



SUSTAINABILITY

REPORT

2015 - 2016

Sustainability Management ⁽¹⁰²⁻²¹⁾



Listening to our Stakeholders



Trust and advocacy can only be achieved through implementing a focussed strategy to engage our stakeholders, while being ready to adapt to their changing needs.

(102-18), (102-40), (102-42), (102-43), (102-44)

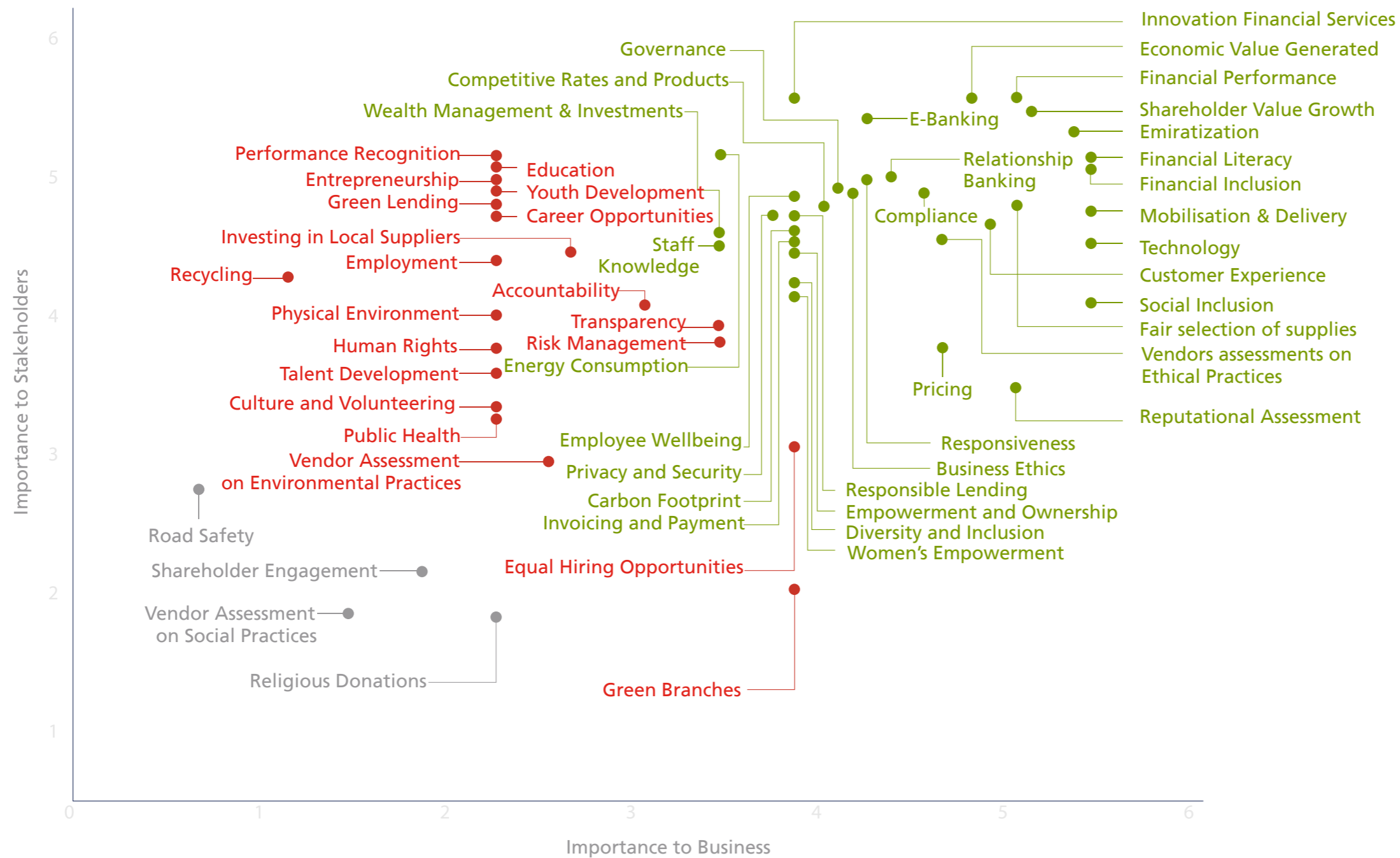
Our stakeholders are groups or individuals that are influenced by our activities, products and services, and who in turn affect our ability to achieve our goals. This an internal mapping process that identifies the level of influence of respective stakeholder groups on the Bank and the Bank's influence on those stakeholder groups. We have identified nine main stakeholder groups with which we regularly engage through various methods – while seeking to incorporate their feedback into our strategic thinking and day-to-day work.

Stakeholders	Engagement Methods and Frequency	Stakeholders Feedback
 Employees	<ul style="list-style-type: none"> > The Bank's Intranet > Face-to-face meetings, team meetings, e-learning courses, training programmes, team projects, group workshops, social events, rewards and recognitions. (These engagements are as frequent as needed) > Bi-annual Employee Engagement Surveys (Souwti) > Bi-annual performance appraisal meetings 	<p>On average, 90% of our employees answered the survey and gave feedback on its three pillars: Say, Stay, Strive</p> <p>Employees raised topics related to ensuring their retention and growth at the Bank. Topics included compensation, training, growth and development</p>
 Board of Directors	<ul style="list-style-type: none"> > Board of Directors Meetings - six times a year > Regular EXCO Meetings > Internal departmental meetings > Emails, calls, instant messaging software 	<p>Overall direction of strategy, supervision, corporate structure, financial reporting, internal controls, risk management policies. Feedback also focuses on approval of the Annual Report, corporate dividends and main sustainability focus areas</p>
 Investors	<ul style="list-style-type: none"> > Annual General Meeting (AGM) > Investors Relations Team and website section > Press conferences and releases, periodic reports, presentations 	<p>Development of financial performance, shareholder value growth, business ethics, governance, compliance, risk management, business continuity, aligning sustainability and commercial benefits</p>
 Customer	<ul style="list-style-type: none"> > Voice of Customer' satisfaction surveys > Social Media channels > Call centre, emails, phone calls > Advertisements and promotions > Account relationship management 	<p>Improvement in customer experience, innovative financial services, responsiveness, e-banking, relationship management, privacy and security, competitive rates and products</p>

 Suppliers	<ul style="list-style-type: none"> > Tenders and RFPs, Independent Sustainability > Stakeholder Engagement Study (2015) 	<p>Mobilization and delivery, fair selection of suppliers, compliance, vendor assessment based on ethical practices, reputational assessment, pricing, investment in local suppliers</p>
 Local Community	<ul style="list-style-type: none"> > Partnerships with community organisations > Case studies and field research > Sponsorships and donations > Cultural and social events 	<p>Engagement with local communities seeking further Bank investment in social inclusion, education on financial literacy, empowerment of women, investment in education, entrepreneurship, youth development and employment</p>
 Government	<ul style="list-style-type: none"> > Compliance with UAE Central Bank directives > Compliance with Dubai Financial Services Authority directives > Compliance with UAE Banks Federation directives > Compliance with semi-government bodies > Meetings as needed 	<p>Development of the Bank's mission and creation of positive socio-economic impact.</p> <p>Investment in anti-corruption and anti-fraud governance systems, plus alignment with national and global standards</p>
 Environment	<ul style="list-style-type: none"> > Partnerships with environmental organisations, both locally and globally > Meetings, press releases, emails 	<p>Monitoring of energy consumption, reporting on the Bank's carbon footprint and embedding of Sustainable Finance practices – including green lending and green bonds. Establishment of green buildings and monitoring and control of water consumption</p>
 Media	<ul style="list-style-type: none"> > Quarterly and annual financial results > Press conferences/releases and roundtables > Awards and recognition ceremonies > Radio/TV interviews > Daily market commentary > Weekly and monthly newsletters > Social Media > Print 	<p>Explain and clarify financial performance, innovation plans, and socio-economic impact through product releases, briefings and other special events</p>

Materiality Analysis (102-46), (102-47)

The evidence-based materiality matrix plots all related sustainability issues across two axes: Axis X shows the importance of these topics to the business itself while Axis Y shows the importance of the same topics to the stakeholders.



Emirates NBD follows the Global Reporting Initiative (GRI) definition of materiality for sustainability reporting. Material topics and indicators are those that reflect the organisation's significant economic, environmental and social impacts or that would substantively influence the assessments and decisions of stakeholders.

Through our materiality analysis process, we can identify topics that have a direct and/or indirect impact on our ability to create, preserve or erode economic, environmental and social value for our Bank, the communities in which we operate and all our stakeholders.

Defining the Report's Content

First: Research

Having been a partner on previous community investment and impact measurement projects, Sustainable Square initiated this materiality analysis process by conducting a review of all the Bank's 2015 and 2016 sustainability-related strategies, programmes, initiatives and activities. They then reviewed the research published by the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) and the GRI Financial Services Sector Supplement (FSSS). They also assessed the latest Dubai Declaration of Financial Institutions of the United Arab Emirates on Sustainable Finance, signed by 11 UAE-based banks. This identifies material issues for the financial sector and is based on a detailed stakeholder dialogue. In addition, they reviewed peer practices and sought perspectives from our main stakeholder groups: these include the Bank's Board of Directors, employees, customers, investors, the media, local community organisations, environmental organisations, suppliers, government and regulators.

Second: Stakeholder Survey

We compiled an extensive inventory of 60 potential material sustainability topics related to financial institutions in general, and specifically to Emirates NBD. We then asked all main stakeholder groups to rate the importance of each topic on a scale from 1 to 5. The same list of topics was then rated by the Bank's key management and decision makers – those who have the highest impact on implementing the Bank's policies and strategies. They all rated the topics based on the Bank's ability to create positive impact from application of those topics to our business operations.

Third: Results

The average rating of all 60 issues resulted in the identification of 29 material issues. These received an average rating of 3.75 or higher (on a scale from 1 to 5). These issues correspond to 16 GRI Material Topics that identified the content of the report.

Impact Boundaries ⁽¹⁰³⁻¹⁾

The table below lists all GRI Standards Material Topics, sets out the impact boundaries, and provides references to pages where the topics are addressed:

Material Issue	Corresponding GRI Standards Material Topic	Impact Boundaries	Page No.
Financial Performance	Economic Performance	Shareholders, Investors and Government	17, 18, 19, 20, 21
Shareholder Value Growth	Economic Performance	Shareholders, Investors	17, 18, 19, 20, 21
Financial Literacy & Inclusion	Local Communities, Labour/ Management Relations, Training and Education	Local Communities, Customers, Employees	119, 120, 121, 122
Nationalisation	Local Communities, Employment	Local Communities, Employees	77, 80, 81, 82, 83, 84, 85
Economic Value Generated	Economic Performance	Shareholders, Investors and Government	17, 18, 19, 20, 21
Mobilisation & Delivery	Organisational Profile (Products and Services)	Suppliers	12, 66, 67
Technology & Innovative Financial Services	Organisational Profile (Products and Services)	Customers, Employees, Suppliers, Government	58, 59, 60, 61, 66, 67, 88, 89
Fair Selection of Suppliers	Procurement Practices	Suppliers	12, 66, 67
E-Banking	Organisational Profile (Products and Services)	Customers	58, 59, 60, 61
Customer Experience	Organisational Profile (Products and Services) Marketing and Labelling	Customers	49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61
Social Inclusion	Local Communities	Local Communities	107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118
Governance & Compliance	Governance	Central Bank, Government, Environment, Suppliers	35, 36, 37, 38, 39, 40, 41
Relationship Banking	Organisational Profile (Products and Services)	Customers	49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61
Responsiveness	Organisational Profile (Products and Services)	Customers	49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61

Material Issue	Corresponding GRI Standards Material Topic	Impact Boundaries	Page No.
Vendors Assessment for Ethical Practices	Procurement Practices, Supplier Social Assessment	Suppliers	12, 66, 67
Business Ethics	Governance, Ethics and Integrity, Human Rights Assessment	Board of Directors, Employees, Customers, Suppliers	35, 36, 37, 38, 39, 40, 41, 73
Competitive Rates & Products	Organisational Profile (Products and Services)	Customers	49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61
Employee Wellness	Occupational Health and Safety	Employees	96, 97, 98, 100
Energy Consumption	Energy	Environment, Local Communities	129, 130, 131, 132, 133, 134, 135, 136, 137
Responsible Lending	Ethics and Integrity, Environmental Compliance	Customers	129, 130, 131, 132, 133, 134, 135, 136, 137
Reputational Assessment	Procurement Practices, Suppliers Social Assessment	Suppliers	12, 66, 67
Privacy & Security	Customer Privacy	Customers	55, 56, 57
Carbon Footprint	Emissions	Environment, Local Communities	131
Pricing	Organisational Profile (Products and Services)	Customers	49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61
Invoicing & Payment	Procurement Practices	Suppliers	12, 66, 67
Empowerment, Ownership & Staff Knowledge	Labour/Management Relations, Training and Education	Employees	80, 81, 82, 83, 84, 85, 86, 87, 88, 89
Diversity & Inclusion	Diversity and Equal Opportunity, Local Communities	Employees, Local Communities	73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 107, 108, 109, 110,, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123
Wealth Management & Investments	Organisational Profile (Products and Services)	Customers	12, 19, 20, 21
Women's Empowerment	Labour/Management Relations, Diversity and Equal Opportunity	Employees, Local Communities	74, 75, 78, 79, 80, 81, 82, 82, 83, 84, 85, 86, 87, 92, 93, 125, 126



Sustainable Banking Framework ⁽¹⁰²⁻¹⁵⁾

The Dubai Declaration on Sustainable Finance ⁽¹⁰²⁻¹²⁾

We are proud to announce that, as of 25 October 2016, the Bank was one of 11 financial institutions in the UAE to have signed the **“Dubai Declaration of Financial Institutions in the United Arab Emirates on Sustainable Finance”**. The declaration was signed at the UNEP FI 2016 Global Roundtable in Dubai, where it was witnessed by H.E. Dr. Thani Ahmed Al Zayoudi, Minister of Climate Change and Environment, and H.E. Mubarak Rashed Khamis Al Mansoori, Governor of the Central Bank of the UAE.

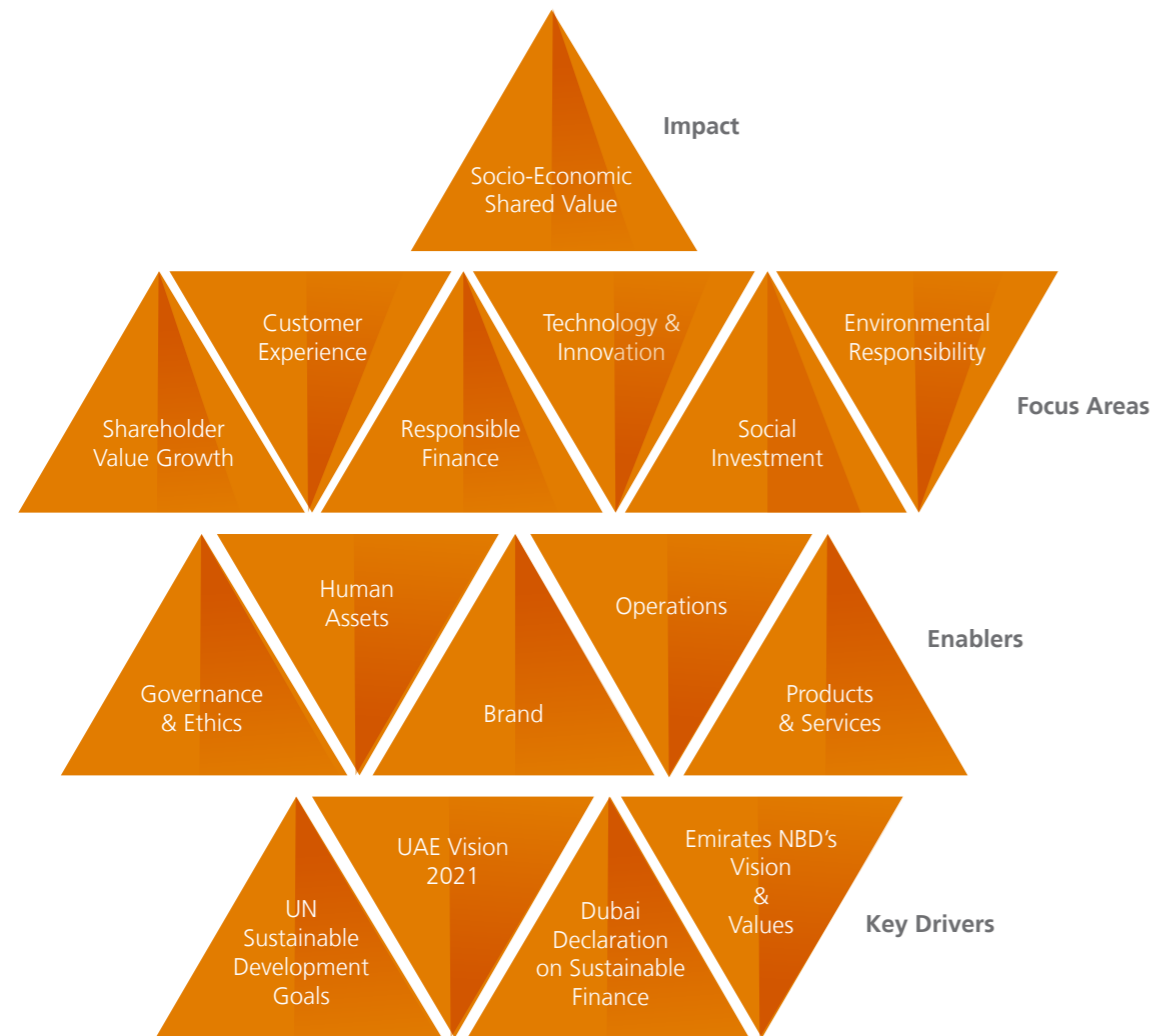
As part of the declaration, we recognise the UAE Vision 2021 and endorse the UAE Government’s commitment to the Paris Climate Agreement and the United Nations’ Sustainable Development Goals (SDGs), as well as supporting the sustainable development of the nation in line with the UAE Green Agenda 2015-2030.

Furthermore, the declaration details the role the financial sector must play to enable a climate-resilient, inclusive green economy and sustainable development:

- 1 Identify, manage, and improve the institution’s direct and indirect environmental and social performance.
- 2 Contribute, to the best of our abilities, towards community and society in creating economic, environmental and social opportunities.
- 3 Lend, invest in, facilitate financing or provide insurance to the projects, businesses and customers with sustainable purposes – as well as supporting the growth of a successful small and medium-sized enterprise (SME) sector.
- 4 Take into account climate and environmental, social and governance (ESG) risk in the institution’s risk management processes.

As a result, we have taken formal and intensive steps towards meeting all the environmental goals, as set out in the declaration, that have to be achieved by year 2021.

Emirates NBD's Sustainable Banking Framework



Understanding the Framework



Key Drivers

The overall direction of our Sustainable Banking Framework is guided by four strategic drivers:

- > The United Nations Sustainable Development Goals (SDGs)
- > The UAE Vision 2021
- > The Dubai Declaration on Sustainable Finance
- > Our Bank's Vision and Values

We believe these drivers enable us to capitalise on our assets and expand our focus areas to achieve our responsibility towards creating Socio-Economic Shared Value.

Enablers

We identify 'Enablers' as areas in which the Bank is heavily invested in since inception.

These enabling areas have grown to become reliable assets and provide a foundation for us to create impact. Ensuring the establishment of sound governance systems and business ethics has enabled us to grow and maintain a culture of transparency and integrity. Our human assets, which include our employees, suppliers and partners, add another cornerstone to the set of skills, expertise and deep relationships that we have built over the years.

Our brand is our biggest non-financial asset and is currently valued at USD 3.4 billion.

Our operations include all the systems, standard procedures, processes and best practices that we have streamlined. They also include the wealth of customer data and big data that enables us to innovate and grow.

Our products and services, continuously expanding and adapting, act as a catalyst in creating our finest achievement: our reputation.

Focus Areas

These are the main areas that we have identified as key in achieving sustainability at the Bank and creating long-term socio-economic impact throughout the communities in which we operate. These focus areas are integral to our Bank's growth and success and they feed into our vision and mission. We have a responsibility to ensure the prosperity of all our shareholders and to create financial and non-financial value. The Bank's Customer Experience is a ripe area for continuous innovation in terms of the customer journey, products, services, technology and processes. Through ensuring customer acquisition, retention and satisfaction we believe we have become a fully sustainable bank.

Responsible Finance is a focus area for 2017 and onwards. As signatories to the Dubai Declaration on Sustainable Finance, we will look to introduce new processes and guidelines which ensure we practice responsible and ethical lending throughout products and services. Technology and innovation is an investment and growth area that enables us to deliver in all other focus areas. The Bank is among leaders in the region when it comes to utilising technology and innovation to create solutions that make our customers' lives easier, generate shareholder value growth and create shared value with all stakeholders.

Our Social Investment Strategy addresses all the work that we do internally and for the communities we work in. This includes, but is not limited to, advocating support for people with disabilities, promoting financial literacy, health and wellness, women's empowerment, community development and the environment. Our Environmental Responsibility Strategy in turn addresses our carbon footprint, water usage, energy consumption, waste management practices and other environmental responsibilities.

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