

# OUR APPROACH TO SUSTAINABILITY

As the UAE's largest bank and one of the largest in the MENA region, FAB recognises the broader role and ability we have to play in the transition to a low carbon economy and in shaping a sustainable future.

FAB's approach to sustainability is embedded throughout the core of our business, as we build a stronger economic, social and environmental future for our customers, our people, our shareholders and our communities.



Embedding sustainability throughout our strategy and corporate culture is the foundation stone of our approach to conducting business in a responsible, sustainable manner. Our objective is to maximise stakeholder value through the identification of new opportunities and the active management of current and future ESG risks.

FAB seeks to respond to emerging issues through its sustainability framework and policies which actively inform its corporate strategy. Key facets of this approach include:



**A group-wide Sustainability Policy**, which sets out broad principles for taking a precautionary and responsible approach to business



**Our Corporate Strategy**, which is a prioritised set of actions for achieving our vision, with clear focal areas and long-term targets



**FAB's Corporate Sustainability team**, which guides and implements our sustainability strategy



**A set of policies that embed relevant sustainability principles** in our day-to-day operations, such as FAB's Code of Conduct and Environmental Policy

# 2019 highlights



Exceeded our 10 x 10 target to finance USD 10 Billion worth of sustainable projects over 10 years. This commitment was achieved in just 4 years



We were the first Financial Institution in the MENA region to commit to implementing the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).



Acted as sole mandated lead arranger, lender and facility agent for the MENA region's first SDG loan and the first SDG facility availed by a commercial airline globally, providing funding to Etihad in support of their long term lease of the Etihad Eco-Residence located in Masdar city.



FAB issued the first public Green Bond from the MENA region and has subsequently printed two Green Bond private placements, in addition to providing 2 Green Finance issuances including the first Green Sukuk for the MENA region.



Received a 'B' score by CDP for our climate change response, once again demonstrating our environmental leadership among UAE banks.



Through our #PeopleWithPurpose employee volunteering programme, FAB participated in the Special Olympics World Games Abu Dhabi 2019. FAB Unified Volunteers collectively accounted for more than 3,000 volunteering hours.



Drafted one of the first Group Policies for the removal of single use plastics within the region to support our commitment on becoming single use plastic free.



Launched a pilot Financial Literacy programme for Youth of Determination to further FAB's commitment to engaging with People of Determination. The programme aims to empower and to continue to support the financial wellbeing of our communities in which we operate.

## Sustainability focus areas

Our vision is to create value for our customers, employees, shareholders and communities and we measure it by the positive impacts we can realise working in collaboration with our diverse stakeholders. Sustainability at FAB, is our way of doing business.



### Responsible banking

To achieve long-term success we're committed to taking a responsible approach to banking through behaving fairly, and responsibly and maintaining high standards of conduct for our customers, our employees, our stakeholders and our communities.



### Governance, integrity and risk management

Our strong Sustainability Framework governs the parameters for responsible and ethical business across FAB, while assuring the highest ethical behaviour in everything we do.



### Responsible employment

We're committed to supporting our people and to promoting gender equality in the work place, helping our women thrive at work. We also continue to support the development of the Emirati community for the long-term benefit of our business and the national economy.



### Positive social impact

We're committed to improving the financial wellbeing of all of our customers. In 2019 in collaboration with SEDRA, we trialled our financial literacy pilot with People of Determination. We strive to be a respected community partner that continues to improve the financial wellbeing of our customers, our employees, our stakeholders and our communities.

## Looking ahead

FAB aims to preserve and further strengthen its position as a regional leader in sustainability across the financial sector and the wider business community. In alignment with international best practice and the UAE Government's commitment to mitigate climate change, FAB has committed to implement the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD), making us the first financial institution in the MENA region to make this commitment.

We're committed to maintaining leadership in managing climate change risks, developing sustainable investing and lending options, promoting responsible employment and governance, and helping our customer's transition to a low carbon economy whilst ensuring economic growth and stability.

In 2016, FAB committed to lend, invest and facilitate a total of USD 10 Billion of financing within the next 10 years to projects focused on environmentally sustainable activities. The commitment, which was a first for a GCC bank, supports the research from NBAD's: 'Financing the Future of Energy Report', released in 2016, which identified a funding gap of USD 48 Trillion required in the next 20 years to meet global energy demand, with renewables playing a critical role in the energy mix of the future. During 2019, we exceeded USD 10 Billion in financing for sustainable projects, six years ahead of our plan.

FAB is committed to maintaining a strong relationship with our stakeholders, from shareholders and investors, to governments, regulators, local communities, suppliers and our employees. We will maintain a high degree of transparency when reporting on our sustainability priorities and the impact of our operations. FAB is committed to providing as much useful, up-to-date information as possible to its stakeholders and to keep them informed through a variety of mechanisms, both financial and non-financial.