Sustainability Report - 2017
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Welcome to Emirates NBD's second Sustainability Report, outlining in detail our environmental, social and governance performance throughout 2017.

This Report highlights our corporate vision, beyond financial achievements. It embodies our aspiration to grow our business sustainably, by advancing numerous activities, including innovative partnerships, social initiatives and community engagement.

This report has been prepared in accordance with the GRI Standards: Core option. Within its pages, we also refer to other guidelines we adhere to that regulate sustainable business practices globally. These include the GRI G4 Financial Services Sector Disclosures and the United Nations Global Compact (UNGC) principles.

As with all our business operations, we measure each aspect of our sustainability activities. We collect data in a consistent, transparent and accurate manner to track the progress of our initiatives and adapt them to suit changing priorities and needs.

Through our Sustainability Report, we aim to offer stakeholders a concise and detailed overview of our social, ethical, corporate governance and environmental performance against specific and defined commitments. We have determined the context of the Report through an accurate materiality process involving all stakeholders, which we explain in detail in the following pages. We also reference comparable data on specific practices from 2015 and 2016 to highlight significant developments in our governance targets.
This Report reviews our sustainability performance for the Calendar Year 2017, presenting our achievements in a transparent and informative manner. It also references previous milestones. Doing so helps us both to set future sustainability targets, and also develop a holistic understanding of how to implement impactful sustainability programmes throughout our businesses.

Last year’s report focused on the operations of Emirates NBD. This year, we have expanded the scope to include Tanfeeth. Tanfeeth is a Business Service Partner and fully-owned subsidiary of Emirates NBD.

The data shown is on the UAE operations of Emirates NBD and Tanfeeth only. We have not included impacts from overseas operations, subsidiaries, partners, other sister companies within the Emirates NBD Group and third party suppliers. (However, for the Financial Performance and Economic Impact figures, the reporting scope does include the Emirates NBD Group’s global partners. We make it clear where this is the case.)

For more details on our reporting boundaries for material aspects, please refer to the “Materiality” section in the Report.

All monetary values in this Report are expressed in Arab Emirates Dirhams (AED), unless otherwise stated.

External Assurance (102-56)

To create this Report:

- We used an internal assurance process. This began with reviewing all relevant governance policies and programmes, as communicated to managers and shareholders, to embed greater confidence in the data disclosed.
- We chose not to appoint an external party to audit our non-financial data.
- The Bank’s financial statements were independently audited by Ernst & Young.

Our Financial Statements and Annual Reports can be found under “About Us” on emiratesnbd.com.

Contact Point (102-53)

For more information on our sustainability programmes, or on ways to get involved, please contact:

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Key Highlights

Our People
- 8,207 full-time employees from 75 nationalities
- 62% employee engagement rate
- 36 people with disabilities hired

Community
- 3,151 active volunteers within the corporate volunteering Exchanger Programme
- 26,678 hours volunteered in the local community
- Recipient of the Gulf Sustainability & CSR Award for the “Best Employee Volunteering Programme” of 2016-2017
- 28 Emirates NBD branches are equipped with Disability Friendly servicing facilities

Environmental
- Energy savings worth AED 1.9 million
- Launch of Green Auto Loan: discounts for loans to buy electric or hybrid cars
- Carbon neutral marketing events
- Expanding GHG calculations to include employees’ own commute to work

Financial
- Net Profit of AED 8.35 billion, up 15% y-o-y
- Net Interest Income has improved 7% y-o-y due to loan growth and the positive impact of recent rate rises
- Net Interest Margin has improved by 22 bps to 2.51% in Q4-17 from 2.29% in Q4-16, helped by rate rises
- Total Income of AED 15.5 billion, up 5% y-o-y
- Total Assets at AED 470.4 billion, up 5% from end 2016
- Customer Loans at AED 304.1 billion, up 5% from end 2016
- Customer Deposits at AED 326.5 billion, up 5% from end 2016
- Credit Quality Ratios stable with Impaired Loan Ratio of 6.2% and Coverage ratio of 124.5%
- Liquidity Coverage Ratio of 146.0% and AD Ratio of 93.1% demonstrate healthy liquidity position
- Tier 1 Capital Ratio increased to 19.5% and Capital Adequacy Ratio advanced to 21.9% with retained earnings

Other
- Brand value USD 3.53 billion, highest brand value in the UAE among banks
- Brand index 33
It is my pleasure to present Emirates NBD’s second Sustainability Report, showcasing our performance across economic, social, governance and environmental practices for 2017. We published our first Sustainability Report last year, covering the Bank’s UAE operations for the years 2015 and 2016. The positive implications of disclosure and transparency have led us to increase the scope this year, and include Tanfeeth, a wholly-owned subsidiary of Emirates NBD Group.

Continuing our commitment to operating our business in a sustainable manner in full alignment with international guidelines, the national vision and industry best practice, in 2017, we identified key United Nations Sustainable Development Goals and aspects of the UAE Vision 2021 to which we could contribute to directly through our daily operations. As we progressed our efforts towards active corporate citizenship, we translated our alignment into actual measurable activities. Our notable efforts this year included multiple programmes and initiatives carried out by our CSR team and Exchangers, our award-winning employee volunteering programme, as part of our contribution to the pillars outlined within the UAE’s Year of Giving.

Emirates NBD witnessed another successful year on the economic sustainability front. Despite continuing global economic challenges, we closed the year with a record performance as net profit increased by 15% to reach a new high of AED 8.35 billion, underpinned by higher income, a control on expenses and a lower cost of risk. The Group’s balance sheet continues to strengthen, with further improvements in capital, liquidity and a stable credit quality profile.

The Bank maintained its strong reputational strength by receiving multiple prestigious awards for this year, including Financial Times’ Bank of the Year for the third consecutive year and BAI’s Most Innovative Financial Services Organisation. Our brand valuation of USD 3.53 billion, the top banking brand in the UAE, further reinforces our market position.

Our status as a leading bank in the region comes with the responsibility to create significant socio-economic value. This is manifested through maintaining robust financial performance, generating in-country value through partnering with local suppliers, creating job, and hiring and promoting Emiratis, who constitute 21% of our workforce. This year, 96% of our procurement spend was dedicated to local suppliers registered in the UAE.

Emirates NBD is aware that sustainability is a journey that requires every department, team and individual to play an active role. As a result of engaging our employees and partners in our annual sustainability reporting exercise, we aim to instill sustainable values in their everyday work. As we look back on another successful year, we take this opportunity to renew our invitation to all stakeholders to continue to engage with us on our open and ongoing sustainability conversation, and welcome all feedback.

Emirates NBD closed 2017 with robust performance on economic, environmental, social and governance fronts, all key aspects to growing a sustainable organisation. The year saw further initiatives to embed sustainability in every department, and create a sense of shared responsibility among all our team members. Having already witnessed exceptional achievements in digital transformation, we continue to deliver on our promise to invest AED 1 billion over the next three years in digital transformation.

Highlights of 2017 included the signing of a Premier Partnership agreement with Expo 2020 Dubai to become its Official Banking Partner, reinforcing our commitment to sustainability, a key theme of the event. The partnership continues our long-term support and contribution to the UAE’s growth and development goals, in line with the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

Similarly, we demonstrated strong commitment to the UAE’s Year of Giving through financial and in-kind support. The Bank’s award-winning corporate volunteering programme, Exchangers, gained momentum in 2017 in complete alignment with the three pillars of the Year of Giving initiative: “Strengthening social responsibility in the private sector”, “Promoting a spirit of volunteering,” and “Strengthening the concept of serving the nation in new generations of Emiratis and expatriates”. Exchangers completed over 26,000 hours of volunteering service with more than 3,000 employees and partners participating, massively overtaking its initial target of 15,000 volunteer hours for the year. Exchangers received recognition for its contribution at the Gulf Sustainability and CSR Awards, held under the auspices of the Mohammed bin Rashid Al Maktoum Global Initiatives foundation. The success of the programme led us to extend volunteering opportunities to our employees’ families and friends, thus creating direct impact on more than 136,000 community members.

Over the past three years, we have contributed more than AED 80 million in financial investments towards advocacy programmes for the rights of people with disabilities, financial literacy, women’s empowerment, health and wellness, community development and the environment.

Through #TogetherLimitless, the Bank’s flagship programme for people of determination that is aligned with the United Nations Convention for the Rights of Persons with Disabilities, we aim to become the bank of choice for all People of Determination. We invested in enhancing 28 bank branches with Disability Friendly elements, up from five branches last year. Our efforts included ensuring that our physical branches are accessible and training our employees on disability etiquette, in addition to piloting a series of assistive technologies. These technologies include KinTrans, a sign language automation system for people with hearing impairment and Hearing Loop, to support people with hearing aids. We also introduced Braille language printers to print account opening forms for people with visual impairment using the Braille language in Arabic and English. Braille-enabled AED currency notes are also available for our customers and we are working on translating more documents to Braille during 2018.

We continue to invest in our core asset, our people, who come from 75 nationalities creating a diverse and multicultural environment. This year, we expressed our gratitude to 27 employees celebrating 25 years of continuous service at Emirates NBD. Our women’s empowerment programmes ensure that we maintain a gender-balanced workforce and in 2017, we appointed Maryam Bahlooq, the first Emirati woman to become the CEO of Tanfeeth, a wholly-owned subsidiary of Emirates NBD Group.

As part of our environmental responsibility, and as part of our efforts in monitoring our energy consumption, we have extended our carbon footprint calculations to provide an estimation of emissions resulting from employees driving their own cars to work. This calculation will help us set future targets to encourage employees to use alternative transport solutions that are more fuel efficient. We also continue to invest in green initiatives that allow us to operate in an environmentally-friendly workplace.

Creating shared value for all of our stakeholders, being an active corporate citizen and a committed partner to our local communities remain key elements to our sustainability journey. We would like to thank all of our stakeholders for making 2017 another accomplished year.