Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 Managing Sustainability pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>		F (all aspects)	No	Investment Non-discrimination Indigenous Rights Supplier Human Rights Assessment	6.2, 6.3
<b>Investment</b> Yes (NBAD, UAE)						
G4-HR1 (including sector supplement)	Investments with human rights screening (by percentage, number).	Zero (0) investments. Chapter 6, Section 6.2 'Responsible Financing', 'Project Financing', 'Application of Equator Principles' pg 45.	F	No		6.3, 6.3.3, 6.3.5, 6.6.6
<b>Non-discrimination</b> Yes (NBAD, UAE)						
G4-HR3	Discrimination incidents (number).	Zero (0) incidents. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Human Rights' pg 51.	F	No		6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3
<b>Freedom of Association and Collective Bargaining</b>						
G4-HR4	Operations identified with freedom in risk and actions.	Collective bargaining is not allowed by legislation in the UAE.	F	No		6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.5
<b>Child labour</b> Yes (NBAD, UAE)						
G4-HR5	Operations identified with child labour risk and actions.	Zero (0) suppliers or operations have been identified as having significant risk for incidents of child labour. Chapter 6, Section 6.2 'Responsible Procurement', 'Supplier Selection and Assessment' pg 46. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Human Rights' pg 51.	F	No		6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.7

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Forced or Compulsory Labour</b>						Yes (NBAD, UAE)
G4-HR6	Operations identified with forced labour risk and actions.	Zero (0) suppliers or operations have been identified. Chapter 6, Section 6.3 'Responsible Procurement' 'Supplier Selection & Assessment' pg 46. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Human Rights' pg 51.	P	No		6.3.10
<b>Security Practices</b>						
G4-HR7	Security personnel training on human rights.	Zero (0) training delivered. Chapter 6.0, Section 6.4 'Labour Practices', 'Human Rights' pg 51.	F	No		
<b>Indigenous Rights</b>						Yes (NBAD, UAE)
G4-HR8	Violations of indigenous rights and actions (number).	Zero (0) violations. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Human Rights' pg 51.	F	No		6.3, 6.3.4, 6.3.6, 6.3.7
<b>Assessment</b>						
G4-HR9	Operations that have been subject to human rights reviews or impact assessments (percentage, number).	Zero (0) operations. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Human Rights' pg 51. Chapter 6, Section 6.3 'Responsible Procurement', 'Supplier Selection and Assessment' pg 46.	F	No		6.3.4, 6.3.5
<b>Supplier Human Rights Assessment</b>						Yes (NBAD, UAE) and supplier
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Zero (0) suppliers screened. Chapter 6, Section 6.3 'Responsible Procurement', 'Supplier Selection and Assessment' pg 46.	F	No		6.3.4, 6.3.5, 6.6.6
<b>Human Rights Grievance Mechanisms</b>						Yes (NBAD, UAE)
G4-HR12	Grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms (number).	Zero (0) grievances about human rights impacts. Chapter 6, Section 6.4 'Labour Practices', 'Grievances' pg 51, 'Employee Engagement' pg 51-52.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>SOCIETY</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to society is described by our overall policy statement in our Group wide Sustainability Policy - (refer to Appendix B). We take a long term view of our business decisions at all times, ensuring that short term actions do not damage our ability to operate successfully into the future. We seek out new opportunities, particularly in the Energy and Small &amp; Medium Enterprises Sectors, through the active management of current and future risks, balancing the needs of people and society, the environment and our profitability, and thereby ensuring the continued success of the Group. The clause on 'Economy' provides further direction to our approach - "Our operations should align with, and contribute to, the financial stability and economic development of the communities where we conduct our business." We are signatories to the Equator Principles (EP) and we will be implementing EP requirements in the projects we finance moving forward. Chapter 3, Sections 3.5, 3.6 pg 18-23. Chapter 4, Sections 4.1 to 4.4 pg 24-31. Chapter 5, Sections 5.1 and 5.2 pg 32-38. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices' pg 51. Chapter 6, Section 6.5 'Generating Value for our Community', pg 54-56. Chapter 6, Section 6.6 'Environmental Stewardship' pg 57.</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance &amp; Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 Managing Sustainability pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>	F (all aspects)	No	Local Communities Anti-corruption Compliance	6.2, 6.6, 6.8	
<b>Local Communities</b>						Yes (NBAD, UAE)
G4-SO1	Percentage of operations with implemented local community engagement, impact assessment and development programmes.	Chapter 4, Section 4.4 'An Informed Sustainability Strategy' pg 28-31. Chapter 5, Section 5.2 'Supporting SMEs' pg 37-38. Chapter 6, Section 6.5 'Generating Value for our Community', 'Collaborations & Partnerships' pg 56.	P	No		6.3.9, 6.6.7, 6.8, 6.8.5, 6.8.7
FS13	Access points in low-populated or economically disadvantaged areas by type.	Chapter 6 Section 6.2 'Responsible Financing', 'Financial Accessibility and Inclusion' pg 45.	F	No		
FS14	Initiatives to improve access to financial services for disadvantaged people.	Chapter 6 Section 6.2 'Responsible Financing', 'Financial Accessibility and Inclusion' pg 45.	F	No		
<b>Anti-corruption</b>						Yes (NBAD, UAE)
G4-SO4	Communication and training on anti-corruption policies and procedures.	Chapter 3, Section 3.5 Corporate Governance and Compliance', 'Compliance' pg 20. Chapter 6 Section 6.4 'Investing in our People', 'Labour Practices', 'Investing in our Employees', 'Training and Development' pg 53. Appendix C2	F	No		
G4-SO5	Confirmed incidents of corruption and actions taken.	Chapter 3, Section 3.5 Corporate Governance & Compliance', 'Compliance' pg 20.	F	No		6.6, 6.6.3



DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Public Policy</b>						
G4-S06	Total value of political contributions by country and recipient/beneficiary.	There are no political parties in the UAE.	NA	No		6.3.10
<b>Anti-competitive Behaviour</b>						
G4-S07	Legal actions for anti-trust and monopoly practices (number and outcome).	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		6.6, 6.6.5, 6.6.7
<b>Compliance</b>						
					Yes (NBAD, UAE)	
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		
<b>Supplier Assessment for Impacts on Society</b>						
					Yes (NBAD, UAE)	
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society.	Chapter 6, Section 6.3 'Responsible Procurement', 'Supplier Selection and Assessment' pg 46.	F	No		
<b>Grievance Mechanisms for Impacts on Society</b>						
					Yes (NBAD, UAE)	
G4-S011	Grievances regarding impacts on society filed, addressed and resolved through formal grievance mechanisms (number).	Chapter 6, Section 6.3 'Responsible Procurement', 'Our Automated Procurement System' pg 46. Chapter 6, Section 6.4 'Investing in our People', 'Labour Practices', 'Grievances' and 'Employee Engagement' pg 51.	F	No		
<b>PRODUCT RESPONSIBILITY</b>						
<b>DMA</b>	<p><b>Policy:</b> Our approach to Product Responsibility is described by the 'Product' Clause within our Group Wide Sustainability Policy - We market responsibly and sell the right product to the right customer in an appropriate manner – considering their best interests and risk appetites. We consider external risks and design innovative products and services which help mitigate those risks, support the financial stability of our customers and the sustainable success of our organisation." (refer to Appendix B). Chapter 3, Section 3.5 'Corporate Governance and Compliance' pg 18-21, Section 3.6 'Financial Stability and Economic Growth' pg 22-23. Chapter 4, Section 4.2 pg 25. Chapter 5 Section 5.1 'NBAD and the Future of Energy' pg 33-35. Chapter 6, Sections 6.1 to 6.3 pg 42-46.</p> <p><b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F.</p> <p><b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance and Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 Managing Sustainability pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.</p>		F (all aspects)	No	Marketing Communications Customer Privacy Compliance	6.2, 6.6, 6.7

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Customer Health &amp; Safety</b>						
G4-PR2	Number of incidents of non-compliance with regulations and codes regarding the health and safety impacts of products and services.	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5
<b>Product &amp; Service Labelling</b>						
G4-PR4	Number of incidents of non-compliance with regulations and codes regarding product and service information and labelling, by type of outcomes.	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9
G4-PR5	Practices of customer satisfaction (results).	Chapter 6, Section 6.1 'Customer Experience', 'Customer Satisfaction', 'Customer Satisfaction Surveys' pg 41.	F	No		6.6.7, 6.7.4, 6.7.5, 6.6.6, 6.7.8, 6.7.9
<b>Marketing Communications</b>						
					Yes (NBAD, UAE)	
G4-PR7	Non-compliance incidents (by number, outcome).	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		6.7, 6.7.3, 6.7.6, 6.7.9
<b>Customer Privacy</b>						
					Yes (NBAD, UAE)	
G4-PR8	Substantial complaints for privacy, lost data (by number).	Chapter 6, Section 6.1 'Customer Experience', 'Customer Data Privacy' pg 42.	F	No		6.7, 6.7.7
<b>Compliance</b>						
					Yes (NBAD, UAE)	
G4-PR9	Fines concerning use and provision (by value).	Chapter 3, Section 3.5, 'Compliance', 'Regulatory Compliance' pg 20.	F	No		

Table 3 - Financial Sector Additional Disclosures

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>SPECIFIC STANDARD DISCLOSURES</b>						
<b>G4-DMA</b>	<b>PRODUCT RESPONSIBILITY Policy:</b> Our approach to Product Responsibility is described by the 'Product' Clause within our Group Wide Sustainability Policy - We market responsibly and sell the right product to the right customer in an appropriate manner – considering their best interests and risk appetites. We consider external risks and design innovative products and services which help mitigate those risks, support the financial stability of our customers and the sustainable success of our organisation.” (refer to Appendix B). Chapter 3, Section 3.5 'Corporate Governance and Compliance' pg 18-21, Section 3.6 'Financial Stability and Economic Growth' pg 22-23. Chapter 4, Section 4.2 pg 25. Chapter 5 Section 5.1 'NBAD and the Future of Energy' pg 33-35. Chapter 6, Sections 6.1 to 6.3 pg 42-46. <b>Goals, Targets &amp; Commitments, Specific Actions:</b> Chapter 5 Section 5.3 pg 39. Chapter 6 Section 6.7 pg 63. Appendix F. <b>Resources &amp; Responsibilities:</b> Chapter 3 Section 3.5 'Corporate Governance & Compliance', 'Management Structure' pg 18-19, Chapter 4 Section 4.3 'Managing Sustainability' pg 27, Chapter 5 Section 5.1 'Establishment of our Sustainable Business Team' pg 34.		F (all aspects)	No	Product Portfolio	6.2, 6.6, 6.7
<b>Product Portfolio</b>						Yes (NBAD, UAE)
FS6	Percentage of the portfolio for business lines by specific region size (eg micro/sme/large) and by sector.	Chapter 3 Section 3.6. Also refer to our Annual Reports, (www.nbad.com) for further detail pg 22.	F	No		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Chapter 6, Section 6.2 'Responsible Financing', 'Financial Accessibility and Inclusion' pg 45.	P	No		
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Not reported.	NR	No		
<b>Audit</b>						Yes (NBAD, UAE)
Former FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Chapter 4, Section 4.3 'Managing Sustainability', 'Driving the Sustainability Agenda: Our Corporate Sustainability (CS) Team' pg 27.	F	No		

DMA and Indicators	Summary	Report Section	Coverage/Omissions	External Assurance	Material Aspects (Boundary)	ISO 26000
<b>Active Ownership</b>						Yes (NBAD, UAE)
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	Chapter 6, Section 6.2 'Responsible Financing', 'Selling the Right Products to the Right Customers', 'Risk Profiling' pg 43.	F	No		
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Chapter 6, Section 6.2 'Responsible Financing', 'Selling the Right Products to the Right Customers', 'Ethical Investments and Solutions' 44.	P	No		

# Appendix B

## Our Sustainability Policy

### Policy Statement

We take a long term view of our business decisions at all times, ensuring that short term actions do not damage our ability to operate successfully into the future.

We seek out new opportunities, particularly in the Energy and Small & Medium Enterprises Sectors, through the active management of current and future risks, balancing the needs of people and society, the environment and our profitability, and thereby ensuring the continued success of the Group. Beyond compliance with laws and regulations, we focus on the following 6 areas of strategic focus:

#### Economy

We must remain financially profitable in the long term to benefit all of our stakeholders through the provision of jobs, creation of shareholder value and giving access to trusted financial services.

Our operations should align with, and contribute to, the financial stability and economic development of the communities where we conduct our business.

#### Accountability

We build and conform to strong governance frameworks, actively disclose material information, and take responsibility for our actions and impacts. We build trust in the financial industry and system by acting transparently and truthfully at all times.

#### Partnerships

We engage with our stakeholders regularly to understand and act on their material concerns as they align to our core business.

We form partnerships with stakeholders who can help us achieve positive social and environmental impacts through our operations and business activities in line with our vision and strategy.

#### Products

We market responsibly and sell the right product to the right customer in an appropriate manner – considering their best interests and risk appetites.

We consider external risks and design innovative products and services which help mitigate those risks, support the financial stability of our customers and the sustainable success of our organisation.

#### People

We treat employees equitably and with respect, and seek to provide a safe and healthy work environment. We provide opportunities to develop for all employees and ensure fair pay and compensation.

#### Environment

We employ best practices and recognised standards, both local and international, to ensure proper environmental management and impact reduction related to our operations and products.

# Appendix C

## Performance Indicators and Definitions

### C1 – Summary of our performance indicators

	2015	2014	2013	2012	2011	2010	2009
<b>Economic performance<sup>1</sup></b>							
<b>Direct economic value generated</b>	10,555,850	10,414,717	9,397,988	8,668,389	7,880,862	7,178,534	
Revenues (operating income) (AED '000s)	10,555,850	10,414,717	9,397,988	8,668,389	7,880,862	7,178,534	
<b>Economic value distributed</b>	6,701,494	4,670,161	5,205,180	4,416,794	3,618,496	3,124,961	
Operating costs (AED '000s)	1,041,688	907,387	801,451	711,798	639,799	534,248	
Employee compensation (AED '000s)	2,773,739	2,532,726	2,187,719	1,937,666	1,716,380	1,495,821	
Payments to providers of capital (AED '000s) <sup>2</sup>	2,541,136	2,077,466	1,952,848	1,599,504	1,101,013	957,511	
Payments to Government (AED '000s)	298,143	271,688	220,324	131,961	111,036	102,602	
Donations & sponsorships (AED '000s)	46,788	50,973	43,198	36,877	50,269	34,789	
Donations & sponsorships as % of pre-tax profit (AED '000s) <sup>3</sup>	0.85%	0.87%	0.87%	0.83%	1.32%	0.92%	
<b>Economic value retained</b>	3,854,356	5,839,538	4,192,808	4,253,991	4,262,366	4,053,573	
Global net profits (AED '000s)	5,231,817	5,578,869	4,733,125	4,332,228	3,707,548	3,683,159	
Total operating income (revenue AED '000s)	10,555,850	10,414,717	9,397,988	8,668,389	7,880,862	7,178,534	
Shareholders' Equity (AED '000s)	36,463,903	33,963,382	30,678,541	27,133,090	22,389,485	20,113,416	
Return on (average) equity (%) <sup>4</sup>	12.9%	15.4%	14.4%	15.1%	14.7%	16.5%	
Tier-1 Capital notes (AED '000s)	6,754,750	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	
Subordinated Debt (AED '000s)	1,275,298	1,516,641	1,512,323	5,662,361	7,990,054	8,312,286	
Capital resources <sup>5</sup> (AED '000s)	46,073,815	41,018,999	37,309,062	37,266,141	36,088,029	34,241,013	
<b>People Performance (Summary)</b>							
Group Workforce (excluding sponsored students, trainees and outsourced staff)	5,731	5,878	5,616	5,636	5,460	-	-
UAE Workforce (excluding sponsored students, trainees and outsourced staff)	4,446	4,535	4,284	4,340	4,258	3,950	3,753
Women in the workforce (UAE)	39%	37%	36%	35%	35%	34%	34%
Women in Senior Management - Bands 5 & 4 (previous grade 12+) (UAE)	13%	12%	6.5%	7.8%	7%	5%	5%
Women in Middle Management - Bands 3 & 2 (previous grade 9-11) (UAE)	748	692	26%	24%	24%	17%	19%
Sponsored Students & Trainees	125	162	193	284	336	-	-
Workforce turnover (UAE)	14.4	11.6%	12.69%	9%	9%	-	-
Women turnover (UAE)	13.6%	3.9%	4.5%	9%	18%	-	-
Average Training per employee (hours)	23	35	50.93	71.75	62.02	84.84	28.56

<sup>1</sup> Financial data is taken from our annual report available in the Investor Relations section of our website (www.nbad.com); Figures for 2014 and prior years have not been reclassified to reflect changes in accounting policies in 2015.

<sup>2</sup> Declared basis – includes payment on Tier-1 capital notes.

<sup>3</sup> Donations & sponsorship includes Zakat (accounted as an adjustment to retained earnings).

<sup>4</sup> This is a medium term 5 year KPI, not a year on year - target 15%.

<sup>5</sup> As per the Basel-II framework adopted by the UAE Central Bank.

	2015	2014	2013	2012	2011	2010	2009
<b>Reach and Accessibility</b>							
Countries where we have a presence (excluding UAE)	17	17	16	14	12	12	12
Number of international units	47	54	58	57	51	49	46
Branches in our UAE network	114	125	126	121	119	112	100
Branches in low population and economically disadvantaged areas	15	16	17	18	19	19	40
ATMs in our UAE network	576	596	588	571	502	392	300
ATMs in low population and economically disadvantaged areas	42	46	46	49	46	26	30
Total registered online banking customers	195,414	160,000	158,146	136,428	120,837	107,575	94,081
<b>Product and customer performance</b>							
<b>Customer satisfaction</b>							
Global – Retail & Commercial Division	78	82	81	-	-	-	-
Consumer Banking Group	80	81	86	-	-	-	-
Credit cardholders <sup>6</sup>	-	77%	-	-	81%	88%	-
Elite Banking clients	72	81	73	93	92	90	-
Abu Dhabi National Islamic Finance	81	82	82	-	-	-	-
<b>ADNP Tenants leasing</b>	44	44	39	-	64	-	-
<b>Global Wealth Division</b>	82	94	79	-	-	-	-
Private Banking, UAE	79	88	79	-	-	-	-
NBAD Securities	86	77	80	-	-	-	-
Total number of customer privacy breaches	58 <sup>7</sup>	14	6	0	0	0	1
Total number of SME clients (cumulative)	30,495	30,687	25,399	25,206	19,981	14,883	-
Percentage growth in number of Ratibi cards issued	20%	32%	24.6%	23.5%	31%	104%	-

<sup>6</sup> This is no longer recorded as it was part of ISO certification, which we stopped in 2015.

<sup>7</sup> We have started to record all complaints received from customers due to the development of our customer complaints management system. All cases were investigated and resolved by our compliance team.

	2015	2014	2013	2012	2011	2010	2009	2008
<b>Environment</b>								
<b>GHG (UAE)</b>								
Indirect CO <sub>2</sub> from Electricity (tonnes)	32,163.05	31,751.03	19,128.43	28,412.44	18,239.86	-	-	-
Indirect CO <sub>2</sub> from Water (tonnes)	1,064.82	1,939.72	1,670.30	1,210.65	793.01	-	-	-
Indirect CO <sub>2</sub> from Business flights (tonnes)	731.02	1,705.37	784.22	423.67	331.54	-	-	-
Direct CO <sub>2</sub> from Gasoline (tonnes)	932.68	998.70	1,086.67	896.02	867.46	-	-	-
Direct CO <sub>2</sub> from Diesel (tonnes)	2.53	2.25	2.05	2.93	5.52	-	-	-
Total Paper Recycled (tonnes)	2,852.38	-	-	-	-	-	-	-
Paper purchased (tonnes)	162,980.88	-	-	-	-	-	-	-
E-waste (tonnes)	332.03	-	-	-	-	-	-	-
Total CO <sub>2</sub> Emissions (tonnes)	201,059.39	36,397.07	22,671.68	30,945.71	20,237.39	25,027	21,689	19,381
Tonnes of CO <sub>2</sub> per UAE employee	35.08	6.67	5.06	6.98	4.75	6.3	6.1	6.5
<b>Electricity (UAE)</b>								
Total electricity consumption (kWh)	63,064,808	62,256,920	37,506,730	55,710,665	35,764,423	32,848,098	28,471,910	25,438,202
Total electricity consumption (GJ)	227,033.31	224,131.19	135,024	200,559	128,752	118,253	102,499	91,577
Electricity consumption per capita (kWh)	11,004.15	11,417	8,377.60	12,570	8,399	8,316	7,586	8,533
<b>Water (UAE)</b>								
Total water consumption (M <sup>3</sup> )	77,385.09	140,968.33	121,388	135,632	57,631	149,330	129,436	115,644
Total water consumption (IG)	17,022,339	31,008,699	26,701,673	29,834,766	12,677,130	20,362,128	26,388,889	18,333,333
Water consumption per capita (IG)	2,970.22	5,686.54	5,964.19	6,732	2,977	8,316	7,586	8,533
<b>Paper (UAE)</b>								
Total paper consumption (KG)	238,625	249,475	219,150	230,850	212,175	248,988	213,163	198,213
Total paper consumption per capita (KG)	40.75	46	49	52.09	49.83	63.03	56.8	66.49
Total paper recycled (KG)	135,827.5	153,726.5	110,958	93,365	49,507	38,842	36,917	62,692
Paper recycling rate	57%	62%	51%	40.40%	23.30%	15.60%	17.30%	31.60%
Annual spending on standard photocopy paper (AED)	1,004,700	983,192	1,273,712	1,024,950	1,122,375	920,325	868,200	711,750
<b>Printer cartridges (UAE)</b>								
Total number of cartridges purchased	14,039	19,536	15,731	10,867	9,269	9,175	-	-
Number of cartridges recycled (remanufactured) <sup>8</sup>	-	1,539	1,102	1,001	1,472	554	-	-
Cartridge recycling rate	1%	8%	7%	9%	16%	6%	-	-
<b>Drinking water consumption</b>								
Drinking water consumption (Gallons) - Abu Dhabi owned premises	63,416	51,473	50,194	-	-	-	-	-

<sup>8</sup> Data for 2015 is unavailable as we changed our service provider, however, this will be provided for 2016.

## Appendix C2 Our People Performance Indicators

### Group Workforce Figures

	Group 2014	Group 2015	UAE 2015						International 2015							
			UAE total	Men			Women			Intl. total	Men			Women		
				Sub-Total	Emirati	Expat	Sub-Total	Emirati	Expat		Sub-Total	Emirati	Expat	Sub-Total	Emirati	Expat
Total Workforce (excluding trainees, students and outsourced staff)	5878	5731	<b>4446</b>	2694	377	2317	1752	891	861	<b>1285</b>	939	3	936	346	4	342
Senior Level Positions Bands 5 & 4 (previously Gr 12 +)	300	280	<b>246</b>	213	40	173	33	10	23	<b>34</b>	30	1	29	4	2	2
Middle Management positions Bands 3 & 2 (previously Grades 9-11)	2512	2642	<b>2090</b>	1342	161	1181	748	271	477	<b>552</b>	415	2	413	137	1	136
Employees Band 1 (previously Grade 4-8)	2626	1997	<b>1481</b>	630	175	455	851	610	241	<b>516</b>	337	0	337	179	1	178
Employees - Non-clerical staff (previously Grade 1-3)	440	377	<b>231</b>	229	1	228	2	0	2	<b>146</b>	143	0	143	3	0	3
Contract Staff (including Retirees)	536	435	<b>398</b>	280	0	280	118	0	118	<b>37</b>	14	0	14	23	0	23
Trainees & Sponsored Students	162	125	<b>125</b>	43	43	0	82	82	0	<b>0</b>	0	0	0	0	0	0
Age 18-30 (excluding trainees, students and outsourced staff)	1551	1354	<b>1053</b>	466	193	273	587	418	169	<b>301</b>	204	0	204	97	0	97
Age 31-40 (excluding trainees, students and outsourced staff)	2672	2743	<b>2181</b>	1335	136	1199	846	380	466	<b>562</b>	413	1	412	149	4	145
Age 41-50 (excluding trainees, students and outsourced staff)	1138	1180	<b>900</b>	637	27	610	263	78	185	<b>280</b>	219	2	217	61	0	61
Age 51-60 (excluding trainees, students and outsourced staff)	486	426	<b>299</b>	243	20	223	56	15	41	<b>127</b>	92	0	92	35	0	35
Age 60+ (excluding trainees, students and outsourced staff)	31	28	<b>13</b>	13	1	12	0	0	0	<b>15</b>	11	0	11	4	0	4
Branch Managers	181	99	<b>70</b>	35	23	12	35	33	2	<b>29</b>	28	0	28	1	0	1
Number of Nationalities	85	87	<b>87</b>							<b>34</b>						

	Group 2015	UAE 2015						International 2015							
		UAE total	Men			Women			Intl. total	Men			Women		
			Sub-Total	Emirati	Expat	Sub-Total	Emirati	Expat		Sub-Total	Emirati	Expat	Sub-Total	Emirati	Expat
Total number of employees hired	735	518	257	65	192	261	174	87	217	144	0	144	73	0	73
Total number of employees terminated/left	924	640	401	54	347	239	129	110	284	199	0	199	85	0	85
Total workforce turnover (%) (leavers/Total No. of Staff)	16.1%	14.4%	14.9%	14.3%	15.0%	13.6%	14.5%	12.8%	22.1%	21.2%	0.0%	21.3%	24.6%	0.0%	24.9%
Senior Management - Bands 5 & 4 (previously Gr 12 +)	186	121	102	10	92	19	6	13	65	51	0	51	14	0	14
Middle management - Bands 3 & 2 (previously Grades 9-11)	189	131	73	14	59	58	23	35	58	33	0	33	25	0	25
Employees Band 1 (previously Grade 4-8)	374	241	98	30	68	143	100	43	133	94	0	94	39	0	39
Employees - Non-clerical staff (previously Grade 1-3)	51	31	31	0	31	0	0	0	20	20	0	20	0	0	0
Contract Staff	124	116	97	0	97	19	0	19	8	1	0	1	7	0	7

### UAE employee training figures

	2015	2014	2013	2012	2011	2010	2009	2008
Total training delivered (Days) <sup>9</sup>	23,826	30,759	26,190	36,310	29,418	29,786	8,290	3,832
Total training delivered (Hours)	166,785	215,312	183,328	254,170	205,926	208,502	58,030	26,824
Average training <sup>10</sup> per employee (Days)	3.28	4.95	7.27	10.25	8.86	12.12	4.08	2.72
Number of employees trained (including all bands 1-5)	7,374	6,216	3,603	3,544	3,322	2,458	2,030	1,409
Business Unit Heads (Bands 4 & 5)	268	246	55	58	51	26	40	25
Manager of Managers (Band 3)	1,120	696	235	216	199	151	150	109
Team Leader/Manager/Specialist (Band 2)	1,728	1,185	1,084	1,015	884	732	654	489
Individual Contributor/Supervisor (Band 1)	2,242	1,736	1,642	1,785	1,794	1,589	1,124	722
Trainees	54	63	134	95	56			
Average training per employee (Hours)	23	35	50.93	71.72	61.99	84.83	28.59	19.04
Average training (hours)								
Business Unit Head	24.5	26	20.55	29.81	35.69	22.35	28.70	34.16
Manager of Managers	26.08	25	37.73	46.73	52.90	37.27	34.21	21.83
Team Leader/Manager/Specialist	24.77	24	38.81	47.16	50.77	52.40	22.02	20.56
Individual Contributor/Supervisor	26.76	27	38.79	54.91	57.95	68.09	32.37	17.63
Total number of employees who completed anti-money laundering e-learning course	3,616	3,661	3,606	307	625	630	2	16
Number of attendees who completed at least one e-learning course <sup>11</sup>	4,782	825	-	-	-	-	-	-
Number of e-learning training hours delivered	38,852	11,566	11,952	-	-	-	-	-
Number of employees who completed sustainability awareness e-learning programme	4,141	269	-	-	-	-	-	-

<sup>9</sup> 1 training day is equivalent to 7 training hours

<sup>10</sup> Average training hours/days are calculated based on number of people trained, not total employee numbers.

<sup>11</sup> Some of the courses in 2015 have altered compared to previous years, and include mandatory e-learning programmes for all employees. 2015 courses include but are not limited to NBAD Information security, sanctions compliance, AML & Combating Financing of Terrorism, Corporate Sustainability Awareness, introduction to FATCA.

## Appendix C3

### Definition of our performance indicators

Where possible we have followed definitions provided by the Global Reporting Initiative (see GRI Section for responses to specific GRI indicators). This table provides simple explanations of how we calculate some of our performance figures.

Performance Indicator	Definition/Comments
<b>Annual spending on photocopy paper</b>	Based on total cost of procurement not consumption.
<b>Average Training Delivered</b>	Measured in days/hours per employee from a base of trained employees, not all staff. For training purposes one day = 7 hours. Training is assigned based on individual career level rather than job title or grade, but typically the bands and positions for each 'Career Level' are: Senior Level Bands 5 & 4 (pre-2014: Grade 12+) Middle Management Bands 3 & 2 (pre-2014: Grade 9 - 11) Employees Band 1 (pre-2014: Grade 4 - 8) Employees Non-clerical Staff (pre-2014: Grade 1 - 3)
<b>Community donations as a percentage of pre-tax profits</b>	'Donations & Charity' ÷ pre-tax profits x 100
<b>Countries where we have a presence/ Number of international units</b>	Number includes all countries and premises, outside UAE, where NBAD has a branch, office or subsidiary presence.
<b>Direct economic value generated and distributed</b>	Based on GRI definition in Financial Services Sector Supplement Version G4, indicator G4-EC1
<b>Economic value retained</b>	Based on GRI definition in Financial Services Sector Supplement Version G4, indicator G4-EC1
<b>Emiratisation rate</b>	UAE only - Total number of UAE National employees in business divided by total number of permanent employees. Permanent staff includes UAE-based NBAD direct hires. The number does not include 'fixed term contract' employees and non-clerical staff.
<b>Employees trained</b>	% of total workforce attending training either under the NBAD Academy or at an external recognised institution.
<b>Employee grades</b>	Senior Level Bands 5 & 4 (pre-2014: Grade 12+) Middle Management Bands 3 & 2 (pre-2014: Grade 9 - 11) Employees Band 1 (pre-2014: Grade 4 - 8) Employees Non-clerical Staff (pre-2014: Grade 1 - 3)
<b>Impaired loans</b>	Impaired loans and advances are financial assets for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the agreements.
<b>Low-population and economically disadvantaged areas</b>	Ghayathi, Liwa, Ruwais, Silaa, Yahar, Sweihan, Hayer, Wagan, Mirfaa, Madam, Dibba Hisn, Qidfaa.
<b>Net increase in UAE Nationals</b>	Increase in number of UAE Nationals who are permanent staff (excluding trainees). Net increase = (New UAEN staff hires + Conversions from trainees) – UAEN staff
<b>Non-performing loans (NPLs)</b>	Same as impaired loans.

Performance Indicator	Definition/Comments
<b>Number of contract staff</b>	All fixed term contract staff (including retirees) on direct contracts with NBAD. Does not include staff through manpower supply agencies and third party supplied contractors.
<b>Online banking satisfaction results</b>	Based on customer service index developed through ongoing online customer survey/feedback.
<b>Overdue loans (past due but not impaired)</b>	Past due but not impaired are accounts where either contractual principal or interest are past due and when the accounts show weakness in the borrower's financial position and creditworthiness, and requires more than normal attention. Such weakness is specifically monitored to ensure that the quality of the asset does not further deteriorate. On this class of asset the Group believes that specific impairment is not appropriate at the current condition.
<b>Paper Recycling Rate</b>	Recycled paper as a percentage of total paper consumption.
<b>Paper Shredded (tonnes)</b>	Data from the company who shreds the documents. Includes archived documents.
<b>Payment to providers of capital</b>	Payment to providers of capital includes dividends paid to shareholders and payment made on Tier-I capital notes.
<b>Payment to government</b>	Payment to government refers to taxes paid on earnings.
<b>Per capita consumption</b>	Based on UAE total workforce (including trainees) unless otherwise stated.
<b>Percentage of toners recycled (remanufactured)</b>	Empty print cartridges collected by partner for remanufacture or responsible destruction, versus total number of new/remanufactured cartridges procured.
<b>Provision coverage</b>	Total provisions/Total NPLs.
<b>Ratio of basic salary</b>	As we have many unique positions where there is only one incumbent, a ratio of basic salary between men and women across the entire workforce would not be fair or representative. To check the proper implementation of our Pay for Performance Strategy, we compared the salaries for 1,850 men and women in all Band 1 roles in 2014.
<b>Return on average equity</b>	(Net profit / Average total equity (2014 & 2015) X 100.
<b>Sick leave</b>	Total number of reported sick days ÷ total UAE workforce.
<b>Capital resources</b>	As per the Basel-II framework adopted by the UAE Central Bank.
<b>Total community donations and charity (AED'000)</b>	Includes Zakat. Numbers as reported by Group Finance according to cost centre application.

## Appendix D Glossary of terms

Performance Indicator	Definition/Comments
<b>Total electricity consumption</b>	Kilowatt Hours (kWh). Utilities consumption is based on direct meter readings from our 14 NBAD owned buildings in Abu Dhabi. The total consumption and per capita consumption rate were extrapolated to the remaining employees working in premises where we were not able to accurately account our consumption. See Appendix E for a full discussion.
<b>Total GHG emissions</b>	A fuller explanation of our GHG emissions calculations can be found in Appendix E.
<b>Total number of customer privacy breaches</b>	Based on GRI definition in Financial Services Sector Supplement Version.
<b>Total paper consumption</b>	Kilograms (KG). Based on ream volume ordered from Administration Stock. Assumes 1 ream = 2.5KG.
<b>Total paper recycled</b>	Kilograms (KG). Weight collected and shredded at NBAD secure destruction site.
<b>Total paper consumption</b>	Kilograms (KG). Based on ream volume ordered from Administration Stock. Assumes 1 ream = 2.5KG.
<b>Total paper recycled</b>	Kilograms (KG). Weight collected and shredded at NBAD secure destruction site.
<b>Total registered online banking customers</b>	Cumulative total number of customers.
<b>Total Transactions Value</b>	Cumulative AED value.
<b>Total workforce</b>	Workforce is split between UAE and International employees. The sum of the two gives Total/Group Workforce. For the purposes of calculating per capita figures, we have included permanent staff (skilled UAE nationals and Expats), fixed term contract staff, trainees and unskilled staff employed by the Bank. The calculations do not include staff contracted on our behalf by third party suppliers (ie outsourced staff).
<b>Total workforce turnover</b>	Turnover is calculated on the basis of the total number of leavers since 1 January until 31 December (regardless of the length of service) relative to the total workforce (whether UAE or International).

Term	Explanation
<b>Abu Dhabi Economic Vision 2030</b>	Based on the principles laid out in the Government's Policy Agenda published in August 2007, the Abu Dhabi Economic Vision 2030 is a roadmap for the emirate's socio-economic progress.
<b>ADIA</b>	Abu Dhabi Investment Authority
<b>ADSG</b>	The Abu Dhabi Sustainability Group consists of representatives of key sectors in the Emirate of Abu Dhabi, including oil and gas, real estate, construction and banks. Members are committed to supporting the Abu Dhabi Environment Agency's efforts in the development and implementation of standards, exchanging experiences and identifying targets and training needs in key areas for the implementation of sustainability.
<b>Commercial Banking</b>	Traditional consumer and corporate banking e.g. personal accounts, loans, mortgages.
<b>CSR</b>	Corporate Social Responsibility
<b>DSN</b>	Dubai Chamber Sustainability Network serves as the focal point for the business community of Dubai to share and exchange best practices in implementing Corporate Social Responsibility (CSR).
<b>Elite Banking</b>	Consumer banking for high net worth individuals.
<b>Emiratisation</b>	An initiative by the government of the UAE to employ its citizens in a meaningful and efficient manner in the public and private sector.
<b>Equator Principles</b>	A voluntary standard which reviews the potential social and environmental impacts of projects the bank is looking to finance.
<b>Estidama Pearl Rating System</b>	Estidama, which is the Arabic word for sustainability, is an initiative developed and promoted by the Abu Dhabi Urban Planning Council. Pearl is a rating system for new buildings where Pearl 1 is the minimum required level for a building to be granted permission, and 5 the highest sustainability rating.
<b>E-waste</b>	A term used to describe electronic waste – discarded, surplus, obsolete or broken electrical or electronic devices.
<b>EWS-WWF</b>	Emirates Wildlife Society – World Wide Fund for Nature - addresses such issues as protection of the rich regional biodiversity, combating climate change and reduction of the UAE's heavy ecological footprint. The group's actions include conservation measures, education and awareness outreach activities, and policy recommendations.
<b>Greenhouse gas emissions</b>	Gases in an atmosphere that absorb and emit radiation within the thermal infrared range. The main greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.
<b>GCC</b>	GCC is the acronym for Gulf Cooperation Council (or Gulf Co-operation Council). The full name is Cooperation Council for the Arab States of the Gulf (CCASG). Also referred to as the Arab Gulf Cooperation Council (AGCC). The six GCC (or AGCC) countries, citizen nationalities, nations, or member states include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE.

Term	Explanation
<b>GDP</b>	Gross Domestic Product.
<b>GRI</b>	The Global Reporting Initiative is the steward of the most widely used reporting framework for performance on human rights, labour, environmental, anti-corruption and other corporate citizenship issues. The GRI framework is the most widely used standardized sustainability reporting framework in the world.
<b>Independent Director</b>	The NBAD Board of Directors considers that a Director is independent if neither himself nor any of his first-degree relatives have been a member of the Senior Management of NBAD during the last two years or has a relationship that creates any financial transactions or deals with NBAD or any of its subsidiaries if the total amount of these transactions exceeds 5% of the paid-up capital of NBAD, or exceeds AED 5 million or an equivalent amount in a foreign currency, whichever is less.
<b>ISO 26000</b>	An international standard established by the International Organisation for Standardisation, which provides guidelines for social responsibility. In contrast to the ISO 9001, the ISO 26000 is not a management system standard and does not offer certification.
<b>Khalifa Fund for Enterprise Development</b>	The Khalifa Fund aims to create a new generation of Emirati entrepreneurs by instilling and enriching the culture of investment amongst young people, as well as supporting and developing small to medium-sized investments in the Emirate. <a href="http://www.khalifafund.ae">www.khalifafund.ae</a> .
<b>LED</b>	Light emitting diodes.
<b>LEED</b>	Leadership in Energy and Environmental Design (LEED) is a third-party certification programme. It is a nationally accepted organization for design, operation and construction of high performance green buildings. This ensures the buildings are environmentally compatible, provide a healthy work environment and are profitable.
<b>NBAD Group</b>	Refers to NBAD operations within the UAE and worldwide.
<b>NBAD UAE</b>	Refers to NBAD operations within the UAE.
<b>Private Banking</b>	Bespoke investment banking e.g. equities, fixed income products.
<b>Project Finance</b>	Long term financing of major development or infrastructure projects.
<b>SCA Licence</b>	Securities & Commodities Licence.
<b>Total Cost of Ownership (TCO)</b>	Total Cost of Ownership, usually abbreviated as TCO, is a calculation designed to help a make more informed financial decision. Rather than just looking at the purchase price of an object, TCO looks at the complete cost from purchase to disposal. It adds to the initial purchase price other costs expected to be incurred during the life of the product, such as service, repair, and insurance.
<b>UNEP-FI</b>	United Nations Environment Programme Financial Initiative
<b>Wholesale Banking</b>	Financial services conducted between financial services companies and institutions such as banks, insurers, fund managers, and stockbrokers.

## Appendix E Information and Restatements on Disclosures\*

### Power and water consumption

Over the last few years we have tried to identify a consistent and reliable approach to measuring and monitoring our power and water consumption so that we can better understand how to manage it more efficiently. In 2014, we met with the Abu Dhabi Distribution Company (ADDC) to obtain more accurate data on the consumption of utilities in our 14 NBAD-owned buildings. We now have online access to these utility bills and are able to track our annual consumption more accurately. In 2015, we discovered that utility bills belonging to a number of personal accounts were being included in the total consumption rate for water and electricity at these buildings. We have excluded these accounts from our data for this year, and are able to report on the total consumption rate more accurately.

The methodology used in 2013 and 2014 to calculate our water and energy consumption for all employees across the UAE, was also utilised for our 2015 data. In order to calculate energy and water consumption for all employees in the UAE, we collated utility bills for the 14 NBAD-owned buildings, including our Head office and ADNEC office. The utility bills include energy and water consumption for the 14 NBAD-owned buildings in addition to 20 branches which are rented by NBAD. These have the highest occupancy rate out of all our UAE premises. We use the base consumption rate figures from these buildings (comprising 2,937 employees) to extrapolate the total consumption rate for all our 5,731 employees (including approximately 70% outsourced staff) across the UAE.

Table 1 Total CO<sub>2</sub> Emissions

	2015	2014	2013	2012	2011
Indirect CO <sub>2</sub> Electricity Consumption (tonnes)	32,163.05	31,751.03	19,128.43	28,412.44	18,239.86
Indirect CO <sub>2</sub> Water Consumption (tonnes)	1,064.82	1,939.72	1,670.30	1,210.65	793.01
Indirect CO <sub>2</sub> Business flights (tonnes)	731.02	1,705.37	784.22	423.67	331.54
Direct CO <sub>2</sub> Gasoline (tonnes)	932.68	998.70	1,086.67	896.02	867.46
Direct CO <sub>2</sub> Diesel (tonnes)	2.53	2.25	2.05	2.93	5.52
CO <sub>2</sub> emissions from total paper recycled (tonnes)	2,852.38	-	-	-	-
CO <sub>2</sub> emissions from paper purchased (tonnes)	162,980.88	-	-	-	-
CO <sub>2</sub> emissions from e-waste (tonnes)	332.03	-	-	-	-
Total CO <sub>2</sub> Emissions	201,059.39	36,397.07	22,671.68	30,945.71	20,237.39
CO <sub>2</sub> tonnes per UAE employee	35.08	6.67	5.06	6.98	4.75

Table 2 Sources of Emission Factors

Sources	Name
EAD Inventory 2010	Electricity
EAD Inventory 2010	Water
EAD Inventory 2010	Electricity and Water
GHG Protocol Calculation Tool for Stationary Combustion V 4.1 May 2015	Natural Gas
GHG Protocol GHG emissions from transport or mobile sources Calculation Tool V 2.6 May 2015	Gasoline
GHG Protocol GHG emissions from transport or mobile sources Calculation Tool V 2.6 May 2015	Diesel
Source: Miles/Emissions CO <sub>2</sub> (tonnes) calculated by Travel Agency using ICAO - website - <a href="http://www.icao.int/">http://www.icao.int/</a>	Flight
Defra 2015 - closed loop, paper and board recycling: paper, 2015	Total Paper Recycled
Defra 2015 - material use, paper and board: closed-loop source, paper, 2015	Paper purchased
Defra 2015 - WEEE mixed, open loop recycled	E-waste

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## Key Employee Data

The total numbers of male and female employees who were employed 12 months after returning to work from parental leave were reported incorrectly in 2014. The correct number of male employees employed 12 months after returning from parental leave was 94 and the number of females was 55.

The data for employees hired in 2014 was reported inaccurately in 2014 as the numbers included trainees and students. The correct data is included in the Table 3 below.

Table 3 Key Employee Data (2014)

UAE Employee Data	2014
Total number of employees hired (excluding trainees, student, outsourced staff)	728
Under 30 years	273
31-50 years	437
Number of men hired (excluding trainees, student, outsourced staff)	434
Number of women hired (excluding trainees, student, outsourced staff)	294

## Appendix F Our Future Sustainability Commitments

Report Section	Sustainability Commitments
<b>Chapter 5 CITIZENSHIP: Our Key Ambitions</b>	<p><b>Short-term (2016)</b></p> <ul style="list-style-type: none"> <li>Plan and implement the next training curriculum for SMEs, with the aim to reach a wider SME network.</li> <li>Identify environmentally sustainable projects to finance and invest in to achieve our sustainable business target of US\$10 billion of financing within the next 10 years to such projects.</li> <li>Identify projects eligible for any future Green Bond issue through due diligence of projects and transaction sponsors to capture any associated environmental and social risks (on-going commitment).</li> </ul> <p><b>Medium-term (2017-2019)</b></p> <ul style="list-style-type: none"> <li>Develop innovative financial structures and products that will support the development of the energy efficiency and renewable energy industry within the region and across the West-East corridor (ongoing commitment).</li> <li>Identify environmentally sustainable projects to finance and invest in to achieve our sustainable business target of US\$10 billion of financing within the next 10 years.</li> <li>Continue to expand and enhance skills-building initiatives for SMEs to support a thriving sector and competitive regional economy.</li> </ul> <p><b>Long-term (2019 and beyond)</b></p> <ul style="list-style-type: none"> <li>Lend, invest and facilitate a total of US\$10 billion of financing within the next 10 years to projects focused on environmentally sustainable activities.</li> <li>Continue to support Abu Dhabi and the UAE's economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030 (ongoing commitment).</li> <li>Continue to expand and enhance skills-building initiatives for SMEs to support a thriving sector and competitive regional economy.</li> </ul>
	<p><b>Chapter 6 THE ESSENTIALS: Responsible Business Practices</b></p> <p><b>Short-term (2016)</b></p> <ul style="list-style-type: none"> <li>Engage with our customers through our customer satisfaction survey to identify and meet our customers' needs and expectations.</li> <li>Maintain the number of Service Ambassadors within our branches to ensure that our customers receive a high quality and efficient level of service.</li> <li>Continue our support of the Abu Dhabi 2030 Vision through financing of infrastructure, power, transport, community facilities and multi-use developments (on-going commitment).</li> <li>Apply and implement the Equator Principles' requirements through the provision of internal training and awareness and integrate the requirements of EP within existing policies and procedures.</li> <li>Launch of the mobile app service for our Ratibi customers to provide them with 24/7 access to funds.</li> <li>Increase our focus on training efforts and the placement of UAE Nationals within different functional roles and hierarchical levels.</li> <li>Provide support to Emirates Foundation's financial literacy programmes.</li> <li>Continue our annual climate and carbon reporting to CDP.</li> <li>Review and prioritise the implementation of energy conservation measures identified in our environmental audit for the Head office and Khalidiya buildings to achieve energy and water savings and ROI.</li> </ul>

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<p><b>Chapter 6</b> <b>THE ESSENTIALS:</b> <b>Responsible Business Practices</b></p>	<p><b>Medium-term (2017-2019)</b></p> <ul style="list-style-type: none"> <li>Undertake direct engagement with our stakeholders for the perception and materiality analysis aspect of our sustainability reporting (every two years).</li> <li>Ensure compliance to the Equator Principles' requirements including annual reporting on applicable EP projects (on-going commitment).</li> <li>Develop relevant Group-wide Environmental and Social Governance (ESG) policies and position statements to support our sustainable business practices.</li> <li>Retain our ranking in the top 10 position on the S&amp;P Hawkamah ESG Pan Arab Index, which is important to us as a regional validation of our transparency and responsibility and as a commercial measure of our potential value to investors.</li> <li>Fully integrate our supplier complaints management system within our automated procurement system.</li> <li>Finalise the supplier registration process and incorporate the Supply Chain Social and Environmental code of conduct in the supplier screening process.</li> <li>Seek feedback from employees on NBAD as an employer through our employee satisfaction survey, to highlight potential areas of improvement in our people management practices.</li> <li>Investigate how our sustainability objectives can be incorporated into employees' annual performance targets to measure and reward our employees' performance against these targets.</li> <li>Review and prioritise the implementation of energy conservation measures identified in our environmental audit for the Head office and Khalidiya buildings to achieve energy and water savings and ROI.</li> <li>Monitor, record and assess trends in relation to paper, water, waste and energy consumption and set targets for reduction.</li> </ul>
	<p><b>Long-term (2019 and beyond)</b></p> <ul style="list-style-type: none"> <li>Continue to support Abu Dhabi and the UAE's economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030.</li> <li>Provide certified training for associates under the Professional Bankers programme, to build a pipeline of professional individuals with the ability to meet our strategy. New recruits will also be part of this group, providing employment opportunities for talented individuals.</li> <li>Undertake responsible marketing and communications training for relevant staff to provide an understanding of the relevance of sustainability within their area of business.</li> <li>Investigate incorporation of sustainability-specific objectives in managers' formal appraisal to integrate the principles of sustainability within our organisation.</li> <li>Improve the environmental performance of our NBAD buildings and branches to minimise our resource consumption and mitigate associated impacts.</li> </ul>

# Appendix G

## Verification Statement: Limited Assurance



### VERIFICATION STATEMENT – LIMITED ASSURANCE

Carbon Credentials Energy Services Ltd (Carbon Credentials) has been contracted by National Bank of Abu Dhabi (NBAD) of One NBAD Tower, Khalifa Bin Zayed The First Street, Abu Dhabi, U.A.E. for the independent third party verification of direct and indirect carbon dioxide equivalent emissions (CO<sub>2</sub>e) as provided in the NBAD 2016 CDP Climate Change Programme response to a limited level of assurance with a materiality level of 5%.

This verification exercise has been performed to the ISO 14064-3 standard against WRI/WBCSD: *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol)*.

### CONCLUSION

Based on the data and information provided by NBAD and the processes and procedures conducted, Carbon Credentials concludes that there is no evidence that NBAD's GHG assertion for the period 01/01/2015 – 31/12/2015:

- is not materially correct;
- is not a fair representation of the GHG emissions data and information; and
- is not prepared in accordance with the criteria listed above.

Based on these conclusion, Carbon Credentials has verified the following emissions to a limited level of assurance, consistent with the agreed verification scope, objectives and criteria:

Scope of Emissions	Emission Sources	Reported & Verified Emissions for UAE Sites
Scope 1 Emissions (100%) - UAE only	<ul style="list-style-type: none"> <li>○ Combustion of gaseous fuels</li> <li>○ Combustion of liquid fuels (diesel &amp; gasoline)</li> <li>○ Fugitive refrigerant gases</li> </ul>	935 tonnes of CO <sub>2</sub> e
Scope 2 Emissions (100%) - UAE only	<ul style="list-style-type: none"> <li>○ Purchased electricity consumption</li> </ul>	32,163 tonnes of CO <sub>2</sub> e
Scope 3 Emissions (100%) - UAE only	<ul style="list-style-type: none"> <li>○ Water consumption</li> <li>○ Business travel (flights)</li> <li>○ Waste (including paper &amp; e-waste recycled)</li> </ul>	167,961 tonnes of CO <sub>2</sub> e

### OBSERVATIONS

- Based on our work, Carbon Credentials considers that material GHG sources are appropriately identified and reported on;
- It is our opinion that NBAD has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries;
- Implementation of a structured database system for emissions information will improve reporting efficiency, reduce risk of misreporting and improve the quality of management information available to decision-makers;
- All errors in reported data identified during the verification process have been duly corrected.

Attestation:

Emma Watson  
Lead Verifier

On behalf of Carbon Credentials Energy Services Ltd



*No member of the verification team has a business relationship with National Bank of Abu Dhabi, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.*

