Corporate Sustainability Report 2014

Creating Value for our Stakeholders
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1.0 Opening Remarks

About this Report*

Following on from the National Bank of Abu Dhabi’s (NBAD) 2013 Sustainability Report titled “Reshaping the Future”, this issue is our sixth Sustainability Report, which details our regional and international trends in 2014.

This report covers the financial and operational year (January 1, 2014 to December 31, 2014). It includes the annual commitments, strategic objectives, activities, and updates that took place during this period within NBAD (also referred to as NBAD, UAE) in some cases, our international units and NBAD Group wide operations (within UAE and international). We also refer to any restatements and their explanations 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 organizations.

Our 2014 Sustainability Report has been written for the benefit of investors, customers, employees, management, suppliers, communities and those interested in understanding NBAD’s sustainable business practices.

This report follows the Global Reporting Initiative’s (GRI) G4 Guidelines in accordance with the “Core” option. This report will not be assured by a third party.

The Bank once again delivered strong revenue and earnings growth, despite challenging global conditions. We maintained a solid balance sheet and capital position. Some key financial highlights are as follows:

- Net Profits grew 18% to AED 5.579 billion;
- Revenues grew 11% to AED 10.415 billion;
- Total assets grew to AED 376.1 billion, up 16%;
- Loans grew to AED 194.3 billion, up 6%;
- Customer deposits were up 15% to AED 243.2 billion; and
- Capital ratios remained strong with Capital Adequacy Ratio of 16.4% and Tier-1 Ratio of 15.0%.

This year we were ranked 25th, up from 35th, among the “World’s 50 Safest Banks”, as ranked by Global Finance Magazine. Furthermore, 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 continued to demonstrate our firm commitment to Abu Dhabi and the UAE through the introduction of many initiatives, including a significant rebranding effort, on-going efforts to bring customer service to exceptional levels, and our Corporate Citizenship strategy. Overall, the strategic progress and record financial results in 2014 were impressive, and I believe that NBAD is well positioned for even more success in 2015 and beyond.

*G4-22, G4-23

H.E. Nasser Ahmed Al-Sowaidi
Chairman
Message from the Group Chief Executive Officer

At NBAD, we take this role very seriously and we are continually looking to create value for our stakeholders – nationally, regionally, and increasingly on the international stage as well.

We are evolving from a mainly domestic, product-driven organisation into a service-driven bank that can compete internationally. We are entering the second year of a 5-year transformation. During the year, we generated solid, underlying profitable growth across our businesses, and we are confident that this momentum will continue as we look forward to 2015. At the same time, we continued to invest substantially in building a world-class team, and the operational ‘DNA’ of our business, and building the NBAD brand.

In today’s world – one that is still feeling the aftershocks of the global financial crisis, it is essential to ensure that we conduct our business in a responsible and sustainable manner. NBAD is one of the 25 safest banks in the world and all three of the major credit rating agencies give us very high ratings. Our credit ratings are the highest among the Middle East banks. This financial strength gives NBAD a secure foundation on which to construct ambitious growth plans for the future. At NBAD, we have built on these foundations, focusing above all on exceptional customer service. We have streamlined our operations and established resilient systems to deliver increased efficiency and greater productivity. This clear direction and sense of purpose is already showing results, both for the Bank and our customers.

By developing NBAD as a globally recognised Bank, we are playing an important role in the future of Abu Dhabi. Our strategy is aligned with the Government’s economic vision – helping to generate growth and diversify the economic base. Through our Corporate Citizenship strategy, we have made a strategic commitment to support the growth of the country’s SME sector and to investigate how the financial sector can contribute towards the development of sustainable energy solutions to meet future energy demands. We are really proud to be making such a contribution to the future of the country.

As we enter 2015, I am confident that we will continue to execute our strategy to build deeper and more meaningful relationships with our customers. We will also invest to modernise the Bank to a world-class level, driving sustainable underlying revenue growth and generating higher returns for shareholders over time.

Alex Thurbry
Group Chief Executive Officer

An Informed Sustainability Strategy

Our Sustainability Report this year describes our achievements and progress over the last twelve months, and outlines our short-term and long-term sustainability priorities. This year has been significant in terms of our sustainability journey as we have become more streamlined and focused in relation to our sustainability objectives. In accordance with our 2014 commitments, we carried out four external stakeholder workshops to obtain our stakeholders’ feedback on how a bank should operate in a responsible way. Their feedback has resulted in a more informed sustainability strategy helping us to streamline our future short-term and long-term sustainability objectives, and define the content of this sustainability report.

In this report, we have focused on the material issues of high and medium importance to our stakeholders and/or the Bank, which were identified through our materiality analysis this year. We have also reported on other issues which we feel are important in terms of creating value for our stakeholders. We have described our short-term and long-term sustainability objectives that are aligned with the Abu Dhabi Economic Vision and reflect our Vision, Mission and Values. Our aim is to create value through greater engagement with our stakeholders, increased customer and employee satisfaction, greater innovation in products and services, increased involvement in protecting the environment, and greater shareholder returns.

Planning for a Sustainable Future

Through our stakeholders engagement and materiality analysis process, we defined a set of core sustainability objectives that support our short-term objectives. In the short term, we want to continue our support and collaborate with external stakeholders, utilise partnerships, engage directly with our stakeholders, and continue to measure our progress in terms of our sustainability maturity.

“Message from the Head - Citizenship and Corporate Sustainability

As a Bank, we are an integral part of the UAE’s economy and society, and play a strategic role in the lives of individuals and the country. It is, therefore, important that we conduct our business and create value for our stakeholders in a responsible and sustainable way”

We also developed and launched our Corporate Citizenship strategy this year, to support our long-term ambition to be a leading bank on a number of issues that have global significance and local relevance.

As part of our Corporate Citizenship strategy, we have made a strategic commitment to two areas where we believe we can make a significant contribution over the coming years.

Future of Energy

We want to highlight the role of the region’s financial sector in the future of energy as we believe there are real opportunities for the banking sector to provide financial solutions to meet the challenges of future energy demands. We want to develop innovative financial structures and products that will support the development of the energy sector.

We also want to back the growth of the region’s SME sector, as entrepreneurial growth is important to people’s livelihoods and the fabric of the economy. These are two key priorities for us moving forward in our sustainability journey.

Creating Value for our Stakeholders

We have achieved many successes over the last twelve months. For the fifth consecutive year, we enhanced our performance to become the top ranked bank in the S&P Hawkamah ESG Pan Arab Index. We were also awarded the CSR Label by the Dubai Chamber Centre for Responsible Business this year, in recognition of our progress and achievements in the sustainability field.

We developed our Group-wide policy for project financing this year, which will help us take into consideration environmental and social requirements of the Equator Principles. As part of our Future of Energy scheme, we engaged the University of Cambridge and the global consulting firm PriceWaterhouseCoopers (PwC) to produce a report on Financing the Future of Energy, to find out more about the role the financial sector can play in financing renewable and alternative energy solutions. The report will be launched at the Global Financial Markets Forum in Abu Dhabi in March 2015.

We modified and simplified information on easy payment instalments, balance transfers and cash products to make them simpler and easier for customers to understand and avoid misleading products and services. Our participation in the Carbon Disclosure Project (CDP) pilot study and launch of our mandatory sustainability awareness e-learning programme for our employees are all great examples of our sustainability initiatives in 2014.

We have continued to collaborate with the Abu Dhabi Sustainability Group (ADSG) and participated in training and capacity building programmes to further develop our skills and capacity in the sustainability field.

We undertook a further assessment of our sustainability maturity using the Abu Dhabi Sustainability Group Maturity Assessment tool to determine the level of maturity we had reached.

We used the tool to identify our areas of opportunity for the banking sector, and we outlined our plans to move forward in our sustainability journey.

We achieved an overall maturity of 30.5%, an increase of 20.3% over the last year. We have achieved our target of 50% increase in maturity by 2014, against our 2012 baseline. This directly supports our positioning on the S&P Hawkamah Pan Arab ESG Index.

Moving forward, we will continue to focus on our core sustainability objectives and our Corporate Citizenship strategy to demonstrate that we are a valuable corporate citizen. We will continue to engage with our stakeholders and conduct a materiality analysis in order to identify the material issues that are highest in terms of importance for our stakeholders and to the business. This will enable us to remain focused and deliver a more effective sustainability strategy that will contribute to create value for our stakeholders.

Belinda Scott
Head - Citizenship and Corporate Sustainability

“I believe that banking has a central role to play in the development of a dynamic and prosperous society. It’s an extraordinary mechanism for transforming the countless creative efforts of individuals and businesses into a wealth of products, goods and services. And in doing so, it helps create jobs, build infrastructure and sustain livelihood.”
2.0 Creating Value for our Stakeholders

2.1 Key Highlights in 2014

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total AED paid in shareholder dividends</td>
<td>AED 1.9 bn</td>
</tr>
<tr>
<td>Total equity</td>
<td>AED 38 bn</td>
</tr>
<tr>
<td>Total AED paid in shareholder dividends</td>
<td>AED 5.6 bn</td>
</tr>
<tr>
<td>Total Assets</td>
<td>AED 376 bn</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>AED 243.2 bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Increase in number of branches with Service Ambassadors from 14 to 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>25th Safest Bank in the World</td>
<td>Reviewed and simplified our products’ terms and conditions to avoid mis-selling</td>
</tr>
<tr>
<td>Safest Bank in Middle East and Safest Bank in Emerging Markets*</td>
<td>Number of ATMs and branches in low populated and hard to reach areas of UAE</td>
</tr>
<tr>
<td>25th Safest Bank in the World</td>
<td>46 ATMs and 16 branches</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total training days delivered**</td>
<td>30,759</td>
</tr>
<tr>
<td>Salary, benefits and rewards paid to employees</td>
<td>AED 2.5 bn</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>74%</td>
</tr>
<tr>
<td>Percentage increase in number of Ratibi cards issued</td>
<td>32%</td>
</tr>
<tr>
<td>Net increase in number of Ratibi cards issued</td>
<td>169</td>
</tr>
<tr>
<td>Representation of women in the UAE workforce</td>
<td>37%</td>
</tr>
<tr>
<td>Payment to our local suppliers</td>
<td>AED 1,16 bn</td>
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<table>
<thead>
<tr>
<th>Environment</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Participated in Carbon Disclosure Project ICOP pilot study</td>
<td></td>
</tr>
<tr>
<td>Launch of our Corporate Citizenship strategy - Financing the Future of Energy project</td>
<td></td>
</tr>
<tr>
<td>Recycled e-waste (kg)</td>
<td>5,558</td>
</tr>
<tr>
<td>Total paper recycled (kg)</td>
<td>153,727</td>
</tr>
</tbody>
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* Increase in number of UAE Nationals who are permanent staff (excluding trainees) Net increase = (New UAEEN recruits + conversions from trainees to permanent staff - UAE Nationals staff turnover)

** 1 training day is equivalent to 7 training hours

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2.2 Main Awards and Recognition

<table>
<thead>
<tr>
<th>Award and Awarding Body</th>
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<tbody>
<tr>
<td>Safest Bank in Emerging Markets</td>
<td>Global Finance</td>
</tr>
<tr>
<td>Safest Bank in the Middle East</td>
<td>Global Finance</td>
</tr>
<tr>
<td>25th Safest Bank in the World</td>
<td>Global Finance</td>
</tr>
<tr>
<td>Best Investment Bank 2014</td>
<td>Global Finance</td>
</tr>
<tr>
<td>Top ranked bank on the S&amp;P Hawkamah ESG</td>
<td>Pan Arab Index</td>
</tr>
<tr>
<td>Hawkamah • The Institute for Corporate Governance</td>
<td></td>
</tr>
<tr>
<td>Dubai Chamber CSR Label</td>
<td>Dubai Chamber of Commerce</td>
</tr>
<tr>
<td>Private Bank of the Year UAE</td>
<td>The Banker and Professional WM Magazine</td>
</tr>
<tr>
<td>Best Customer Experience Overall Branch, UAE</td>
<td>Customer Experience Benchmarking Index Award</td>
</tr>
<tr>
<td>Best Corporate Governance – Financial Services</td>
<td>Ethical Boardroom Corporate Governance Awards</td>
</tr>
<tr>
<td>UAE Best Bank Manager</td>
<td>Wealthbriefing GCC Region Awards</td>
</tr>
<tr>
<td>UAE Best Manager</td>
<td>Ethical Boardroom Corporate Governance Awards</td>
</tr>
<tr>
<td>Business Continuity Team of the Year 2014</td>
<td>Business Continuity Institute Middle East</td>
</tr>
<tr>
<td>Business Continuity Team of the Year 2014</td>
<td>Business Continuity Institute Middle East</td>
</tr>
<tr>
<td>Best Bank in the UAE</td>
<td>Euromoney</td>
</tr>
<tr>
<td>Best Structured Trade Finance Solution</td>
<td>The Asset Triple A Treasury, Trade and Risk Management Award</td>
</tr>
<tr>
<td>Best Energy Finance Deal of the Year</td>
<td>TXF Perfect 10, Top Deal of 2014 Award</td>
</tr>
</tbody>
</table>
2.3 Performance against our 2014 Commitments

Sustainability Focus Areas and Commitments

**Management**
- **Commitment**: Undertake direct engagement with our stakeholders for the perception and materiality analysis aspect of our sustainability reporting.
- **Performance**: We organised four external stakeholder engagement sessions and obtained valuable feedback from our stakeholders.

**Customers**
- **Commitment**: Engage with our customers through our customer satisfaction survey and collaborate to identify and meet our customers’ needs.
- **Performance**: We conducted a Group customer satisfaction survey and we are addressing our customers’ needs.

**Employees**
- **Commitment**: Integrate sustainability evaluation into the annual Bank-wide policy review process and develop a formal Group-wide policy for project financing.
- **Performance**: We have developed the Group-wide policy for project financing this year, which will help us take into consideration environmental and social requirements of the Equator Principles.

**Suppliers**
- **Commitment**: Extend our management system controls to enable a fully controlled and automated “procure to pay” system.
- **Performance**: This has been completed. We have full control of payment of vendors through our automated procurement system. Our procurement processes are now online and fully automated.

**Customers**
- **Commitment**: Focus on securing long term sustainable competitive advantage through engaged staff collaborating to identify and meet more of our customers’ needs. Achieve significant progress on customer focus initiatives such as our ‘Bring Your Heart to Work’ (BYHTW) programme.
- **Performance**: We increased the number of branches with Service Ambassadors from 14 to 22 branches, in line with our 2014 commitment.

**Employees**
- **Commitment**: Seek feedback from employees on NBAD as an employer through our employee satisfaction survey.
- **Performance**: We carried out our annual Global People Survey this year to obtain feedback from our employees. We received an overall positive response.

**Employees**
- **Commitment**: Launch the Sustainability Awareness e-learning module.
- **Performance**: Our Sustainability Awareness e-learning programme was launched this year. This is a mandatory training module for all employees.

**Customers**
- **Commitment**: Contribute to the Abu Dhabi 2030 Vision for Emiratisation (ongoing commitment).
- **Performance**: We exceeded our Emiratisation target of hiring 100 net Emiratis annually. We achieved a net increase of 169 UAE Nationals this year.

**Employees**
- **Commitment**: Provide training and career development opportunities for our employees.
- **Performance**: We continued to provide career development opportunities for our employees through our NBAD Academy programmes and external institutions. We launched our Professional Banker programme this year to broaden the technical skills and experience of our banking professionals.

**Customers**
- **Commitment**: Engage with our customers through our customer satisfaction survey and collaborate to identify and meet our customers’ needs.
- **Performance**: We launched our ‘BYHTW’ programme this year in the UAE, Egypt and Oman.

**Customers**
- **Commitment**: Implement our customer Complaints Management System (CMS) to record complaints, ensure that we fix things for our customers and avoid repeating the same mistakes.
- **Performance**: We have launched and are rolling out this system within the Bank to capture, record and resolve all complaints received from our customers.

**Employees**
- **Commitment**: Increase financial accessibility for customers by offering a wider range of investment choices.
- **Performance**: We have further enhanced our range of investments during this year and centralised our Asset Management functions to provide our clients with improved product choice and sourcing. We are diversifying out of the MENA region as part of our West-East Corridor expansion strategy. This will offer our customers wider exposure to investment opportunities.

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Suppliers

Commitment
Update our vendor database to determine our local suppliers.

Performance
We started to review and update our vendor database during this year. This process is currently ongoing.

Communities

Commitment
Enter into a joint venture (Mubadarat) with the Khalifa Fund to provide equity financing to early stage businesses. In addition, partner with the Khalifa Fund to be the banking partner for the SME Toolkit.

Performance
Appropriate Government approval for the Mubadarat initiative has not yet been received. We have partnered with the Khalifa Fund as the banking partner for the SME toolkit which we promote on our website (www.nbad.com).

Environment

Commitment
Continue to work on improving our operational performance and energy efficiency to reduce GHG emissions. Record and document environmental consumption data.

Performance
We continued to record and document our environmental data. We carried out internal environmental awareness sessions and launched our Sustainability Awareness e-learning programme during this year. We continue to undertake regular maintenance work in our buildings to ensure the efficient use of electricity and water consumption.

Commitment
Continue to participate in the Dubai Chamber Sustainability Network (DSCN) working groups.

Performance
We participated in the CDP climate change pilot programme and submitted data on our direct and indirect carbon emissions to CDP.

Commitment
Finalise a policy with regard to e-waste disposal and formally engage a contractor to collect our e-waste in 2014.

Performance
We issued a formal e-waste disposal policy and engaged a contractor to collect our e-waste. We recorded the amount of e-waste produced and recycled in 2014.

Commitment
Commission an Environmental Audit of Head Office building to identify opportunities for environmental improvement.

Performance
We prepared and issued a request for proposal (RFP) for the audit, which will be carried out in 2015.

Commitment
Complete Carbon Disclosure Project (CDP) report as part of pilot programme facilitated by Masdar and ADSG.

Performance
We participated in the CDP climate change pilot programme and submitted data on our direct and indirect carbon emissions to CDP.

Commitment
Report on our expenditure on local suppliers by end 2014.

Performance
We started to identify supplier selection criteria based on the sustainability criteria outlined in our procurement policy. We are in the process of incorporating relevant requirements from our business units in relation to due diligence of our suppliers and associated risk management.

Commitment
Undertake annual reviews and due diligence of vendors using sustainability criteria.

Performance
We started to identify supplier selection criteria based on the sustainability criteria outlined in our procurement policy. We are in the process of incorporating relevant requirements from our business units in relation to due diligence of our suppliers and associated risk management.

Commitment
Invest in local economy, i.e., Abu Dhabi’s 2030 Vision (ongoing commitment).

Performance
We continued to finance transportation, infrastructure and power projects in the region, which support the Abu Dhabi Economic Vision 2030.

Commitment
Undertake annual reviews and due diligence of vendors using sustainability criteria.

Performance
We started to identify supplier selection criteria based on the sustainability criteria outlined in our procurement policy. We are in the process of incorporating relevant requirements from our business units in relation to due diligence of our suppliers and associated risk management.

Commitment
Enter into a joint venture (Mubadarat) with the Khalifa Fund to provide equity financing to early stage businesses. In addition, partner with the Khalifa Fund to be the banking partner for the SME Toolkit.

Performance
Appropriate Government approval for the Mubadarat initiative has not yet been received. We have partnered with the Khalifa Fund as the banking partner for the SME toolkit which we promote on our website (www.nbad.com).

Commitment
Report on our expenditure on local suppliers by end 2014.

Performance
We started to identify supplier selection criteria based on the sustainability criteria outlined in our procurement policy. We are in the process of incorporating relevant requirements from our business units in relation to due diligence of our suppliers and associated risk management.

Commitment
Undertake annual reviews and due diligence of vendors using sustainability criteria.

Performance
We started to identify supplier selection criteria based on the sustainability criteria outlined in our procurement policy. We are in the process of incorporating relevant requirements from our business units in relation to due diligence of our suppliers and associated risk management.

Commitment
Invest in local economy, i.e., Abu Dhabi’s 2030 Vision (ongoing commitment).

Performance
We continued to finance transportation, infrastructure and power projects in the region, which support the Abu Dhabi Economic Vision 2030.

Commitment
Undertake annual reviews and due diligence of vendors using sustainability criteria.

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Commitment
Invest in local economy, i.e., Abu Dhabi’s 2030 Vision (ongoing commitment).

Performance
We continued to finance transportation, infrastructure and power projects in the region, which support the Abu Dhabi Economic Vision 2030.
3.0 About Us

NBAD is the leading bank in the Middle East and one of the safest banks in the world. Our roots in Abu Dhabi give us a deep understanding of the dynamics of the Arab region and its connection to the world’s markets. We aim to become the number one bank for anyone who wants to do business across the West-East corridor.

Established in 1968, NBAD is the Abu Dhabi Emirate’s first national bank. NBAD is 69.77% 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.

3.1 Who We Are*

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 125 branches and cash offices, 596 ATMs/CDMs, private banking units, online banking channels and a 24/7 contact centre support. We operate in 18 countries from the Far East across the Asian subcontinent to Africa, Europe, North and South America. Further information on our international locations can be found on our website (www.nbad.com).

Our banking activities comprise core business units 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). Details of our entities included in our financial statements can also be located on our website (www.nbad.com, ‘About NBAD’, ‘Investors Relations’, Annual Review Report 2014, Consolidated Financial Statements, page 10).

This number excludes students, trainees and outsourced staff

*Based on ownership of issued shared capital

Total equity AED 38 bn

Customer deposits AED 243.2 bn

Total assets AED 376 bn

ATMs/CDMs 596

Outsourced staff 1,253

Sponsored students & trainees 162

Employees worldwide 5,878

Community contributions AED 376 bn

Over 80 Nationalities work in NBAD

AED 51 mn

Nationalities work in NBAD

AED 51 mn

Community contributions

*The number excludes students, trainees and outsourced staff

AED 376 bn

Total assets

Strong profit growth 18%
3.2 Our Role

Our Purpose

We take capital from today and deploy it effectively for tomorrow.

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 (CR Sector Overview: Banking, Corporate Register, 2013).

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 take a long-term view and we want our customers to be with us for a long time, advising them in the biggest corporate deals and the smallest personal transactions, side by side in good times and bad.

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.

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.

We support small and large businesses by offering long term, competitive and committed finance and advice. We also support individual customers by offering open, transparent, safe and reliable banking and by establishing solid relationships with our customers. Our aim is to “put our customers at the forefront and do things the right way”. We design our products and services based on the needs of our customers.

As the UAE develops, we expand and grow simultaneously. We are also in the process of expanding our operations in the West-East corridor. Our global network spans 18 countries and 54 offices outside the UAE.

We have increased our total workforce globally from 5,616 in 2013 to 5,878 (excluding students, trainees and outsourced staff) in 2014. Since 2010, we have increased the number of our branches in the UAE from 112 to 125. In 2014, we opened 4 new branches to serve our customers.

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.

We are an integral part of the UAE’s past and are playing a crucial role in its future. We are proud of our role in the society: from helping people manage their money to facilitating trade and investment.

We believe in long-term trust and building relationships. This means that we can build our franchises in a sustainable manner, both in UAE and across the West-East corridor, developing a more solid and diverse customer base that allows us to channel funding to the economy and generate value for our stakeholders.

We have the responsibility to trust the Abu Dhabi’s Economic Vision to diversify and grow the economy in a sustainable manner. By supporting economic development and international trade, banks can contribute to financial security for the economy, and society as a whole.

The Future - Our West-East Corridor Growth

At NBAD, our strategy is to expand and thrive within our domestic markets and internationally, particularly within the West-East Corridor that stretches from West Africa to East Asia. Situated at the crossroads of three continents, Abu Dhabi is at the heart of this fast-growing super-region and NBAD is well-placed to strengthen our position in this region and promote the interests of the UAE.

The West-East Corridor is characterised by an expansion of private enterprise and increased capital flows which are accelerating the economies of Africa, the Middle East and Asia. At NBAD, we are expanding our footprint in key commercial hubs across the West-East Corridor, supporting our customers as they expand, facilitating trade and investment, and contributing to the sustainable growth of economies. Over the coming years, we aim to be the number one bank for anyone wanting to do business in the region.

“Clients are choosing us as their gateway to the West-East Corridor because they want a credible partner who’s financially very secure and offers total coverage and commitment.”

Mahmood Al Aradi
Senior Managing Director and Co-Head of Global Wholesale Banking
3.3 Our Mission, Vision and Values

Our mission is to be core to our chosen customers, helping them grow by providing exceptional products and services across our West-East Corridor.

Our Mission, Vision and Values are the critical ingredients of our “One NBAD” Customer and Brand Value Proposition. Our mission to be core to our chosen customers is built around four Pillars and will be achieved primarily through organic growth.

1. **Home market** – 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.

2. **Wholesale network markets** – Deepen our wholesale network across the new West-East Corridor and further integrate our existing European and North American platforms into this network.

3. **New franchise markets** – Build five international bank franchises in the largest and fastest growing economies in the West-East Corridor.

4. **Building the spine** – Supported by a world class spine (Operations and Technology, Risk, Finance, Legal, Compliance) combining exceptional customer service with leading cost efficiency.
3.4 Transparency and Accountability

Transparency

Our Annual Reports

NBAD is 69.77% 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, 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 the ADX, and publication of our Annual Reports. These include our Risk Management Disclosure Report, Basel II-Pillar II Disclosure Report, Corporate Governance Report, and Sustainability Report.

Our Website and Social Media

Other information which is beneficial to our stakeholders is generally made available or updated on our website (www.nbad.com).

As well as our thriving LinkedIn community, we will also shortly be launching an NBAD presence across social media. Once this is in place, our profiles on Twitter, Google+, YouTube, Facebook and Instagram will be used to communicate with our customers and stakeholders.

We will be able to reach a wider audience with insight and news of our corporate activity.

NBAD’s LinkedIn followers are now over 85,000 in number, and growing.

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 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 relevant and material disclosures;
• Ensuring compliance with all regulatory obligations; and
• Engaging with the community.

All employees should be accountable for their actions or inactions and every employee should have clarity on their respective responsibilities and delegated authority.

S&P Hawkamah ESG Pan Arab Index

For the fifth consecutive year, we are one of the top 10 organisations in the S&P Hawkamah ESG Pan Arab Index. We retained our position at second place for the second year running, and are still the highest ranked financial institution. 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 sustainability 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.

We have been recognised for our corporate governance strategy by the Abu Dhabi Sustainability Group (ADSG) in their 2014 report issued to all ADSG members - ‘Sustainability in Practice – From Vision to Action’ (www.adsg.ae).
Management Structure*  
Board of Directors

The Group Board of Directors (the “Board”) is NBAD’s highest governing body. It comprises the Chairman, Deputy Chairman and nine Board Members, all of whom are male, non-executive, and two are independent. The Chairman and Group Chief Executive Officer are separate individuals. The Directors are elected for a three year term, after which they may be re-elected. The shareholder nominations are determined by overall shareholding of the Group. In addition to our own procedures and approval of members by our Corporate Governance and Nominations Committee, all Board Members must be approved by the relevant regulatory authorities of the UAE.

Board Committees

The Board has established five committees, each of which remains 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.

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, and those of the other jurisdictions in which the Bank operates.

We are committed to practising good corporate governance. We comply with the provisions of UAE Minisiterial 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. In 2014, we began to benchmark our existing policies against 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 team, 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. 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 was launched at the start of 2014. This is a mandatory training course for staff, which requires a minimum pass rate of 90%. 4,284 employees Group-wide completed the AML course in 2014. A total of 3,397 employees in the UAE (approximately 91% of UAE-based staff) completed the e-learning course. Approximately 264 UAE-based employees attended the AML classroom course.

The training material is in line with the Anti Money Laundering laws, AML best practice, and NBAD AML Policy. A sanctions e-learning module is currently under development, which will be introduced in 2015. All courses are supported by business-specific training with our Compliance Officers.

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, escalation, reporting, re-integration 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.

A total of 4,284 employees Group-wide completed the AML e-learning module

Approximately 91% of UAE-based employees completed the AML e-learning course

3 whistleblowing cases were reported. These cases were investigated and resolved
Ensuring Business Continuity

Our Group Business Continuity Management (GBCM) system 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 system 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 Disaster Recovery Management at the Group.

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

**The BCM Lifecycle**

**Improving organisational resilience**

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**3.6 Financial Stability and Economic Growth**

**Global Economic Performance**

In 2014, global economic growth was modest and grew around 2.3%. The most significant factor impacting economic growth was the significant drop in oil prices in the fourth quarter of 2014.

The global economy in 2014, as in 2013, displayed divergent growth and inflation patterns. Advanced economies, particularly the Eurozone and Japan, exhibited weak growth and struggled with low inflation. In 2014, the developed world grew by approximately 1.5%, driven mainly by strength in the United States. During the same time period, emerging markets on average grew around 3.8%.

**Financial Performance of the NBAD Group**

Our growth strategy has proven resilient and the Bank has consistently produced solid results year on year. Our net profits grew by 18% to AED 5.6 billion for the full year 2014. Our long-term ratings are now amongst the strongest combined ratings of any global financial institution.

**Credit Ratings**

<table>
<thead>
<tr>
<th>Fitch</th>
<th>Moody’s</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Rating</td>
<td>AA-</td>
<td>Aa3</td>
</tr>
<tr>
<td>Short-Term Rating</td>
<td>F1+</td>
<td>P-1</td>
</tr>
<tr>
<td>Outlook</td>
<td>Stable</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Further information on our financial results can be found on our website (www.nbad.com).

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**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 our impacts as an organisation.

Our financial payments to key stakeholder groups, including our shareholders, employees, the community and local suppliers are illustrated below. Our total contributions in 2014 amount to AED 5,636,132 (000).
Vision 2030.

The table below illustrates our achievements in 2014, which support the Abu Dhabi Vision to Action, April 2014 (www.adsg.ae).

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Type of contribution</th>
<th>AED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Salary, benefits and rewards</td>
<td>2,532,726 (000)</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Total dividends provided</td>
<td>1,889,971 (000)</td>
</tr>
<tr>
<td>Community</td>
<td>Direct charitable donations and sponsorships</td>
<td>50,973 (000)</td>
</tr>
<tr>
<td>Local suppliers</td>
<td>Payment to local suppliers</td>
<td>1,162,462 (000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,636,132 (000)</strong></td>
</tr>
</tbody>
</table>

We have become more streamlined and focused in terms of our sustainability objectives, which are aligned with the Abu Dhabi Economic Vision and reflect our Vision, Mission and Values. We have developed a set of ‘core’ sustainability initiatives in support of our short-term objectives. We want to collaborate and partner with our external stakeholders, conduct regular stakeholder engagement sessions, and continue to measure our progress in sustainability maturity.

Our long-term objective is to position NBAD as an expert in sustainability and environmental contribution in the near future.

4.1 Our Commitment to 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.


We are currently not signatories to any international sustainability initiatives but we have an approval from our Executive Committee, which specifies that any new premises conform to the Abu Dhabi Pearl Rating System for sustainable buildings. This requires us to build any new premises to a far higher environmental standard than is required by law.

4.0 Our Sustainability Strategy

We believe that People, Planet and Profit are the pillars at the heart of our sustainability programme, and are integral to our ambition of delivering long-term profitable growth and ensuring the continued success of the Bank.

We understand that our commitment to sustainability management will help us tackle the full scope of risks and opportunities which we face.

In 2014, ADSG published ‘Sustainability in Practice’, a report which estimated that the collective impact in 2012 of ADSG members, at a minimum, accounted for approximately 9% of Abu Dhabi's GDP that year. In addition, collectively, ADSG organisations employed approximately 82,000 individuals, of which 23,000 or 28% comprised Emiratis, and approximately 10,800 or 13% included women (ADSG, Sustainability in Practice – From Vision to Action, April 2014 (www.adsg.ae)).
4.2 Managing Sustainability

Corporate Sustainability (CS) Team

The 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 Sustainability Strategy and objectives, and reports on progress through collaboration with the Group Businesses. This is carried out with the support and guidance of the Sustainability Stakeholder Group (SSG).

The Corporate Sustainability 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 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 CS Charter.

Sustainability Stakeholders Group (SSG)

In line with its Terms of Reference, the Group Heads of Divisions and Business are invited to join the Sustainability Stakeholders Group (SSG), or nominate a senior member of their team to represent them. The SSG is responsible for overseeing and implementing NBAD’s Sustainability Strategy. This is achieved in collaboration with the Corporate Sustainability (CS) Team and through the support of Sustainability Champions within different business units.

The SSG is required to make judgments, conduct enquiries and gain business assurance that decisions and action, regarding the sustainability strategy, are relevant and deliverable. Members carry the responsibility to ensure that the performance of the Group businesses is directed towards achieving NBAD’s sustainability objectives.

To meet Internal Audit requirements, all members of the SSG are required to undertake sustainability training. We launched our Sustainability Awareness e-learning programme during this year, which is mandatory for our employees, and requires completion by mid-2015. The audit procedures also require SSG members to formally verify the information and data included in the annual Sustainability Report that falls within their area of business. We did not undertake an audit to assess implementation of environmental and social policies and risk assessment procedures in 2014.

Sustainability Champions

We had a number of sustainability champions within the Bank, who assisted in developing the understanding and knowledge of sustainable business practices across the Bank. Their key role was to act as communicators of information and act as advisors and role models within their departments. Due to the restructuring within the organisation over the last year, however, the role of the sustainability champions has been deactivated. Going forward, we will reassess the need for sustainability champions within the organisation and will review their roles and responsibilities accordingly.

4.3 Our Sustainability Strategy

In 2014, we launched our Corporate Citizenship strategy to be recognised as a leading bank on a number of issues that have global significance and local relevance.

Our ‘Core’ Sustainability Initiatives

We have developed a set of ‘core’ initiatives which we focus on in order to implement our short-term sustainability objectives. These include the following:

- Raising sustainability awareness internally within the Bank;
- Maintaining external partnerships and collaborations;
- Conducting stakeholder engagement;
- Data collection;
- Preparing the annual Sustainability Report;
- Assessing the sustainability maturity of the Bank; 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. We continue to measure our progress and ensure sustainable success through our annual sustainability maturity assessments.

Launch of our Corporate Citizenship strategy

The aim of our new Corporate Citizenship strategy is to focus on two strategic programmes that will create significant positive social and environmental impacts, and which will demonstrate our commitment towards responsible business practices.

As a good corporate citizen, we want to become a leading advocate for SMEs in the UAE and highlight the role of the financial sector in the future of energy, which is a pressing global issue. These are two areas that have global significance and local relevance, where we believe we can make a significant contribution over the next few years. Further details of our ‘Future of Energy’ and ‘Supporting SMEs’ programmes can be found in Chapter 7 ‘Our Impact on Society’.

Abdulla M. S. AbdulRaheem, Deputy Group Chief Executive Officer

“We want to back the growth of the country’s SME sector because entrepreneurial talent is so important to people’s livelihoods and the fabric of the economy. We want to be a leading voice in sustainable energy solutions – one of the most critical challenges facing the world today and an area where Abu Dhabi has the potential to become a global centre of excellence.”

In 2014, we launched our Corporate Citizenship strategy to be recognised as a leading bank on a number of issues that have global significance and local relevance.
4.4 An Informed Sustainability Strategy*

Listening to our Stakeholders

This report is aimed at our stakeholders who are interested in our performance and approach to corporate responsibility. 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.

Following on from our 2014 commitment to undertake direct engagement with our external stakeholders, 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.

### Stakeholder Engagement Process in 2014

<table>
<thead>
<tr>
<th>Stakeholder Groups</th>
<th>Engagement Means and Frequency</th>
<th>Stakeholder Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management representatives, Government and regulators</td>
<td>✓ NBAD EXCO Meetings (weekly/ monthly)</td>
<td>Our management representatives are informed of our sustainability approach and initiatives in weekly/monthly meetings. We have an internal Sustainability Stakeholder Group (SSG) represented by different areas of the business. Based on feedback obtained from our management representatives, we review our existing sustainability approach to ascertain if it meets future needs.</td>
</tr>
<tr>
<td></td>
<td>✓ NBAD BoD Meetings (quarterly)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Meetings and e-mails (as required)</td>
<td></td>
</tr>
<tr>
<td>Shareholders and investors</td>
<td>✓ Annual General Meetings (AGM), (annual)</td>
<td>Copies of our sustainability reports are available at the AGM for shareholders to raise any concerns. Our Chairman has instructed us on occasions to support various charitable or philanthropic causes.</td>
</tr>
<tr>
<td>Customers</td>
<td>✓ Branches, E-channels, Toll-free number, Relationship Management Meetings (as required)</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>✓ Customer Satisfaction Survey (annual)</td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>✓ Global People Survey (annual)</td>
<td>The results of our annual Global People Survey in 2014 demonstrated an overall positive trend with regard to management practices.</td>
</tr>
<tr>
<td></td>
<td>✓ HRG Internal Business Partners, E-mails, Meetings (as required)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Town Halls (as required)</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>✓ E-mails and meetings and telephone-calls (as required)</td>
<td>We carry out an annual supplier satisfaction survey and in 2014, we launched our supplier complaints management system within the Bank, to capture, record and resolve all complaints received from our suppliers. The results of our Supplier Satisfaction survey were overall positive, with 55% of vendors grading our business relationship as excellent and 80% of vendors confirming they would continue doing business with NBAD in the future.</td>
</tr>
<tr>
<td></td>
<td>✓ Supplier Satisfaction Survey (annual)</td>
<td></td>
</tr>
<tr>
<td>Local Community and partners</td>
<td>✓ Events (as required)</td>
<td>Four external stakeholder engagement workshops were conducted to obtain feedback from our stakeholders. The results of these are illustrated in our materiality matrix in the next section.</td>
</tr>
<tr>
<td></td>
<td>✓ Online channels, media channels (as required)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Dialogue through local authorities and regulators (as required)</td>
<td></td>
</tr>
</tbody>
</table>
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
• Benefiting 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 aspect). 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.
Material Issues

Our list of material issues included in the questionnaires prepared for our stakeholder engagement workshop were categorised according to the six key focus areas mentioned earlier. We included material issues of importance for our stakeholders and/or the Bank. The results from the materiality matrix have helped to define the content of this Sustainability Report.

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 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 this year. We have also provided information on other issues, including employee benefits, learning and development opportunities and management of health and safety at our premises. We have reported on these issues following feedback from our employee engagement survey and requests from external stakeholders. We have also reported on other issues (in less detail), such as our support of local suppliers, which we feel are important for creating value for our stakeholders.

Measuring and Improving our Sustainability Maturity

The Sustainability Maturity Assessment Tool

The ‘Sustainability Maturity Assessment Tool’ is an online tool developed for Abu Dhabi Sustainability Group (ADSG), which provides a means for member organisations to assess their current sustainability maturity in a quantitative way. This tool is the framework by which we assess ourselves annually, and which keeps us focused on the material issues of high importance. We have used the tool to identify our development progress across seven priority focus areas – Management, Shareholders, Customers, Employees, Suppliers, Communities and the Environment.

We have met our targeted maturity score in 2014, and have achieved a relative improvement of 20.3%. We also have achieved our target maturity of 50% for 2014 in comparison to our 2012 baseline. Increases have been across the seven subjects of the maturity assessment tool.

Assessment of our Sustainability Maturity

In 2014, we undertook a further assessment of our sustainability maturity to determine the level of maturity we had reached. We discovered that we had reached an overall maturity of 30.8%, a relative improvement of 20% since 2013. We have, therefore, met our targeted increase in maturity for this year.

In 2013, we achieved 51.9% improvement in our overall sustainability maturity in comparison to our 2012 baseline. We have, therefore, met our targeted increase in maturity for this year.

In 2012, we used the Abu Dhabi Sustainability Group (ADSG) sustainability assessment tool to model our progress over three years in order to develop a set of goals to achieve increased maturity development versus our 2012 baseline.

• 2013 - Achieve 20% improvement in our overall sustainability maturity
• 2014 - Achieve 50% improvement in our overall sustainability maturity
• 2015 - Achieve 80% improvement in our overall sustainability maturity

The Dubai Chamber’s Centre for Responsible Business and CSR Label

We have established a long-term partnership with the Dubai Chamber’s Centre for Responsible Business and Sustainability Network, through which we contribute to the development of sustainability principles in the UAE by participating in organised task groups. In 2014, we supported knowledge sharing sessions in a Sustainability Communication Task Group.

The increase in maturity directly supports our positioning on the S&P Hawkamah Pan Arab ESG Index.

The chart above shows how we plan to increase our sustainability maturity in relation to seven key stakeholder groups by 2015. These groups include management, owners (shareholders), employees, suppliers, customers, community and the environment.

The Bank’s progress throughout these years did not go unnoticed. NBAD’s score in 2014 for the Dubai Chamber CSR Label has increased by 17% from its score in 2012. The progress in terms of long-term value was visible in each area of CSR and sustainability.

We at the Dubai Chamber Centre for Responsible Business are confident that NBAD will continue its accomplishments and successes and we look forward to contributing to its journey towards excellence in CSR and sustainability.

Dima A. Maayyah
Senior Executive CSR Consultant, Dubai Chamber Centre for Responsible Business

The Dubai Chamber CSR Label was created to provide a simple tool to communicate an organisation’s commitment to operating responsibly and to celebrate its success in doing so. It has been developed specifically for the UAE and Dubai and is based on international standards and best practice. It is a warning and development tool that helps companies to define and improve their CSR strategies, policies and management practices.

“NBAD’s journey with the Dubai Chamber CSR Label started in 2012 when the Bank’s management made a commitment to measure its overall performance in CSR. Since then, and supported by the vision of its management the Bank has progressed a passion for CSR and sustainability which took hold with its people and all relevant stakeholders. This commitment to continuous improvement in CSR and sustainability has led the Bank to participate annually in the Dubai Chamber CSR Label, an audit and assessment tool that has been designed to assess companies and help them define and improve their Corporate Social Responsibility strategy, policies, and management practices. The Dubai Chamber CSR Label is tailored to the Middle East, specifically to the UAE and is based on international standards and best practices.”

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The increase in maturity directly supports our positioning on the S&P Hawkamah Pan Arab ESG Index.

The chart above shows how we plan to increase our sustainability maturity in relation to seven key stakeholder groups by 2015. These groups include management, owners (shareholders), employees, suppliers, customers, community and the environment.

Our most challenging areas are currently customers, suppliers and community and some specific employees areas.

Our strengths are related to our Corporate Citizenship strategy, stakeholder engagement processes and materiality analysis, corporate governance strategy and policies and measurement of performance. There are still many opportunities for improvement.

The Dubai Chamber CSR Label

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5.0 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). We have discussed how we have addressed these material issues in further detail within this chapter.

5.1 Customer Experience*

Customer Satisfaction Surveys

Providing excellent customer service continues to be our top priority. We undertook benchmarking exercises and customer satisfaction surveys in 2014 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.

As an outcome of the survey, the majority of our businesses achieved the global average benchmark for customer satisfaction with regard to their respective line of business. We also identified key areas for improvement. We want to enhance ease of doing business, improve turnaround times for delivery of products and services, improve the look and feel of our online internet banking, and use a single platform for recording and resolving customer complaints (i.e., our Complaints Management System). These areas will form part of our 2015 Balanced Scorecard (BSC) for customer experience.

Complaints Management System (CMS)

Our complaints management system (CMS) was launched in March 2014. The system is currently being rolled out in our branches and offices, both in the UAE and internationally. 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.

We undertook a review of our key processes and made a number of changes. New inter-departmental service level agreements (SLAs) with improved turnaround times have been implemented and are being monitored to deliver our customers’ requirements.

We developed and launched our ‘Bring Your Heart to Work’ training programme for our employees. This is a mandatory programme for our staff and is designed to ensure all staff have the skills and resources to deliver excellence to our customers.

Our new Customer Complaints Management System (ICMS) was developed and implemented to record and resolve complaints within set timeframes. We have undertaken a review of our products’ terms and conditions and simplified these to avoid miss-selling and to make it easier for our customers to understand.

“Improve Turn Around Time for the delivery of products”

“Responsiveness of staff in relation to customer service delivery”

“Improvements in complaint handling and resolution”

“Improve Clarity of product information (terms and conditions)”

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

“NBAD’s Financial solutions and service has led to our success in the Middle East.”

Mr. Takuya Hamasaki
General Manager, Shinryo Corporation
Middle East

“I am delighted to congratulate you on your customer service... We are always too quick to complain about poor service whilst good service goes unnoticed. So I would like to take this opportunity to thank NBAD.”

Mr. M. Z. Quraishi
NBAD Customer

“It is important that we report and record the complaint to ensure that we fix things so that it does not happen to another customer and we stop repeating the same mistakes.”

Alex Thursby
GCEO, NBAD

“Mr. azmi Hourani
SME client, Global building
General contracting LLC.

“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.”

Mr. Azmi Hourani
SME client, Global building
General contracting LLC.
Serving our Customers

Internal Shopper Programme

In 2014, we conducted an Internal Shopper programme with the support of a research company. The objective of this programme is to ensure that we comply with our internal procedures and standards in relation to customer service. It enables us to identify where improvements need to be made and to recognise and reward staff in locations where prompt and effective customer service is delivered.

Service Ambassadors

In line with our 2014 commitments, we increased the number of branches with Service Ambassadors from 14 to 22. It is the role of our Service Ambassadors 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 in relation to waiting times and increase in customer compliments
- Internal surveys conducted have reported increased customer satisfaction scores in branches having Service Ambassadors
- Service Ambassadors actively promote role model behaviour within the branches.

5.2 Fair Treatment

Responsible Communication, Marketing and Sales

Transparency Regarding Products and Services

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 in a way that is clear and fair, and in our operations and activities.

Service Ambassadors

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- Reduction in customer complaints in relation to waiting times and increase in customer compliments
- Internal surveys conducted have reported increased customer satisfaction scores in branches having Service Ambassadors
- Service Ambassadors actively promote role model behaviour within the branches.

5.3 Responsible Financing

Compliance Screening

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

We are committed to achieving 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 in which the Bank operates, we meet and always seek to exceed the relevant local laws and regulations.

Our Financial Crime team 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.

Customer 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. They protect 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 onboarding customers. In accordance with international best practices, we apply a risk-based approach (RBA) with regard to our customer onboarding process.

Customer 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 2014.

Out of an estimated number of over 350,000 customers, there were

- 0.003% cases of fraud and
- 0.004% 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.

5.4 Corporate Social Responsibility

Community Initiatives

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 2014.

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5.5 Environmental Sustainability

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- 0.003% cases of fraud and
- 0.004% 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.
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 made by the Bank, we have a risk framework by which we operate. We do not record the number of companies held in our portfolio with whom we have interacted with on environmental or social issues.

Broader Investment Choice and Wider Asset Class Coverage

In 2014, we centralised all of our Asset Management functions under Global Asset Management, a move to provide our clients locally and globally with the best options and improved product choice and sourcing. Our objective is to offer clients a full range of asset classes, no matter what their investment time horizon or view on the market. We cater for retail, high and ultra-high net worth individuals (HNWI), institutions, wealth and private banks. We offer clients a full range of asset classes, within and outside the MENA region.

We further enhanced our range of investments, by launching the MENA Dividend Leader Fund, the MENA Bond Fund and the Emerging Markets Fund. Our product suite offers our customers the opportunity to invest in a wide array of markets ranging from lower risk bonds delivering stable income, right up to broader emerging market equity funds which are designed to focus on capital growth over the medium to long term.

We will introduce further asset classes in 2015, including the single bond platform, structure notes, Trade Finance fund and an exposure to a wider market range through our Africa-Asia fund.

Our Global Asset Management business has also developed a number of Sharia-compliant products and services to meet the needs of our customers. These include our Islamic MEGA Growth Fund, Sukuk Income Fund and the Sharia MENA Dividend 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.

Our Islamic Products and Services

We offer Sharia’s compliant products and services through our subsidiary Abu Dhabi National Islamic Finance (ADNI), a wholly owned subsidiary of NBAD. In addition, we develop Sharia’s compliant products and services through our Global Asset Management business and our Treasury and Investment Division.

Sharia’s 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.

ADNI, guided by Sharia rules and principles, offers a wide range of products and services including current, savings and investment accounts, credit cards and financing products, which address our customers’ needs through Islamic financing and investment modes such as Murabaha, Ijarah and Istisnaa.

Our Treasury and Investment Division offers our corporate, HNWI, individual and financial institutional customers Sharia-compliant funding, liability management and asset management solutions. All Sharia-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 are subject to Shari’a-compliant screening. These investments are endorsed by our Sharia Fatwa and Supervisory Board of independent Shari’a scholars to ensure that our services meet Islamic guidelines.

We offer ethical investing by way of adherence to Sharia’s 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 Sharia Fatwa and Supervisory Board of independent Sharia scholars. We apply a qualitative and quantitative screening filter for these investments. In accordance with Sharia principles, we do not invest in businesses with links to gambling, pork, alcohol, tobacco, certain forms of entertainment and weaponry.

In 2014, 10% of the assets managed by Global Asset Management were subject to Shari’a compliant screening.

Responsible Lending

In accordance with our ‘Know Your Customer’ policies, we ensure that we offer the right products and loans to suit our customers’ needs and requirements. We adhere strictly to the Central Bank UAE regulations, ensuring that customers do not pay over 50% of their monthly salary. We apply an aggregate of 50% debt services ratio (DSR) for customers and 30% DSR for pensioners.

Case Study: Debt Relief Plan for UAE Nationals

In line with the UAE Government’s efforts in the restructuring of historic loans for UAE Nationals who cannot meet their repayment of loans with other banks. We developed products and schemes to consolidate and restructure their loans. We extend the tenure of repayment, reducing the DSR to 50%.

We assisted 308 customers in 2013, and 357 customers in 2014 with debt consolidation and restructuring.
Project Financing
Supporting the Abu Dhabi Economic Vision 2030

Our Project Finance (PF) team originate, structure, lead, arrange and underwrite project finance transactions delivering complex financing solution for clients, both within UAE and internationally. Our Project Finance team provides funding with a focus on the following strategic sectors in the UAE that are aligned with the Abu Dhabi Vision 2030:

- Energy and Natural Resources.
- Transportation.
- Real Estate and Family Conglomerates.
- Trades, Retailers and Diversified.

We are a firm supporter of the Abu Dhabi 2030 Vision, focusing mainly on infrastructure, power, transport and multi-use developments. We were involved in a number of large projects in 2014, including:

- Mirfa WPP – capacity of 1,600 MW (power) and 2.5 MGD (water).
- Emirates Steel – an Abu Dhabi based steel plant with capacity of 2.8 MTPA.
- Saadiyat Beach Resort – a 5 star luxury hotel and construction of new power and water facilities, the latter agrees to buy the project output on a take-or-pay basis. The Mirfa project reflects the wise application to non-PF projects and projects with a focus in the context of their wider application to non-PF projects and the context of regional working practices.

We are currently evaluating the Equator Principles in the context of their wider application to non-PF projects and in the context of regional working practices.

Loan Quality
The overdue loans and non-performing loans (NPLs) have increased slightly by around 5% in 2014 vis-à-vis 2013. The overdue loans and non-performing loans (NPL) stood at 3.07% of the loan book (half the UAE average1) and has continued to remain relatively low, in line with better credit risk management, after peaking at 3.55% in 2013. Total provisions represented 108% of non-performing loans.

3.07% Our ratio of non-performing loans to total loans, at 3.07%, is half the UAE average.

Case Study: Mirfa IWPP

“Mirfa project reflects the wise application of Equator Principles in the context of their wider application to non-PF projects and their operation of the plant. Once completed in 2017, Mirfa IWPP will have a total power capacity of 1,600 MW and a seawater desalination capacity of 5.2.5 MIGD (million imperial gallons per day).

After a formal tendering process and evaluation of the bids, GDF Suez was selected as the preferred bidder and was subsequently awarded the project. Abu Dhabi Water and Electricity Authority (ADWES) holds 80% stake in the project with the remaining 20% held by GDF Suez.

NBAD acted as one of the mandated lead arrangers (MLAs) for the project. The debt facilities with contractual tenor of 25 years were substantially over-subscribed with commitments from 13 banks which included leading local and international banks. NBAD also acted as the modelling bank for the transaction. The financing is backed by a 25-year Power Purchase Agreement (PPA) with ADWES, according to which the latter agrees to buy the project output on a take-or-pay basis.

We are a firm supporter of the Abu Dhabi Economic Vision 2030. Our Project Finance team originate, structure, lead, arrange and underwrite project finance transactions delivering complex financing solution for clients, both within UAE and internationally. Our Project Finance team provides funding with a focus on the following strategic sectors in the UAE that are aligned with the Abu Dhabi Vision 2030:

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We are a firm supporter of the Abu Dhabi 2030 Vision, focusing mainly on infrastructure, power, transport and multi-use developments. We were involved in a number of large projects in 2014, including:

- Mirfa WPP – capacity of 1,600 MW (power) and 2.5 MGD (water).
- Emirates Steel – an Abu Dhabi based steel plant with capacity of 2.8 MTPA.
- Saadiyat Beach Resort – a 5 star luxury beach resort in Saadiyat Island, Abu Dhabi.
- Real estate financing (including malls, hotels, commercial developments) and direct financing for TIDC and Al Dar Properties.
- Funding new aircraft and supporting Etihad Airways with multiple financial products to assist growth of the airline, in line with the 2030 strategic vision for Abu Dhabi.

Application of Equator Principles
When considering large scale projects, various factors are considered in the risk assessment process prior to lending. The most pertinent factors regarding sustainability involve due diligence of the project parties. In particular their track record, as well as consideration of the social and environmental impacts of the project. We have developed a Group-wide policy in 2014 for project financing to help us follow the requirements of the Equator Principles.

5.4 Access to Financial Services
As mentioned in Chapter 3, we service our customers in the UAE through our 120 branches and cash offices, 596 ATMs/CDMs, private banking units, online banking channels and 24-hour contact centre support. We provide ATMs and branches in rural and hard to reach areas. We have 46 ATMs and 16 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), our e-banking service (NBAD Direct), ATM machines, a 24-hour customer contact centre and our automated phone banking facilities.

The introduction of ‘Ratibi’ payroll card demonstrates our commitment to providing secure financial services to the poor, low-income and underbanked population of the UAE. ‘Ratibi’ has evolved as a social product, creating financial independence and providing an easy, secure and convenient access to funds for employees and low income consumers.
The percentage increase in the number of Ratibi cards issued since 2013 is 32%.

We will continue to try and expand our products and services to niche segments of the community, assisting women, low income earners and reaching remote areas within the region.

5.5 Responsible Procurement*

“We are fully satisfied with NBAD services, especially NBAD Ratibi since its inception”

Roba Sami Khalil, Payroll Supervisor, Target Engineering Construction. Co., LLC

“We are very happy and satisfied with Ratibi cards and this has helped a lot in managing the payroll of our staff...”

Adil Ahmed, Senior Finance Manager, West Coast Co. LLC

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

Implementation of our Automated Procurement System

We recently developed our new Procurement and Commercial Management department to centralise our procurement activities. We also issued a formal Procurement Policy incorporating the principles of sustainability. In 2013, we focused more on the procure element of our system including processes such as requisition, purchase order, standardisation of procedures and automated approval, leading to appropriate categorisation and control of our expenditure.

In 2014, we extended our system’s transparency and controls to the ‘pay’ element, enabling a fully controlled and automated ‘procure to pay’ cycle. We have full control of payment through purchase orders and invoices and we standardise our payment schedules. All our procurement processes, including preparation of requests for proposals (RFPs), requests for quotation (RFQs), supplier registration and invoice payment are now online and fully automated, paperless processes. We educate our suppliers about our online procurement system during our supplier onboarding process, highlighting the need to eliminate the submission of documents in hard copies.

During this year, we established our Supplier Relationship Manager (SRM) unit, which is responsible for developing beneficial relationships with suppliers. This unit is also responsible for implementing joint projects with suppliers that will provide added value and lowest Total Cost of Ownership (TCO) to both organisations.

To ensure that any complaints and grievances from our suppliers are captured and addressed appropriately, our SRM unit developed and launched our supplier complaint management system in 2014. We aim to fully integrate this process within our automated procurement system in 2016. We did not receive any grievances regarding impacts on society from our suppliers during this year.

Supporting Local Suppliers

We have standardised our purchase of IT, stationery and furniture through local suppliers i.e., those suppliers who are registered in the UAE. We started to review and update our vendor database in 2014. This process is currently ongoing and the next review will be undertaken in 2015. We started to record our expenditure on local suppliers during this year through our automated procurement system.

We recorded a total spend of AED 1,162,461,767 on local suppliers in 2014, representing approximately 90% of the total spend.

Supplier Selection and Assessment

We have started to identify supplier selection criteria to include in our supplier registration process, in accordance with the sustainability criteria outlined in our procurement policy. We have not yet started to screen our new suppliers using sustainability criteria as we are currently finalising the supplier registration process.

We are reviewing our RFP documents and obtaining input from our business units (corporate sustainability, business continuity and legal and compliance) to incorporate relevant requirements in terms of our diligence and risk management. 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 year. We will finalise the selection criteria for our suppliers in 2015.

5.6 Our Future Commitments

A summary of all our future commitments is included in Appendix F.

Our Future Commitments

Short-term (2015)

✓ Engage with our customers through our customer satisfaction survey to identify and meet our customers’ needs and expectations.
✓ Continue our support of the Abu Dhabi 2030 Vision through financing of infrastructure, power, transport and multi-use developments (ongoing commitment).
✓ Finalise the sustainability selection criteria for suppliers and prepare code of conduct for supplier registration.
✓ Increase the number of branches with Service Ambassadors to 28 branches to ensure our customers receive a high quality and efficient level of service.

Medium (2016-2018)

✓ Continue to integrate sustainability objectives within our five-year strategy and report on our progress annually.
✓ Undertake direct engagement with our stakeholders for the perception and materiality analysis aspect of our sustainability reporting (every two years).
✓ Implement our Group-wide policy in relation to project financing.
✓ 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.
✓ Incorporate sustainability selection criteria within registration process and screen our new suppliers using sustainability criteria.
✓ Fully integrate our supplier complaints management system within our automated procurement system.

Long-term (2018-beyond)

✓ Continue to support Abu Dhabi and the UAE’s economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030.
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 have discussed how we have addressed these material issues in further detail within this chapter. We have also included information on the learning and 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.

At NBAD, we know that one of the most valuable assets in any organisation is its people. We are committed to developing the talent, motivation and commitment of our staff through investing in talent, setting objectives and recognising outstanding performance from our employees. This is critical for delivering exceptional service to our customers, and is fundamental to our success.

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 have discussed how we have addressed these material issues in further detail within this chapter. We have also included information on the learning and 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.

The number of outsourced (third party contracted) staff has significantly increased from 435 staff in 2013 to 1,253 in 2014. 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 60% of the outsourced staff members are based in our UAE offices.

In 2014, we increased the number of our full-time employees in the UAE by 6% from 4,284 employees in 2013 to 4,535 in 2014. In addition to our directly employed people, we sponsor full-time students and trainees. In 2014, we sponsored 162 students.

We have discussed how we have addressed these material issues in further detail within this chapter. We have also included information on the learning and 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.

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6.1 Our Employees

Workforce in the UAE

During 2014, we increased the number of our full-time employees in the UAE by 6% from 4,284 employees in 2013 to 4,535 in 2014. In addition to our directly employed people, we sponsor full-time students and trainees. In 2014, we sponsored 162 students.

The number of outsourced (third party contracted) staff has significantly increased from 435 staff in 2013 to 1,253 in 2014. 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 60% of the outsourced staff members are based in our UAE offices.

<table>
<thead>
<tr>
<th>Workforce</th>
<th>2013</th>
<th>2014</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Employees</td>
<td>1,332</td>
<td>1,343</td>
<td>+0.8%</td>
</tr>
<tr>
<td>UAE Employees†</td>
<td>4,284</td>
<td>4,535</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Total Group Workforce</td>
<td>5,616</td>
<td>5,878</td>
<td>+4.7%</td>
</tr>
<tr>
<td>Sponsored students and trainees</td>
<td>193</td>
<td>162</td>
<td>-16%</td>
</tr>
</tbody>
</table>

Employee Turnover

In 2014, in the UAE and internationally, a total of 974 employees were hired and a total of 670 employees left the Bank. In the UAE alone, 752 employees were hired and 524 left the Bank. The percentage workforce turnover in the UAE was 11.6% in 2014, which was slightly less compared to 12.7% in 2013. We anticipate continuing growth in employee numbers as the Bank expands in existing and new markets.

3.3% of employees resigned to explore different career opportunities or for personal reasons

0.7% of employees retired

Less than 2% of employees were made redundant globally
### Key Employee Data

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total workforce (including trainees and students)</td>
<td>4,477</td>
<td>4,697</td>
</tr>
<tr>
<td>Sponsored trainees and students</td>
<td>193</td>
<td>162</td>
</tr>
<tr>
<td>Outsourced staff</td>
<td>435</td>
<td>1,253</td>
</tr>
<tr>
<td>% of women in the workforce</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>Number of nationalities</td>
<td>77</td>
<td>82</td>
</tr>
<tr>
<td>Number of UAE nationals in the workforce</td>
<td>1,018</td>
<td>1,177</td>
</tr>
<tr>
<td>Number of UAE nationals representing senior management (Bands 4 and 5)</td>
<td>32</td>
<td>51</td>
</tr>
<tr>
<td>Number of UAE nationals in training</td>
<td>193</td>
<td>162</td>
</tr>
<tr>
<td>Total number of UAE nationals in the bank</td>
<td>1,211</td>
<td>1,239</td>
</tr>
<tr>
<td>% Workforce turnover</td>
<td>12.7%</td>
<td>11.6%</td>
</tr>
<tr>
<td>% Turnover of female employees</td>
<td>4.5%</td>
<td>4%</td>
</tr>
<tr>
<td>% Turnover of male employees</td>
<td>8.1%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Leave/Joiner ratio</td>
<td>0.9 / 0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Men</td>
<td>0.76</td>
<td>0.75</td>
</tr>
<tr>
<td>Women</td>
<td>0.9 / 0.6</td>
<td></td>
</tr>
<tr>
<td>Total number of employees hired</td>
<td>512</td>
<td>752</td>
</tr>
<tr>
<td>Under 30 years</td>
<td>212</td>
<td>296</td>
</tr>
<tr>
<td>31-50 years</td>
<td>282</td>
<td>438</td>
</tr>
<tr>
<td>Over 50 years</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Number of men hired</td>
<td>279</td>
<td>444</td>
</tr>
<tr>
<td>Number of women hired</td>
<td>233</td>
<td>308</td>
</tr>
<tr>
<td>Number of men who left the bank</td>
<td>367</td>
<td>340</td>
</tr>
<tr>
<td>Number of women who left the bank</td>
<td>201</td>
<td>184</td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>73%</td>
<td>74%</td>
</tr>
</tbody>
</table>

### Competency Development

- Total number of training days delivered: 26,190 (2013), 30,759 (2014)
- Number of employees trained: 3,603 (2013), 6,216 (2014)
- Average training per employee (hours): 50.93 (2013), 35 (2014)
- Average training per employee (days): 7.27 (2013), 4.95 (2014)
- Number of e-learning hours delivered to over 3,500 employees: 11,952 (2013), 11,566 (2014)
- Number of employees who completed sustainability awareness e-learning programme (2014): 9 of 259

### Employee Benefits

- Total number of males who took parental leave: 19 (2013), 97 (2014)
- Total number of females who took parental leave: 12 (2013), 69 (2014)
- Total number of males who returned to work: 19 (2013), 95 (2014)
- Total number of females who returned to work: 12 (2013), 68 (2014)
- Total number of male employees who were employed 12 months after returning to work from parental leave: 2 (2013), 0 (2014)
- Total number of female employees who were employed 12 months after returning to work from parental leave: 2 (2013), 0 (2014)

### Health and Safety

- Total number of sick leave days: 10,297 (2013), 18,011 (2014)
- Average number of sick leave days/employee: - (2013), 3.83 (2014)
- Number of GHS incidents: 19 (2013), 23 (2014)
- Number of injuries: - (2013), 0 (2014)

### Diversity and Inclusion

#### Nationalities

- There was a slight increase in the number of nationalities represented by our employees, from 77 to 82 in the UAE. Our diverse employee base of 82 nationalities in the UAE and 36 internationally, helps us understand and meet the needs of our customers across the world.

- Within the UAE, Emiratis are the most populous nationality, and 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 has increased by 15.6% since 2013.

- There has been a slight increase in the number of female branch managers located in the UAE.

#### Age Group

- The number of employees under 30 years and between the age group of 31-50 has increased in 2014, compared to 2013.

#### 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 had a net increase of 169 UAE Nationals in 2014, exceeding our Emiratisation target of a net increase of 100 new Emiratis.
Nurturing Emirati Talent

We launched the “Fallom Tayeb” initiative in partnership with Abu Dhabi Tawteen Council, training UAE Nationals and placing them in our retail arm, in line with the Emiratisation programme and Vision 2030, and supporting UAE Nationals in the banking sector.

Through our Watani initiative, we provide multiple entry points for young Emirati talent to move into a career in banking. It is made up of three distinct programmes run by the NBAD Academy. Through Watani, we offer a range of internationally accredited programmes, which focus solely on the development of Emirati talent.

Total Number of UAE Nationals in the UAE Workforce

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees</th>
<th>Graduates</th>
<th>Sponsored Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>686</td>
<td>364</td>
<td>252</td>
</tr>
<tr>
<td>2011</td>
<td>1,050</td>
<td>460</td>
<td>123</td>
</tr>
<tr>
<td>2012</td>
<td>1,239</td>
<td>465</td>
<td>137</td>
</tr>
<tr>
<td>2013</td>
<td>1,302</td>
<td>337</td>
<td>190</td>
</tr>
<tr>
<td>2014</td>
<td>1,314</td>
<td>284</td>
<td>162</td>
</tr>
</tbody>
</table>

We have an integrated approach to our Emiratisation strategy, which is measured and monitored in our Group Balanced Scorecard.

UAE Nationals who were hired/Left the bank in 2013 and 2014

- 73 females left in 2013
- 31 males left in 2013
- 35 females hired in 2013
- 13 males hired in 2013
- 102 females left in 2014
- 8 males left in 2014
- 191 males hired in 2014
- 77 females hired in 2014

We received the Human Resources Development Award for the third consecutive year in recognition of the human resources policies and development initiatives we have introduced for our UAE National employees. These include the following:

- Development of succession plans for roles within NBAD;
- Provision of support to students through local and international sponsorship;
- Increase Management Trainees (Watani) program;
- Ensure career development plans for UAE Nationals;
- Collaboration with local and international universities to attract talent; and
- Attendance at major career fairs for UAE Nationals to attract the best available talent.

We will continue with our Emiratisation strategy in 2015, offering excellent training, rewards and development programmes to attract and develop the right talent.
6.2 Driving Cultural Change

Our Values and Behaviours

We have a set of core values and behaviours which form the basis of our employee strategy. The way we think, the way we act, and the way we treat people, including our customers and our colleagues, is how our values come to life.

To help create a more positive and productive workplace, we launched the ‘Living Our Values’ campaign. Our newest value – ‘Empower our people and hold each other accountable for performance and behaviour’ was introduced in 2014. It emphasises that we are all responsible for our actions and our performance. By taking responsibility for what we do and how we do it, we can collectively transform the organisation as a place to work and more importantly in how our customers experience NBAD and the services we provide.

As a part of our ‘Living our Values’ campaign, we introduced a set of ‘NBAD Behaviours’ to help describe what we expect of people in terms of behaviour. The NBAD Behaviours are a set of related and specific descriptions of behaviours that underpin and enable competent performance. The NBAD Behaviours bring our values to life. They describe how staff should demonstrate our values to our customers and colleagues to create the Customer Brand Value to which we aspire. In other words, what we do and how we do it directly impacts our customers and our success as a Bank.

The behaviours will be embedded in performance management in 2015, and all employees will be evaluated more holistically, taking into account not only what they do, but how they do it.

We are all accountable for our actions with our customers and our colleagues, because our behaviours directly impact the Bank’s performance. If each of us does what is right, and we all hold each other accountable for our actions, we will become One NBAD.

Alex Thursby
Group CEO

Put our customers at the forefront and do the right things the right way

Value our people and foster great teamwork

Respect our heritage and be loyal to our stakeholders

Empower our people and hold each other accountable for performance and behaviour

Our Values and Behaviours

The values and behaviours are extremely important to us and form the threshold criteria for our 2015 Group Balanced Scorecard. Across the Bank, we must act in accordance with the principles and spirit of our values.

We launched our ‘Bring Your Heart to Work’ (BYHTW) programme in 2014, which supports customer excellence at all staff levels. This initiative has helped to change the attitudes and behaviours of our staff by promoting excellence and enhanced customer service in all that we do. To date, 3,964 employees have completed the training. The programme was also successfully launched in Oman and Egypt at the end of 2014.

We plan to continue rolling out the programme to our international offices in 2015. The Influencers Programme (the next phase of BYHTW) will commence in early 2015. This will instruct leaders and managers on how to motivate and engage staff to improve performance. This will be followed by the Strikers Programme for non-people managers.

3,388 UAE based employees have attended BYHTW sessions in 2014.

576 overseas based employees have attended BYHTW sessions in 2014.

20 sessions were conducted for NBAD Group staff in 2014.

We are making this investment to ensure that everyone can touch our customers positively, and execute with pride and passion. It will introduce a common language for us to use when we talk with our customers and will ensure that all staff have the skills and resources to deliver excellence to our customers every time we engage with them.

Alex Thursby
Group CEO
Raising Awareness on Sustainability Issues

Our Corporate Sustainability Team conducted a Sustainability Awareness Week for NBAD employees to 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. A key highlight of the 2014 Sustainability Awareness Week was the launch of our Sustainability Awareness e-learning training programme for our staff. This was developed in order 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.

Further details of our Sustainability Awareness Week are included in Chapter 8 ‘Environmental Stewardship’.

6.3 Labour Practices

Human Rights

As a leading bank, and as part of our strategy to become an employer of choice, 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, town halls, and internal business partnerships or through our whistleblowing facility for compliance-related issues. There have been zero E3 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.

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, 73% of employees were engaged in the survey.

Employee Engagement Strategy

Our goal for employee engagement is to strengthen our culture and create an atmosphere in which employees are more aware of the various initiatives developed by the Bank, and are fully engaged with those initiatives so that they can be more effective in their jobs.

As with everything that we do, our work in employee engagement will be viewed through our values. In 2015, we will focus our employee engagement efforts in line with two of our values:

- Empowering our people and holding each other accountable for performance and behaviour;
- Valuing our people and fostering great teamwork.

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 in 2014. We ensure that all grievances are resolved in a timely manner.

78 grievances were recorded and resolved in 2014. We did not receive any grievances regarding impacts on society this year. We will ensure that these grievances are addressed to ensure enhanced employee satisfaction in the future.

Results of the 2014 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. Our 2014 results reflect the fact that we still have some way to go towards being one of the top quartile organisations in engagement, although the pride level of employees is above the global norm. While the Improvement over our 2013 results is encouraging, our executive management has reiterated the importance of employee engagement to all line managers by placing this measure as one of the key objectives for us to achieve in our Group balanced scorecard.

In 2014, we formed our Employee Engagement Task-Force comprising representatives from several functions in NBAD. This is co-chaired by the Group Chief Human Resources Officer and the Head of Corporate Communications. It aims to develop programmes and initiatives that will connect and empower our staff.

Results from our Employee Engagement survey in 2014 indicate an overall positive trend in relation to our employees’ perception of NBAD as a responsible organisation. We have included a new question in our survey in 2014, on discrimination and harassment issues. There is no external norm to compare the data with, as these statements were included specifically for NBAD employees. We will carry out more sustainability awareness sessions in the near future, to keep our employees informed of our progress in relation to our core sustainability initiatives and corporate citizenship strategy.

Employee Engagement Survey - Employee Satisfaction

Employee Engagement Survey - Sustainability Awareness

*G4-24, G4-26, G4-27
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.

We are committed to providing support for the learning, education and growth of our people. As such we continue to invest significant resources in our learning and development activities.

<table>
<thead>
<tr>
<th>UEA Employee Training Figures</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total training delivered (days)</td>
<td>26,190</td>
<td>30,759</td>
</tr>
<tr>
<td>Total training delivered (hours)</td>
<td>183,328</td>
<td>215,312</td>
</tr>
<tr>
<td>Average training per employee (days)</td>
<td>7.27</td>
<td>4.95</td>
</tr>
<tr>
<td>Number of employees trained (including all bands 1-5)</td>
<td>3,603</td>
<td>6,216</td>
</tr>
<tr>
<td>Average training per employee (hours)</td>
<td>51</td>
<td>35</td>
</tr>
<tr>
<td>Average training per female employee (days)</td>
<td>9</td>
<td>6.76</td>
</tr>
<tr>
<td>Average training per female employee (hours)</td>
<td>63</td>
<td>47.5</td>
</tr>
<tr>
<td>Average training per male employee (days)</td>
<td>6.2</td>
<td>3.7</td>
</tr>
<tr>
<td>Average training per male employee (hours)</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>Employees trained on anti-money laundering (AML) e-learning course</td>
<td>3,070</td>
<td>3,397</td>
</tr>
<tr>
<td>Employees trained on anti-money laundering (AML) classroom course</td>
<td>536</td>
<td>264</td>
</tr>
<tr>
<td>Number of employees who completed the sustainability awareness e-learning programme (2014)</td>
<td>-</td>
<td>269</td>
</tr>
<tr>
<td>Number of e-learning training hours delivered</td>
<td>11,952</td>
<td>11,566</td>
</tr>
<tr>
<td>Number of attendees who completed the AML e-learning course</td>
<td>3,070</td>
<td>3,397</td>
</tr>
<tr>
<td>Number of attendees who completed the AML classroom course</td>
<td>536</td>
<td>264</td>
</tr>
<tr>
<td>Number of attendees who completed the AML course</td>
<td>-</td>
<td>825</td>
</tr>
</tbody>
</table>

NBAD Academy

Launched in October 2009 in Abu Dhabi, the NBAD Academy is a purpose-built facility delivering Learning and Development programmes for all NBAD colleagues.

With facilities now based in Abu Dhabi, Dubai and Egypt, the NBAD Academy supports our people in delivering learning and development courses and supporting their individual performance in a variety of innovative and leading-edge ways. Training in other overseas regions is handled through local service providers and the NBAD e-learning facility.

The NBAD Academy continuously reviews the quality of its courses and the service providers, as well as the training needs of staff to ensure that it supports the growth and development of the Bank’s future leaders.

In 2013, NBAD Academy launched several initiatives, including commercial services for external participants to attend NBAD Academy programmes and leadership programmes delivered internationally (across five offices) and an e-learning strategy to deliver learning solutions internationally (including over 600 hours of technical e-learning programmes).

Performance Management

Broad Band Structure

In 2013, we introduced a number of new people processes to address identified gaps in our Performance Management System and drive performance. We introduced a new Performance Management System whereby the balanced scorecard for all levels of management could be shared to promote further alignment, even across geographical locations. The direct link provided between individual performance and the Bank’s strategy helps employees to understand their purpose and value for the success of the organisation.

In 2014, we simplified our employee grading structure and introduced a new broad band structure to provide a flatter and less hierarchical framework to develop careers and reward performance. Within the broad band structure, employees are encouraged to acquire skills and experience and aim for roles which best utilise their skills, match their potential and ultimately help them to meet their ambitions.

This will ensure that our customers are served and supported in the best possible ways, and in ways that reflect our core values. There are five bands in total, of which Band 5 represents the Executive Committee. These replace the previous 16 grade system.

New People Processes:

- Introduction of new pay benchmarks to enable greater pay equity in rewards;
- Elimination of grade-based reward mechanisms;
- Elimination of promotion and pay review cycles in the case of exceptional staff performance;
- Introduction of performance calibration to further differentiate performance levels, as well as incorporate a comparative assessment across teams; and
- Reward decision makers are required to look at the overall performance of the Bank as well as departmental performance, before making decisions on the divisional bonus pool.

Professional Banker Culture

Career progression is very important to us. We launched our Professional Banker programme in 2014 which is an integrated and comprehensive career development path that aims to develop a pool of talented individuals through a variety of training programmes and exposures that will broaden their knowledge and experience in banking and finance. The objective of the programme is to develop the next generation of highly capable banking professionals for the continued success of the Bank.

Professional Banker Programme

Employees undertaking the Professional Banker programme will undergo development across two main areas:

- Technical Depth: Broadening knowledge through a combined learning approach comprising customised workshops and e-learning modules.
- Technical Breadth: Broadening staff experience through working across different business units in the organisation. Candidates will be given opportunities to work in functional front/middle/back office roles, and will undertake cross functional/divisional placements and international secondments.

285 staff entered the inaugural class of Professional Bankers in 2014.
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio of wages - Men : Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.984 : 1</td>
</tr>
<tr>
<td>2013</td>
<td>0.966 : 1</td>
</tr>
<tr>
<td>2014</td>
<td>0.910 : 1</td>
</tr>
</tbody>
</table>

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.

In 2012, we identified 13 directly comparable job roles in grades 5 to 8, which are represented by approximately 30% (1,734) of our employees in the UAE. In 2013, we undertook a wage comparison for a total of 1,734 men and women in 18 job roles. We found that the ratio follows a similar trend for each year. We compared the salaries for 1,850 men and women in all Band 1 roles in 2014, and found that women are paid slightly higher than men on average.

Employee Health and Safety

At NBAD we see our people and customers as our key assets, and as such, their health and safety is of core importance. We have developed a Group Occupational Health and Safety (GOHS) policy in 2014 and have formed a Group Occupational Health and Safety Committee.

The committee comprises three members of staff who are based in the UAE. An action plan has been developed by the committee to track the implementation of the requirements of the policy. A new Group OHS email account has also been created to enhance the communication between GOHS team and all NBAD staff in relation to OHS issues. This has enabled our employees to report any incidents, accidents or hazards in the workplace, and make enquiries about health and safety issues. All OHS-related queries and complaints are tracked in accordance with the policy.

The committee members conduct fire safety training for staff and arrange fire warden training for the appointed fire wardens in each branch. The committee members also conduct regular health and safety inspections in all UAE branches and premises.

The results of the 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.

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;
- Six months critical illness paid leave;
- Parental leave;
- Medical insurance scheme; and
- Provision of long-term study leave with sponsorship.

We offer our employees special product-related incentives, including interest-free property rental loans and an interest-free car parking loan for our employees based in our ADNEC office. We also offer reduced rates on car loans, mortgages, personal loans and educational loans.

In 2014, we increased the number of days for maternity leave from 45 to 60 days.

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.

6.4 Our Future Commitments

A summary of all our future commitments is included in Appendix F.

Our Future Commitments

Short-term (2015)

- Provide 100 net new jobs for Emiratis annually to support the Abu Dhabi 2030 Vision for Emiratisation (ongoing commitment).

Medium-term (2016-2018)

- 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.

Long-term (2018-beyond)

- 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.
7.0 Our Impact on Society

7.1 Our Corporate Citizenship Strategy

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), economic value generation (i.e., 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.

The Future of Energy (FoE) Project

As part of our citizenship strategy, we want to highlight the role of the region’s financial sector in the renewable energy sector, which is set to play an increasingly important role in the future energy mix. We believe there are real opportunities for the banking sector to create solutions and innovative approaches to financing sustainable energy.

As mentioned earlier, the future of energy is a pressing global issue with local relevance, given the increasing demand for energy. The demand is expected to increase threefold in the next fifteen years and far outstrip today’s supply.

Bridging the gap between demand and supply will require huge levels of investment in energy systems that will generate additional capacity and improve the efficiency of energy use. In 2014, we initiated our Future of Energy project as part of our citizenship strategy. As part of this project, we needed to obtain a strategic overview of the potential role of the financial sector generally, and NBAD specifically, in moving the GCC region forward on investment in a low carbon, sustainable energy future.

We engaged the University of Cambridge and the global consultancy PricewaterhouseCoopers (PwC), to find out more about the role we can play in new energy solutions and how the financial sector can help shape a more sustainable future. The outcome will be published in a report on ‘Financing the Future of Energy’ in March 2015, which will be launched at the annual Global Financial Markets Forum (GFMF). We expect the report to open dialogue on the role of the financial sector in financing renewable and alternative energy sources.

The intention of the report is to enable the finance sector to understand the opportunities that exist and to develop financial products and structures that will facilitate the energy sector to deliver these opportunities. The report will also provide insights into how the financial community can engage with public and private sector stakeholders to create a more integrated energy mix for the future.

We plan to establish a dedicated team, under senior leadership, to evaluate and create new financing products that will support the development of renewable energy.

The team will embark on an engagement programme with key regulators, policy makers and industry players to capture up to date market trends and promote continued partnership and shared learning between the renewables and finance industries.

The strategy we have set ourselves at NBAD is to expand our presence along the West-East Corridor and this report provides a platform for us to engage the key decision makers in the region and develop new financial structures that will ultimately convert the trends into bankable solutions.

Nathan Weatherstone
Head, Project Finance Advisory
Supporting Small-Medium Enterprises (SMEs)

By supporting 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.

Engaging with SMEs

Small and medium-sized businesses are a powerhouse of economic change and job creation, providing livelihoods for individuals and their families. We, therefore, developed a focused citizenship strategy to support the sector through various channels. We are committed to helping SMEs in the UAE to flourish. We aim, through our SME Citizenship initiative, 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.

Supporting SMEs

Our strategic alliance with SME Advisor Middle East (CPI Media Group) has evolved into a strong driver of our SME citizenship strategy in 2014. During this year, we effectively used this alliance to engage with the sector through various channels. Through the SME Advisor Middle East platform, we launched an award - the NBAD Star of Manufacturing Award - to honour the achievements of manufacturing SMEs that have made an exceptional contribution to the UAE economy.

Supporting SMEs Case Study: ‘Right Bite’

“I approached NBAD two years ago for a business loan as I needed working capital to expand my business. I came to NBAD as my father has banked with NBAD for over 20 years. Thanks to the provision of finance by NBAD, I was able to open two new retail outlets in addition to the retail unit I already had. I found the overall experience dealing with NBAD extremely positive. The customer service provided was very professional and highly personalised. The NBAD staff and relationship managers are what made the bank a joy to work with. I am currently working closely with NBAD to grow my business further.”

Nathalie Haddad
Founder, Right Bite

Our Engagement Process with SMEs

Recognition platform:

The Stars of Business Awards is one of the biggest SME recognition platforms in the region that has run successfully for a number of years and has over 20 key award categories in the offering. As a symbol of our support of SMEs in general, and to Manufacturing SMEs in the UAE in particular, we instituted the ‘NBAD Star of Manufacturing Award’ within the award categories in 2014. We view the manufacturing sector as an extremely important catalyst in the growth and diversification of regional economies. The event was an unprecedented success with over 3000+ nominations and over 700 attendees from the SME sector. We intend to take this recognition platform to other regional markets where we have a presence.

Events for SMEs:

We organised focused events that were aligned to the different SME life stages, from the initial startup stage to growth and beyond. Each of these events delivered topics relevant to a particular stage of an SME, from ‘How to Get Started’ (in association with Etisalat, for startup businesses), to ‘Getting Business Finance’ (early growth stage), to ‘Roadmap for Growth’ (expansion/growth stage). The events calendar culminated in ‘SME Beyond Borders’, an event designed to share knowledge and best practices regionally and internationally. This event was delivered by renowned international experts and was attended by over 1,000 representatives from the SME sector. We also organised a roundtable discussion on ‘SMEs in Manufacturing’, and a networking event towards the end of the year.

SME Advisor Middle East Magazine:

We began to engage with SME Advisor Middle East, a well-entrenched business publication (print and online), in 2014. The editorial content of the publication is developed around topics of interest for various stages of SMEs. The content is in line with our SME citizenship strategy as it comprises topics relating to startups, growth stage businesses, enterprise businesses, skills and capacity building, and the SME eco-system.

Supporting SMEs Case Study: ‘Bedashing Beauty Lounge LLC’

“My parents used to bank with NBAD so it is the first bank I knew as a child. I have always banked with NBAD, and I opened my first business account with the Bank in 1999. NBAD helped our company to expand from three outlets to five. I like NBAD because it is a conservative and safe bank. I have a long-term relationship with the Bank and I know most of the people working there. They have witnessed our company grow from the initial startup phase to the current phase. We are now in the fastest growth stage ever, and have recently launched a franchise business.”

Noor Al Tamimi
Owner, Bedashing Beauty Lounge LLC

We believe that SMEs play a critical role in shaping the region’s economic growth and diversification. Medium-sized businesses form the heart of our Commercial customer base and we are committed to supporting them in innovative ways.

Abdulla Al Otaiba
Senior Managing Director and Group Head of Global Retail and Commercial Banking
Our Partnership with the Khalifa Fund for Enterprise Development

The Khalifa Fund for Enterprise Development (or ‘Khalifa Fund’) aims to create a new generation of Emirati entrepreneurs by instilling and enriching the culture of self-employment amongst young people, as well as supporting and developing small to medium-sized investments in the Emirate.

In 2011, we formed a partnership with the Khalifa Fund and set up an equity fund to support promising young Emirati businesses. We want to build on that – identifying and boosting SMEs with high-growth potential and inspiring the next generation of UAE SMEs with high-growth potential and employment amongst young people, and SMEs of the UAE. It includes information on starting a business in the UAE, obtaining finance, and provides advice on how SMEs can grow their business. The toolkit can be found on our website (www.nbad.com). Also refer to the Khalifa Fund website (www.khalifafund.ae) for further information.

The SME Toolkit – A Khalifa Fund Initiative

We have partnered with the Khalifa Fund as the banking partner for their SME Toolkit, which they have now developed. This will serve the wider SME sector in the UAE, serving citizens and resident entrepreneurs alike, in order to help position the UAE as the hub for business across the West-East Corridor.

We support the toolkit as it provides useful information for entrepreneurs and SMEs of the UAE. It includes information on starting a business in the UAE, obtaining finance, and provides advice on how SMEs can grow their business. The toolkit can be found on our website (www.nbad.com). Also refer to the Khalifa Fund website (www.khalifafund.ae) for further information.

Charity and Donations

Our financial support for community involvement includes commercial sponsorships and community investments. Our community investments focus on supporting activities that can benefit our people and the wider society, and include initiatives such as supporting financial literacy programmes, protecting the environment, supporting our stakeholders, and promoting health and well-being.

Our financial support includes donations from channels such as ATM donations, NBAD Star redemption for EWS-WWF and sponsorships.

Our Zakat Fund and donations are managed by our Islamic Banking Division - Abu Dhabi National Islamic Finance (ADNIF). Zakat or ‘alms-giving’ 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, offers our customers (NBAD cardholders) the opportunity to make Zakat donations using NBAD ATMs.

Our Partnership with UAE Banks Federation

We are an active participant in the activities of the UAE Banks Federation (UBF), which seeks to promote the interests of the banking industry in the UAE. We are members of several specialised committees including IR, retail and corporate, legal and compliance. We contributed significantly to the development of UBF’s “Code of Conduct” for the banking industry in UAE. The objective of this project is to promote collaboration between banks, with the aim of delivering the highest quality of customer service standards. The “Code of Conduct” was approved and ratified in 2014.

Our Partnership with UAE Banks Federation

We are an active participant in the activities of the UAE Banks Federation (UBF), which seeks to promote the interests of the banking industry in the UAE. We are members of several specialised committees including IR, retail and corporate, legal and compliance. We contributed significantly to the development of UBF’s “Code of Conduct” for the banking industry in UAE. The objective of this project is to promote collaboration between banks, with the aim of delivering the highest quality of customer service standards. The “Code of Conduct” was approved and ratified in 2014.

7.3 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 in this section.

We are founding members and Executive Committee members of the Abu Dhabi Sustainability Group (ADSG). Our Sustainability Report also follows the Global Reporting Initiative’s G4 Guidelines (in accordance with the “Core” option). 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 in the region. We also aim to provide support to financial literacy ‘E cofrine Sahh’ programmes developed by Emirates Foundation in the near future.

Charitable donations through our ATM channel amounted to AED 2,054,284

Our Zakat Fund payments in the UAE amounted to AED 7,500,000

Our total community support in 2014 amounted to AED 50,973,000 equivalent to 0.9% of our net profits.

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*GA 26

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7.2 Generating Value for our Community

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 2013 and 2014

<table>
<thead>
<tr>
<th>Value Generated</th>
<th>% change</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (total operating income) (AED ‘000s)</td>
<td>11%</td>
<td>9,397,988</td>
<td>10,414,717</td>
</tr>
<tr>
<td>Global Net Profits (AED ‘000s)</td>
<td>18%</td>
<td>4,733,125</td>
<td>5,578,869</td>
</tr>
<tr>
<td>Total (AED ‘000s)</td>
<td>13%</td>
<td>14,131,113</td>
<td>15,993,586</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value Distributed</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee compensation (salary, benefits and rewards (AED ‘000s)</td>
<td>16%</td>
<td>2,187,719</td>
<td>2,532,726</td>
</tr>
<tr>
<td>To Providers of Capital (dividends and payments on other capital instruments) (AED ‘000s)</td>
<td>6%</td>
<td>1,952,848</td>
<td>2,077,466</td>
</tr>
<tr>
<td>Donations and Community Investments (AED ‘000s)</td>
<td>18%</td>
<td>43,198</td>
<td>50,973</td>
</tr>
<tr>
<td>Payments to Government (taxes) (AED ‘000s)</td>
<td>23%</td>
<td>220,324</td>
<td>271,688</td>
</tr>
<tr>
<td>Suppliers (payments of purchases) (AED ‘000s)</td>
<td>25%</td>
<td>929,726</td>
<td>1,162,462</td>
</tr>
<tr>
<td>Total (AED ‘000s)</td>
<td>14%</td>
<td>5,333,815</td>
<td>6,095,315</td>
</tr>
</tbody>
</table>

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*Figures for 2013 not re-classified to reflect changes in accounting policies in 2014.
**Total expenditure on suppliers. This figure includes our expenditure on local suppliers. We are now able to accurately report on expenditure on local vendors in 2014 through our centralised procurement system.

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7.4 Our Future Commitments

A summary of all our future commitments is included in Appendix F.

Our Future Commitments

Short-term (2015)
- Continue to participate in the Dubai Chamber Sustainability Network (DSCN) working groups to encourage and promote sustainability amongst the wider business community.
- Support the Abu Dhabi’s 2030 vision by investing in the local economy (ongoing commitment).

Medium-term (2016-2018)
- Identify a planned, comprehensive set of training programmes delivered by relevant specialists that will focus on key, practical skills which will drive SMEs to the next level of success.
- Provide support to Emirates Foundation’s financial literacy programmes.

8.0 Environmental Stewardship

8.1 Reducing our Environmental Footprint

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 have discussed how we address these material issues in further detail within this chapter.

As part of our citizenship strategy, we want to highlight the role of the region’s financial sector in the future of energy. As mentioned previously, the demand for renewables and energy efficient technology will continue to grow, and at NBAD we believe the finance sector has a vital part to play in financing innovative responses to the challenges of meeting the energy demands.
Environmental Challenges and Opportunities in the UAE

"Water is more important than oil for the UAE. We have to come up with ways to meet future demand and preserve natural resources for the coming generations."

H.H General Sheikh Mohammed Bin Zayed Al Nahyan Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces

Water

It is evident from national and international research reports on water consumption that the UAE indicators are highly above the average per capita global consumption. Some of the challenges faced relate to increasing population rates, climate change and irresponsible and unsustainable water consumption behaviours.

In the UAE, the three main sources of fresh water comprise groundwater (70%), desalinated water (24%) and treated wastewater (6%)23.

As the UAE has very little or no fresh water, it relies heavily on costly, energy-intensive desalination plants. Both water and electricity rates in the UAE have been heavily subsidised by the UAE Government in the past, leading to concern over the presence of subsidies providing fewer incentives to reduce the rate of water consumption in the region.

The Abu Dhabi Emirate, however, introduced a new water and electricity tariff system in 2014 for Emiratis and expatriates with increased rates, depending on the level of consumption. This will be implemented in 2015 and aims to reduce consumption and increase efficiency.

As part of a five year strategy (2014-2018), the Environment Agency - Abu Dhabi has proposed a number of water management solutions, including resource management strategies (for desalinated, recycled and groundwater sources). We are committed to support the national efforts through the implementation of water-saving solutions and initiatives.

The UAE's current maximum production capacity of desalinated and treated waste water comprises

36% of the total water required to maintain our current consumption rate

Average per capita water and electricity consumption in UAE20

550 litres/day

20-30 KwH/day

International average

170-300 litres/day

15 KwH/day

Key Environmental Data

<table>
<thead>
<tr>
<th>Environmental impact</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource Consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity consumption (Gigawatts)</td>
<td>135,024</td>
<td>224,131</td>
</tr>
<tr>
<td>Electricity consumption (kWh)</td>
<td>37,506,730</td>
<td>62,256,920</td>
</tr>
<tr>
<td>Electricity consumption per capita (kWh)</td>
<td>8,378</td>
<td>11,417</td>
</tr>
<tr>
<td>Water consumption (kg)</td>
<td>26,701,673</td>
<td>31,086,898</td>
</tr>
<tr>
<td>Water consumption rate (kg)</td>
<td>51</td>
<td>62</td>
</tr>
<tr>
<td>Materials (Paper) consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper consumption (kg)</td>
<td>219,150</td>
<td>249,475</td>
</tr>
<tr>
<td>Paper consumption per capita (kg)</td>
<td>49</td>
<td>46</td>
</tr>
<tr>
<td>Paper recycled (kg)</td>
<td>110,958</td>
<td>153,726</td>
</tr>
<tr>
<td>Paper recycling rate (%)</td>
<td>51</td>
<td>62</td>
</tr>
<tr>
<td>Emissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GHG Emissions (tonnes)</td>
<td>22,672</td>
<td>36,397</td>
</tr>
<tr>
<td>CO2 emissions from electricity</td>
<td>1,089</td>
<td>1,001</td>
</tr>
<tr>
<td>CO2 emissions from water consumption</td>
<td>19,128</td>
<td>31,751</td>
</tr>
<tr>
<td>CO2 emissions from air travel</td>
<td>764</td>
<td>1,705</td>
</tr>
<tr>
<td>Electronic waste (e-waste)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total e-waste collected (kg)</td>
<td>-</td>
<td>9,334</td>
</tr>
<tr>
<td>E-waste recycled (kg)</td>
<td>-</td>
<td>5,558</td>
</tr>
<tr>
<td>Total e-waste refurbished for re-use (kg)</td>
<td>-</td>
<td>3,776</td>
</tr>
</tbody>
</table>

UAE Water Resources (million m³)

- Groundwater
- Desalinated water
- Treated water

Our current maximum production capacity of desalinated water and treated waste water in the UAE is only 1,504 Million cubic meters per year. This comprises merely 36% of the total water we would need to maintain our current consumption rate of 4.180 Million cubic meters/year23.

In the UAE, environmental challenges and opportunities are highly above the average per capita global consumption. Some of the challenges faced relate to increasing population rates, climate change and irresponsible and unsustainable water consumption behaviours.

In the UAE, the three main sources of fresh water comprise groundwater (70%), desalinated water (24%) and treated wastewater (6%)23.

As the UAE has very little or no fresh water, it relies heavily on costly, energy-intensive desalination plants. Both water and electricity rates in the UAE have been heavily subsidised by the UAE Government in the past, leading to concern over the presence of subsidies providing fewer incentives to reduce the rate of water consumption in the region.

The Abu Dhabi Emirate, however, introduced a new water and electricity tariff system in 2014 for Emiratis and expatriates with increased rates, depending on the level of consumption. This will be implemented in 2015 and aims to reduce consumption and increase efficiency.

As part of a five year strategy (2014-2018), the Environment Agency - Abu Dhabi has proposed a number of water management solutions, including resource management strategies (for desalinated, recycled and groundwater sources). We are committed to support the national efforts through the implementation of water-saving solutions and initiatives.
In 2014, we have seen an increase in our estimated total consumption of electricity and water 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. Due to a number of issues, we are still unable to obtain utility bills for our offices and premises which we lease. During 2014, however, we met with Abu Dhabi Distribution Company (ADDC) to obtain more accurate data on the consumption of utilities in our 14 NBAD-owned buildings. The information from our utility bills was sometimes being reported inaccurately internally. We now have online access to these utility bills and are able to track our annual consumption more accurately.

As the world’s demand for energy increases, meeting the demand becomes more challenging. The global energy demand is expected to double or even triple by 2050.\(^2\)

The rapid development of the GCC countries has led to a greater demand for energy in this region, particularly in the form of power (electricity). This is driven by an increase in population and an increase in per capita GDP, leading to associated lifestyle benefits and challenges.

More electricity needs to be generated to meet energy-intensive industrial demands, increased use of air conditioning and desalination capacity to meet growing demands for water resources.

The region currently has the highest energy intensity and carbon intensity of any global region. In order to meet these challenges, substantial new energy generation capacity is required, with wiser, more efficient use of these energy resources.

We are committed to making a real contribution to help this region to meet its own energy challenges. During this year, we initiated our Future of Energy project as part of our Corporate Citizenship strategy.

We want to learn more and collaborate more to better understand the opportunities and the role that the banking sector can play in financing renewable energy technologies to meet the growing energy demand.

Moving forward, we plan to develop innovative financial structures and products that will support the development of the energy industry. At the same time, we are planning internally to improve the energy efficiency of our own buildings, operations and activities.

Monitoring our Consumption of Resources

In 2014, we have seen an increase in our estimated total consumption of electricity and water 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.

Due to a number of issues, we are still unable to obtain utility bills for our offices and premises which we lease. During 2014, however, we met with Abu Dhabi Distribution Company (ADDC) to obtain more accurate data on the consumption of utilities in our 14 NBAD-owned buildings. The information from our utility bills was sometimes being reported inaccurately internally. We now have online access to these utility bills and are able to track our annual consumption more accurately.

The methodology used in 2012 and 2013 to calculate our water and energy consumption for all employees across the UAE, was also utilised for our 2014 data.

We receive utility bills for our 14 NBAD-owned buildings, including our Head office and ADNEC office. These have the highest occupancy rate out of all our UAE premises. We, therefore, used the base consumption rate figures from the 14 buildings (comprising 2,337 employees) to extrapolate the total estimated electricity consumption for all 5,453 employees (including outsourced staff) across our UAE premises. We have increased our electricity consumption rate slightly in these buildings in 2014.

Based on this consumption rate, the total estimated electricity consumption for all 5,453 employees (including outsourced staff) across our UAE premises, is 62,256,920 KwH.

### Electricity Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption (KwH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>19,353,554</td>
</tr>
<tr>
<td>2013</td>
<td>17,147,043</td>
</tr>
<tr>
<td>2014</td>
<td>13,289,442</td>
</tr>
</tbody>
</table>

The electricity consumption for our 14 NBAD-owned buildings has been included below for 2012, 2013 and 2014. The electricity consumption in 2014 is based on the consumption rate of 2,337 employees in the buildings. We have increased our electricity consumption rate slightly in these buildings in 2014.

### Global Energy Demand

The MENA Energy Demand is expected to grow by 8.3% per year between 2013-2019: more than 3 times the global average.

### Energy Generation Capacity

US$48 trillion of investment in energy infrastructure is needed in the next 20 years: the bulk of it in non-OECD countries.

We have started to record our drinking and NBAD Academy building in 2015.

The increase in our overall estimated electricity usage and water consumption in the UAE is attributed to the increase in the number of our employees and the fact that we have included our outsourced staff in our calculations in 2014. We have significantly increased the number of outsourced staff during this year from 435 staff in 2013 to 1,253 in 2014, 766 of which are based in our offices and branches.

How we Manage our Resource Consumption

Improving our Environmental Performance

Within our own operations and facilities, we continue to monitor and measure our environmental footprint. We are consistently seeking ways to minimise electricity and water wastage, fuel use and greenhouse gas emissions. This is not possible to currently measure our overall waste production by type, however, we plan to identify our waste streams and develop a waste management plan for our Head Office and NBAD Academy building in 2015. We have started to record our drinking water consumption for Abu Dhabi premises (refer to Appendix C1).

We will investigate the possibility of including this information in our GHG emissions calculations. During this year, our Group Information Technology (IT) team won the Datacenter Dynamics award for ‘Innovation in IT Optimisation’ in the category of Data Center Technology for the Europe and Middle East region. This was a result of efforts to reduce space and power consumption through the implementation of energy-efficient cooling units, power monitoring technology, virtualisation technology, energy-star compliant systems and energy efficient storage systems. The team also worked to reduce cooling requirements and to decommission obsolete technology.

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 cleansing 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 below for 2012, 2013 and 2014. The consumption in 2014 is based on the consumption rate of 2,337 employees in the buildings.

How we manage our Resource Consumption

Water consumption at 14 NBAD-owned buildings (Imperial Gallons)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gallons</td>
<td>19,353,554</td>
<td>17,147,043</td>
<td>13,285,442</td>
</tr>
</tbody>
</table>

We have decreased our water consumption in our NBAD-owned buildings in 2014. Based on this consumption rate, the total estimated water consumption for all 5,453 employees (including outsourced staff across our UAE premises, is 31,098,698 Imperial Gallons (IG)).

We did not include outsourced staff in our environmental performance calculations previously, as we did not hire as many staff before. Our workforce also increased from 4,477 in 2013 to 4,687 in 2014. The number of employees based in our offices and branches has, therefore, increased by 22% in 2014.

Minimising our Environmental Impacts

Carbon Disclosure Project Pilot Study

In 2014 we participated in a climate change pilot programme with CDP (Carbon Disclosure Project). Masdar and the Abu Dhabi Sustainability Group, which invited us to disclose and submit data on our direct and indirect carbon emissions to CDP. We were one of several leading UAE organisations participating in this pilot study.

Part of the information requested relates to the organisations’ climate change business strategies and risks and opportunities, including those which have the potential to generate a substantive change in business operations, revenue or expenditure. As part of our Citizenship strategy, we are focusing on the role of finance in the future of energy. By working towards proactive 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.

From 2015 onwards we plan to begin annual climate and carbon reporting using the Carbon Disclosure Project as the next step in strengthening our sustainability performance.

ADSG’s Energy Management Flagship Programme

As a founding member of ADSG, we were invited during this year to participate in the ADSG’s Energy Management Flagship Programme in 2015, which will provide accredited training to participants on achieving energy efficiency through good energy management. The aim of the programme is to raise energy management awareness and capability and bring accreditation in energy management to ADSG members.

This will assist us in obtaining accurate environmental baseline information for these buildings and will help us to set targets to reduce our consumption of electricity and water. We prepared and issued the request for proposals (RFP) for the audit, which will be carried out in 2015.

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 2/LEED Silver guidelines. Our office furniture (desk and chairs) and carpets are made from up to 90% recyclable materials.

We have continued the branch conversion project in 2014. We are in the process of renovating the branches and providing LED lighting (compliant with Estidama Pearl 2/LEED requirements) as part of the sustainable retrofits. The projected completion of the project is 2016.

NBAD received the Data Center Dynamics Award for Improved Data Center Energy Efficiency

Our Group Information Technology (IT) team won the Datacenter Dynamics award for Innovations in IT Optimisation in the category of Data Center Technology for the Europe and Middle East region. This was a result of efforts to reduce space and power consumption through various optimisation initiatives.

This was achieved through a combined effort by all the IT Teams with support from our Building Premises and Facilities Management (BP&FM) team.

We continued our sustainable retrofits and branch conversion project in 2014.
GHG Emissions

Measuring Our GHG emissions

We began to measure our own Greenhouse Gas (GHG) emissions from our UAE operations, using power and water factors developed for Abu Dhabi specifically. Our total estimated indirect CO2 emissions in 2014 amounted to 36,364.42 tonnes based on our business travel, electricity use and water consumption. It is not possible to measure the impact of our employees’ transportation to and from work, as the majority use personal cars.

We use a minimum number of vehicles for business purposes and have decreased the number of our vehicles from 723 in 2013 to 118 in 2014. We consumed 225 gallons (246 GJ) of diesel and 11,461 gallons (11,102 GJ) of petrol in our fleet cars. We reduced the amount of petrol used in 2014, and decreased our direct CO2 emissions from fuel (diesel and gasoline) usage by 1,088.72 tonnes of CO2 (2013) to 1,001 tonnes of CO2 in 2014.

In 2014, we increased our business flights’ CO2 emissions from 784 tonnes to 1,705 tonnes. During this year, more flights were arranged to meet our business requirements to expand NBAD’s presence in the West-East corridor.

Our overall results indicate an increase in our estimated GHG emissions in 2014, compared with our 2013 emission calculations. 87% of our total GHG emissions occurred from electricity consumption.

How We Manage our GHG Emissions

As discussed previously, we have implemented a number of initiatives to minimise our water and electricity consumption. In addition to these initiatives, we are involved in piloting transport schemes on behalf of the Abu Dhabi Department of Transport (DoT) to reduce traffic congestion and associated impacts in Abu Dhabi.

As part of the Abu Dhabi Economic Vision 2030, the Department of Transport (DoT) is delivering a wide-ranging Transport Mobility Management Plan (TMM) to reduce congestion and improve transport options in Abu Dhabi.

We continue to support the DoT’s Transport Mobility Management Plan (TMM) and provide our employees with a range of sustainable transport options.

In 2013, we piloted our employee car-sharing scheme by providing an internal online platform for “drivers” and “riders” to meet and agree to voluntarily “car-share.” By the end of 2014, 67 employees registered for the NBAD car-sharing scheme.

The Role of NBAD in the DOT TMM Programme

NBAD has launched a Park and Ride shuttle bus service from Zayed Sports City to the NBAD ADNEC offices.

“The National Bank of Abu Dhabi has been one of the most active and supportive stakeholders involved in the Department of Transport’s TMM programme. NBAD has been engaging with the DOT from the very start of the TMM programme in early 2011. NBAD enthusiastically agreed to be one of the original pilot organisations. As such, staff surveys were undertaken and a TMM plan was developed. This input was of great value to the development of TMM as it enabled the DOT to refine the tools they use to help external stakeholders; it also provided early valuable insight into the transport and sustainability challenges large commercial organisations face in Abu Dhabi.”

NBAD continued their involvement in the TMM programme through to stage 2 where they exhibited commitment and interest in TMM by beginning to develop their own organisation-specific measures. This included NBAD’s own bespoke car sharing tool. They included the DOT in discussions on how this would be taken forward, which helped inform the DOT’s own car-sharing work.

As the TMM programme moved forward into the full implementation stage at the beginning of 2013, NBAD continued to be one of the most pro-active and engaged stakeholders. With the help of DoT TMM, NBAD launched their own private park and ride shuttle service from Zayed Sports City to our ADNEC offices, which is free for our employees.

The new service will provide us with the ability to monitor the amount and cost required for printing and storage; it is a great convenience for our employees. The DOT TMM team was very happy to take part in this and showcase some of the wider TMM initiatives. Indeed, this approach of engaging directly with the target audience has become a corner stone of the DOT TMM work. This is in part, due to the excellent example set by NBAD in their Sustainability week.

NBAD has been a very important partner in the DOT TMM programme since the early development of the strategy. They have continued to develop innovative ways of promoting sustainable transport. They are a shining beacon of TMM in Abu Dhabi and the DOT is truly thankful to be able to work with them. We look forward to a long and continued TMM relationship.”

Transportation Mobility Management (TMM) Section, Department of Transport (DoT)

Our Consumption of Materials

How we manage our Paper Consumption

Paper is used in large quantities throughout 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 2014 as part of our Sustainability Awareness Week. Our IT team, procurement department and corporate sustainability team also collaborated together to develop an RFP for a Managed Print Services system for our UAE offices and branches.

The new service will provide us with a standardised and multi-functional printing, copying and scanning device that will replace our current system which uses a variety of printers, copiers and scanners across the Bank. The project will be completed in 2015 and will provide us with the following benefits:

• Reduced printing and operational costs;
• Enhanced confidentiality as only necessary documents are printed;
• Energy savings as the printers will automatically switch to ‘power-save’ mode when not in use;
• Reduction in the amount of unnecessary waste paper produced;
• Reduction in the volume of paper required for printing and storage;
• Reduction in the amount and cost of consumables (ink cartridges and paper) purchased;
• Ability to monitor the amount of paper used for printing per individual and department.

The total amount of paper stocks ordered in 2014 was 249,475 kg, as opposed to 219,150 kg ordered in 2013. We have increased the amount of paper consumed, however, the increase directly correlates with the increase in the number of employees and outsourced staff hired during this year.

• Enhanced confidentiality as only necessary documents are printed;
• Energy savings as the printers will automatically switch to ‘power-save’ mode when not in use;
• Reduction in the amount of unnecessary waste paper produced;
• Reduction in the volume of paper required for printing and storage;
• Reduction in the amount and cost of consumables (ink cartridges and paper) purchased;
• Ability to monitor the amount of paper used for printing per individual and department.

The total amount of paper stocks ordered in 2014 was 249,475 kg, as opposed to 219,150 kg ordered in 2013. We have increased the amount of paper consumed, however, the increase directly correlates with the increase in the number of employees and outsourced staff hired during this year.
How we manage our Secure Document Destruction and Paper Waste

We established our Secure Shredding Center (SSC) in 2011 to meet regulatory requirements for document destruction. Through the use of this system, we realised that we could reduce our paper waste and recycle our shredded paper. In this way we could divert volumes of paper away from landfill disposal. The waste paper is, therefore, collected, measured, recorded and destroyed by the Bank’s own internal team at our secure shredding facility, before being sent to an external recycling facility for re-manufacture.

In 2012, SSC operations were expanded to all UAE offices and branches. The SSC recycles not only confidential paper, but all printed documents at the end of their life, along with newspapers. In 2014, our SSC generated AED 152,313 of revenue from recycled proceeds.

Example of Good Practice: Our ‘Paper Tree’ Initiative

We believe that working in partnership with public and private authorities on sustainability awareness campaigns is integral to the success of the 2030 Economic and Environmental vision of Abu Dhabi.

We launched the ‘Paper Tree’ initiative in February this year in collaboration with the Environment Agency, Abu Dhabi and the Abu Dhabi Education Council. A number of schools were invited to the event, and the students worked in groups to paint environmental messages and images to be installed in designated NBAD ATM areas. A compartment will be introduced near each of these ATMs, to encourage people to stop littering and collect any discarded ATM receipts.

The objective of ‘Paper Tree’ was to encourage individuals and the community to think about their impacts on the environment and how they can play a role in minimising these impacts.

Electronic Waste Management

How we manage our Electronic Waste (e-waste)

Recycling Waste Electrical and Electronic Equipment (WEEE) is a relatively new environmental initiative under our responsible business practices. In 2013, we collected and stored all our electronic items (including computers, laptops, photocopiers, printers and calculators) for future recycling by an appointed e-waste contractor.

During 2014, we issued a formal policy with regard to e-waste disposal and formally engaged a contractor to collect our e-waste.

Sustainability Awareness Campaigns

We carried out environmental and health awareness campaigns throughout 2014 for our employees and outsourced staff, which included our Sustainability Week and Earth Hour 2014 campaigns. We plan to increase the number of awareness sessions in the near future.

We conducted a successful ‘Sustainability Awareness Week at the Head Office for our staff, to 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. A number of quizzes, environmental awareness sessions and employee wellness sessions were organised for NBAD employees across the Bank. Prizes were awarded throughout the week for the challenges and quizzes organised for our staff.

Over the five days, employees were invited to learn about saving power and water, keeping fit and healthy as well as sharing their ideas about how to make NBAD a more sustainable bank. We also arranged a kayaking tour in the Abu Dhabi Eastern Mangroves for staff volunteers (and partners) who provided assistance during Sustainability Week. As part of the outing, staff were given an educational briefing on the importance of the existence of the mangroves within the Abu Dhabi coastal system.

We also arranged a kayaking tour in the Abu Dhabi coastal system. As part of the outing, staff were given an educational briefing on the importance of the existence of the mangroves within the Abu Dhabi coastal system.

130+ UAE and International staff completed the sustainability awareness e-learning module during Sustainability week

75 employees donated blood during Wellness Day

200 blood sugar tests and body mass measurements were delivered
8.2 Our Future Commitments

A summary of all our future commitments is included in Appendix F.

Our Future Commitments

Short-term (2015)
- We plan to have our environmental data externally assured.
- Commission an Environmental Audit of Head Office building to identify environmental improvement opportunities.
- Conduct more environmental awareness campaigns for our employees and outsourced staff.
- Identify our waste streams and develop a waste management plan for our Head Office and NBAD Academy building.
- Continue to participate in the Carbon Disclosure Project (CDP), to measure and disclose our greenhouse gas (GHG) emissions.

Medium-term (2016-2018)
- Develop innovative financial structures and products that will support the development of the energy industry.
- Participate in ADSG’s Energy Pilot Programme and continue to work on improving our operational performance and energy efficiency.
- Develop and implement environmental resource management plans.
- Monitor, record and assess trends in relation to paper, water, waste and energy consumption and set targets for reduction.

Long-term (2018-beyond)
- Improve the environmental performance of our NBAD buildings and branches to minimise our resource consumption and mitigate associated impacts.
GRI G4 Content Index/ISO 26000 Index

- The Report follows the new 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

<table>
<thead>
<tr>
<th>General Standard Disclosures</th>
<th>Summary</th>
<th>Report Section</th>
<th>Coverage/ Omissions</th>
<th>External Assurance*</th>
<th>Material Aspects (Boundary)</th>
<th>ISO 26000</th>
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<td>G4-1</td>
<td>Most senior executive statement</td>
<td>Chapter 1.0 Message from the Chairman’ and Message from the Group Chief Executive Office (GEO), pg 3-4</td>
<td>F</td>
<td>No</td>
<td></td>
<td>6.2</td>
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<td>G4-2</td>
<td>Description of key impacts, risks and opportunities</td>
<td>Chapter 1 Opening Remarks, pg 2-3. Chapter 3.0 Sections 3.1 to 3.6, pg 13-15. Chapter 3.2 Section 2.1, pg 17. Chapter 4.0 Section 4.1, ‘Our Sustainability Strategy’, pg 27. Appendices B – Our Sustainability Policy.</td>
<td>F</td>
<td>No</td>
<td></td>
<td>6.2</td>
</tr>
</tbody>
</table>

| Organisational Profile      |         |                |                     |                   |                           |           |
| G4-3                        | Name of organisation | National Bank of Abu Dhabi. Chapter 1.0 ‘Opening Remarks’, pg 2. | F                  | No                |                           | 6.2       |
| G4-4                        | Primary brands, products, and/or services. | Chapter 3.0, Section 3.1, pg 13. (refer to www.nbad.com for information on our business segments, products and services. Section 3.2 ‘Our Value Chain’, pg 16. | F                  | No                |                           | 6.2       |
| G4-5                        | Location of headquarters. | Chapter 3.0 ‘About Us’, pg 12. | F                  | No                |                           |           |
| G4-6                        | Number of countries organisation operates (major operations or relevant to TBL). | Chapter 3.0 Section 3.1 ‘Who we are’, pg 13. | F                  | No                |                           |           |
| G4-10                       | Total workforce by type, contract, region, broken down by gender. | Chapter 6.0, Section 6.1 ‘Our Employees’, ‘Diversity and Inclusion’, pg 47-48. | F                  | No                |                           |           |
| G4-11                       | Employees with collective agreements (by percentage). | Collective bargaining is not relevant in the UAE. | NA                 | No                |                           |           |
| G4-14                       | Whether and how precautionary approach addressed. | Chapter 3.0, Section 3.4 ‘Transparency & Accountability’, pg 18. Section 3.5 ‘Corporate Governance & Compliance’, pg 41. Chapter 4.0, Sections 4.1 to 4.4, pg 25-33. | F                  | No                |                           | 6.2       |

*Only information regarding our financial statements has been externally assured.
Table 2: Specific Standard Disclosures

<table>
<thead>
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<th>DMA and Indicators</th>
<th>Summary</th>
<th>Report Section</th>
<th>Coverage/ Omissions</th>
<th>External Assurance</th>
<th>Material Aspects (Boundary)</th>
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<td>DMA</td>
<td>ECONOMIC</td>
<td>Chapter 6.0 Section 6.1 'Our Commitment to Corporate Sustainability', pg 45, Appendix B.</td>
<td>F</td>
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<td>All aspects</td>
<td>6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9</td>
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<td>DMA</td>
<td>Chapter 3.0 Section 3.5 ‘Corporate Governance &amp; Compliance’, ‘Management Structure’, pg 20, 21</td>
<td>F</td>
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<td>All aspects</td>
<td>6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9</td>
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<td>DMA</td>
<td>Chapter 7.0 Section 7.4, pg 64</td>
<td>F</td>
<td>No</td>
<td>6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9</td>
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<td>DMA</td>
<td>Chapter 8.0 Section 8.2, pg 77</td>
<td>F</td>
<td>No</td>
<td>6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9</td>
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</tbody>
</table>

**ECONOMIC**

**Policy:**
Our approach to economic performance is described by our ‘Economy’ clause in our Group-wide Sustainability Policy. Please refer to Appendix B.

**Economic Performance**
- **Direct economic value**
  - F
  - Economic Performance
  - 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

**Market Presence**
- **Proportion of senior management hired from the local community**
  - Chapter 6.0 Section 6.7 ‘Key Employee Data’, pp 46, Appendix C2 Group Workforce Figure
  - F
  - No
  - 6.3, 6.5, 6.7

**Indirect Economic Impacts**
- **Development and impact of infrastructure investments and services supported**
  - Chapter 5.0, Section 5.3 ‘Responsive Financing’, ‘Project Financing’, pg 40.
  - F
  - No
  - 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

**Procurement Practices**
- **Spending on locally based suppliers**
  - Chapter 5.0, Section 5.5 ‘Responsive Procurement’, pg 42.
  - F
  - No

**ENVIRONMENTAL**

**Policy:**
Our approach to Environmental performance is described by our 'Environmental' clause in our Group-wide Sustainability Policy. Please refer to Appendix B.

**Environmental Performance**
- **Direct environmental performance**
  - F
  - No
  - 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

**Market Presence**
- **Spending on locally based suppliers**
  - Chapter 5.0, Section 5.5 ‘Responsive Procurement’, pg 42.
  - F
  - No

**Environmental Assessment**
- **Materials Energy Compliance Supplier Environmental Assessment**
  - Material Energy Compliance Supplier Environmental Assessment
  - F
  - No
  - 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

**Resources & Responsibilities:**
- **Chapter 6.0 Section 6.4 ‘Managing Sustainability', pg 20, Chapter 4.0, Section 4.2 Managing Sustainability, pg 29.”

**Specific actions:**
- See Commitments.
G4-EN22 Total water discharge by quality and destination.

Effluents & Waste

- Percentage of materials used that are recycled
- Biodiversity

G4-EN10 Percentage and total volume of water recycled

G4-EN9 Water sources significantly affected by

G4-EN8 Total water withdrawal by source

G4-EN7 Water usage

G4-EN6 Reduction of energy consumption

Water

- Total water withdrawal by source
- Water sources significantly affected by withdrawal of water
- Percentage and total volume of water recycled and reused

Biodiversity

- Areas of high biodiversity value
- Impact on biodiversity

Emissions

- Direct GHG emissions by weight
- Non-direct GHG emissions by weight
- Other indirect GHG emissions

Effluents & Waste

- Total water discharge by quality and destination

Energy

- Energy consumption within the organisation
- Energy consumption outside the organisation

Products and Services

- Percentage of products sold and their packaging materials that are reclaimed by category
- New suppliers that were screened using environmental criteria

Supplier Environmental Assessment

- New suppliers that were screened using environmental criteria

Environmental Grievance Mechanisms

- Zero grievances reported.
- Compliance

- No fines and sanctions.

Transport

- Impact of products and product transportation.

Overall

- Investment for environmental protection (by value, type)

Labour Practices and Decent Work

DML

- Policy:
- Goals, Targets & Commitments, Specific Actions
- Resources & Responsibilities

Sustainability Awareness

- How we Manage our Resource

Resources & Responsibilities

- Overview

Employment

- Employment

Gender

- Gender Pay Gap

Affirmative Action

- Labour practices and Decent Work

Appendix

- Appendix B.
- Appendix C.

ISO 26000

- Yes (NBAD, UAE)
- No

- Yes (NBAD, UAE)
Indigenous Rights

- GA-HR8: Violations of indigenous rights and actions taken.

操作 that have been subject to human rights reviews or impact assessments (percentage, number). F No 6.3.4, 6.3.5

Supplier Human Rights Assessment

- GA-HR10: Percentage of new suppliers that were screened using human rights criteria. F No 6.3.4, 6.3.5

Human Rights & Governance Mechanisms

- GA-HR12: Grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms (number). F No 6.2.6.6, 6.8

SOCIETY

Policy: 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 in the future. We seek 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. The Group Economic provides further direction to our approach - "Our operations should contribute to the economic and social development of the communities where we conduct our business." Chapter 3, Section 3.5, pg 19-20.

F Full aspect No Local Communities: Anti-corruption Compliance

DMA

Resources & Responsibilities: Chapter 10, Section 10.5 Corporate Governance & Compliance, Management Structure, pg 26 Chapter 4.0, Section 4.2 Managing Sustainability, pg 26.

Local Communities

- GA-SCI: Percentage of operations with local community engagement, impact assessment and development programmes.

Percentage of operations with local community engagement, impact assessment and development programmes. Chapter 4.0, Section 4.4 An Informed Sustainability Strategy, pg 29-32 Chapter 10.5, Section 10.5 Local Communities: Collaborations & Partnerships, pg 63 F No 6.3.9, 6.6.7, 6.8.5, 6.8.7

Public Policy

- GA-SCI: Total value of political contributions by country and recipient/beneficiary.

There are no political parties in the UAE. NA No 6.6, 6.6.7

Anti-competitive Behaviour

- GA-SCI: Legal actions for anti-trust and monopoly practices (number and outcome).

Chapter 10, Section 10.5, Compliance, Regulatory Compliance, pg 21. F No 6.6, 6.6.5, 6.6.7

Compliance

- GA-SCI: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

Chapter 10, Section 10.5, Compliance, Regulatory Compliance, pg 21. F No 6.6, 6.6.5, 6.6.7

Supplier Assessment for Impacts on Society

- GA-SCI: Percentage of new suppliers that were screened using criteria for impacts on society.

Chapter 5.0, Section 5.5, Supplier Selection & Assessment, pg 42. F No 6.3.4, 6.3.5, 6.6.6

Governance Mechanisms for Impacts on Society

- GA-SCI: Grievances regarding impacts on society filed, addressed and resolved through formal grievance mechanisms (number).

Chapter 10, Section 10.5, Implementation of our Automated Procurement System, pg 42.

Chapter 6.0, Section 6.3, "Labour Practices", Employee Engagement, pg 52. F No 6.3.4, 6.3.5

PRODUCT RESPONSIBILITY

DMA

Resources & Responsibilities: Chapter 3.0, Section 3.5 Corporate Governance & Compliance, Management Structure, pg 26 Chapter 5.0, Section 5.4 A Framework for Customer Engagement, pg 76.

Customer Health & Safety

- G1-M1: Number of incidents of non-compliance with regulations and codes regarding the health and safety impacts of products and services.

Chapter 10, Section 10.3, Compliance, Regulatory Compliance, pg 21. F No 6.3.6, 6.7, 6.7.4, 6.7.5

Marketing Communications: Customer Privacy Compliance

6.2.6.6, 6.7

External Assurance

Yes (NBAD, UAE)

ISO 26000

Yes (NBAD, UAE)

External Assurance

Yes (NBAD, UAE)

ISO 26000

Yes (NBAD, UAE)

External Assurance

Yes (NBAD, UAE)

ISO 26000

Yes (NBAD, UAE)
Table 3 Financial Sector Additional Disclosures

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<th>Summary</th>
<th>Report Section</th>
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<th>External Assurance</th>
<th>Material Aspects (Boundary)</th>
<th>ISO 26000</th>
<th>F (all aspects)</th>
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<td>G4-PR4</td>
<td>Number of incidents of non-compliance with regulations and codes regarding product and service information and labelling by type of outcomes.</td>
<td>Chapter 3.0, Section 3.5, &quot;Compliance&quot;, &quot;Regulatory Compliance&quot;, pg 21</td>
<td>F</td>
<td>No</td>
<td>6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9</td>
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<td></td>
</tr>
<tr>
<td>G4-PR5</td>
<td>Practices of customer satisfaction (results).</td>
<td>Chapter 3.0, Section 3.4, &quot;Customer Satisfaction&quot;, &quot;Customer Satisfaction Surveys&quot;, pg 29, 30</td>
<td>F</td>
<td>No</td>
<td>6.6.7, 6.6.8, 6.6.9, 6.7.5, 6.7.6, 6.7.9</td>
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<td><strong>Marketing Communications</strong></td>
<td>Yes (NBAD, UAE)</td>
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<td>G4-PR7</td>
<td>Non-compliance incidents by number, outcome.</td>
<td>Chapter 3.0, Section 3.5, &quot;Compliance&quot;, &quot;Regulatory Compliance&quot;, pg 21</td>
<td>F</td>
<td>No</td>
<td>6.7, 6.7.3, 6.7.6, 6.7.9</td>
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<td>G4-PR8</td>
<td>Substantial complaints for privacy, lost data (by number).</td>
<td>Chapter 3.0, Section 3.6, &quot;Compliance&quot;, &quot;Regulatory Compliance&quot;, pg 22</td>
<td>F</td>
<td>No</td>
<td>6.7, 6.7.3, 6.7.6, 6.7.9</td>
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<td><strong>Compliance</strong></td>
<td>Yes (NBAD, UAE)</td>
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<td>G4-PR9</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
<td>Chapter 3.0, Section 3.5, &quot;Compliance&quot;, &quot;Regulatory Compliance&quot;, pg 21</td>
<td>F</td>
<td>No</td>
<td>6.7, 6.7.7</td>
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**SPECIFIC STANDARD DISCLOSURES**

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<tr>
<th>DMA and Indicators</th>
<th>Summary</th>
<th>Report Section</th>
<th>Coverage/Omissions</th>
<th>External Assurance</th>
<th>Material Aspects (Boundary)</th>
<th>ISO 26000</th>
<th>F (all aspects)</th>
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<tr>
<td><strong>PRODUCT RESPONSIBILITY Policy</strong></td>
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<td>G4-PR1</td>
<td>Our approach to Product Responsibility is described by the &quot;Product&quot; 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.&quot; Refer to Appendix B.</td>
<td>Chapter 3.0, Section 3.5, &quot;Compliance&quot;, &quot;Regulatory Compliance&quot;, pg 22-23; Chapter 1.0, Section 1.3, pg 6-21; Chapter 1.0, Sections 1.2.1, 1.2, 1.3, pg 36-42.</td>
<td>Yes (NBAD, UAE)</td>
<td>F</td>
<td>No</td>
<td>Product Portfolio 6.2.6.1, 6.7</td>
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<td><strong>Goals, Targets &amp; Commitments, Specific Actions:</strong></td>
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<td>FS6</td>
<td>Percentage of the portfolio for business lines by specific region size (eg micro/mتور/medium and by sector.</td>
<td>Chapter 3.0, Section 3.5, pg 23. Also refer to our Annual Reports, (<a href="http://www.nbad.com">www.nbad.com</a>) for further detail.</td>
<td>F</td>
<td>No</td>
<td>6.7, 6.7.7</td>
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<td>FS7</td>
<td>Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.</td>
<td>Chapter 3.0, Section 3.6, &quot;Financial Inclusion&quot;, pg 41-42.</td>
<td>P</td>
<td>No</td>
<td>6.7</td>
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<tr>
<td>FS8</td>
<td>Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.</td>
<td>Not reported.</td>
<td>NR</td>
<td>No</td>
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<td><strong>Audit</strong></td>
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<td>FS9</td>
<td>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.</td>
<td>Chapter 3.0, Sections 3.5, 3.6, &quot;Managing Sustainability&quot;, &quot;Sustainability Stakeholders Group&quot;, pg 25.</td>
<td>F</td>
<td>No</td>
<td>6.2.6.1, 6.7</td>
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<td><strong>Active Ownership</strong></td>
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<td>FS10</td>
<td>Percentage and number of companies held in the institution’s portfolio with which the reporting organization has interacted on environmental or social issues.</td>
<td>Chapter 3.0, Section 3.5, &quot;Managing Sustainability&quot;, &quot;Sustainability Stakeholders Group&quot;, pg 26.</td>
<td>F</td>
<td>No</td>
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<td>FS11</td>
<td>Percentage of assets subject to positive and negative environmental or social screening.</td>
<td>Chapter 3.0, Section 3.5, &quot;Managing Sustainability&quot;, &quot;Sustainability Stakeholders Group&quot;, pg 25.</td>
<td>P</td>
<td>No</td>
<td>6.7</td>
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</table>
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.

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.

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.

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.

We do not compromise the long term environmental security of the communities where we operate in favour of short term profit.
Appendix C1 – Performance Indicators

C1 – Summary of Performance Indicators

<table>
<thead>
<tr>
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<tr>
<td>Economic performance¹</td>
<td></td>
<td></td>
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<tr>
<td>Direct economic value generated</td>
<td>10,414,717</td>
<td>9,397,988</td>
<td>8,668,389</td>
<td>7,880,862</td>
<td>7,178,534</td>
<td>6,399,053</td>
</tr>
<tr>
<td>Revenues (operating income) (AED '000s)</td>
<td>10,414,717</td>
<td>9,397,988</td>
<td>8,668,389</td>
<td>7,880,862</td>
<td>7,178,534</td>
<td>6,399,053</td>
</tr>
<tr>
<td>Economic value distributed</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Operating costs (AED '000s)</td>
<td>907,387</td>
<td>801,451</td>
<td>711,798</td>
<td>639,799</td>
<td>534,248</td>
<td>461,214</td>
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<td>Employee compensation (AED '000s)</td>
<td>2,532,726</td>
<td>2,187,719</td>
<td>1,937,666</td>
<td>1,716,380</td>
<td>1,495,821</td>
<td>1,310,357</td>
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<td>Payments to providers of capital (AED '000s)²</td>
<td>2,077,466</td>
<td>1,952,848</td>
<td>1,599,504</td>
<td>1,101,013</td>
<td>957,511</td>
<td>337,428</td>
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<tr>
<td>Payments to Government (AED '000s)</td>
<td>271,688</td>
<td>220,324</td>
<td>131,961</td>
<td>111,036</td>
<td>102,602</td>
<td>72,925</td>
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<tr>
<td>Donations &amp; sponsorships (AED '000s)⁶</td>
<td>50,973</td>
<td>43,198</td>
<td>36,877</td>
<td>50,269</td>
<td>34,789</td>
<td>25,612</td>
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<tr>
<td>Donations &amp; sponsorships as % of pre-tax profit (AED '000s)</td>
<td>0.87%</td>
<td>0.87%</td>
<td>0.83%</td>
<td>1.32%</td>
<td>0.92%</td>
<td>0.83%</td>
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<tr>
<td>Economic value retained</td>
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<td></td>
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<tr>
<td>Global net profits (AED '000s)</td>
<td>5,578,869</td>
<td>4,733,125</td>
<td>4,332,228</td>
<td>3,707,548</td>
<td>3,683,159</td>
<td>3,019,938</td>
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<tr>
<td>Total operating income (revenue AED '000s)</td>
<td>10,414,717</td>
<td>9,397,988</td>
<td>8,668,389</td>
<td>7,880,862</td>
<td>7,178,534</td>
<td>6,399,053</td>
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<tr>
<td>Shareholders’ Equity (AED '000s)</td>
<td>33,963,382</td>
<td>30,678,541</td>
<td>27,133,090</td>
<td>22,389,485</td>
<td>20,113,416</td>
<td>16,440,567</td>
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<td>Return on (average) equity (%)³</td>
<td>15.4%</td>
<td>14.4%</td>
<td>15.1%</td>
<td>14.7%</td>
<td>16.5%</td>
<td>17.4%</td>
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<tr>
<td>Government of Abu Dhabi Tier-1 Capital notes (AED '000s)</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
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<tr>
<td>Subordinated Debt (AED '000s)</td>
<td>1,516,641</td>
<td>1,512,323</td>
<td>5,662,361</td>
<td>7,990,054</td>
<td>8,312,286</td>
<td>2,852,334</td>
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<tr>
<td>Capital resources⁴ (AED '000s)</td>
<td>41,018,999</td>
<td>37,309,062</td>
<td>37,266,141</td>
<td>36,088,029</td>
<td>34,241,013</td>
<td>24,893,535</td>
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¹ Financial data is taken from our annual report available in the Investor Relations section of our website www.nbad.com; Figures for 2013 and prior years have not been reclassified to reflect changes in accounting policies in 2014

² Declared basis – includes payment on Government of Abu Dhabi Tier-1 capital notes

³ This is a medium term 5 year KPI, not a year on year - target 15%

⁴ As per the Basel-II framework adopted by the UAE Central Bank

⁵ Figures for 2013 and prior years have not been reclassified to reflect changes in accounting policies in 2014

⁶ Donations & sponsorship includes Zakat (accounted as an adjustment to retained earnings)

Appendix C

Performance Indicators

Appendix C

Performance Indicators

<table>
<thead>
<tr>
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<td>People Performance (Summary)</td>
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<tr>
<td>Group Workforce (excluding sponsored students)</td>
<td>5,878</td>
<td>5,616</td>
<td>5,636</td>
<td>5,460</td>
<td>-</td>
<td>-</td>
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<tr>
<td>UAE Workforce (excluding sponsored students)</td>
<td>4,535</td>
<td>4,284</td>
<td>4,340</td>
<td>4,256</td>
<td>3,950</td>
<td>3,753</td>
<td>2,981</td>
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<td>Women in the workforce (UAE)</td>
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<td>Women in Senior Management – Bands 5 &amp; 4 (previous grade 12+) (UAE)</td>
<td>33</td>
<td>6.5%</td>
<td>7.8%</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>3%</td>
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<td>Women in Middle Management – Bands 3 &amp; 2 (previous grade 9-11) (UAE)</td>
<td>692</td>
<td>26%</td>
<td>24%</td>
<td>24%</td>
<td>17%</td>
<td>19%</td>
<td>19%</td>
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<tr>
<td>Sponsored Students &amp; Trainees</td>
<td>162</td>
<td>6.1%</td>
<td>5.3%</td>
<td>5.3%</td>
<td>4%</td>
<td>3.8%</td>
<td>3.8%</td>
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<tr>
<td>Workforce turnover (UAE)</td>
<td>11.6%</td>
<td>12.6%</td>
<td>9%</td>
<td>9%</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Women turnover (UAE)</td>
<td>3.9%</td>
<td>4.1%</td>
<td>9%</td>
<td>18%</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Average Training per employee (hours)</td>
<td>35</td>
<td>50.93</td>
<td>71.71</td>
<td>62.02</td>
<td>84.84</td>
<td>26.56</td>
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### Reach and Accessibility

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<tr>
<td>Countries where we have a presence (excluding UAE)</td>
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<td>16</td>
<td>14</td>
<td>12</td>
<td>12</td>
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<td>Number of international units</td>
<td>54</td>
<td>50</td>
<td>57</td>
<td>51</td>
<td>49</td>
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<td>Branches in our UAE network</td>
<td>125</td>
<td>126</td>
<td>121</td>
<td>119</td>
<td>112</td>
<td>100</td>
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<td>Reach in low population and economically disadvantaged areas</td>
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<td>17</td>
<td>13</td>
<td>19</td>
<td>19</td>
<td>20</td>
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<td>ATMs in our UAE network</td>
<td>516</td>
<td>588</td>
<td>571</td>
<td>502</td>
<td>392</td>
<td>350</td>
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<tr>
<td>Branches in low population and economically disadvantaged areas</td>
<td>46</td>
<td>46</td>
<td>49</td>
<td>46</td>
<td>26</td>
<td>26</td>
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<td>Total registered online banking customers</td>
<td>166,080</td>
<td>158,146</td>
<td>136,428</td>
<td>120,877</td>
<td>107,575</td>
<td>94,881</td>
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### Environment

#### GHG (UAE)

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<td>Indirect CO$_2$ from Electricity (tonnes)</td>
<td>31,751.03</td>
<td>19,128.43</td>
<td>28,412.44</td>
<td>18,239.86</td>
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<td>Indirect CO$_2$ from Water (tonnes)</td>
<td>1,939.72</td>
<td>1,670.30</td>
<td>1,210.65</td>
<td>793.01</td>
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<td>Indirect CO$_2$ from Business flights (tonnes)</td>
<td>1,705.37</td>
<td>784.22</td>
<td>423.67</td>
<td>331.54</td>
<td>-</td>
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<td>Direct CO$_2$ from Gasoline (tonnes)</td>
<td>998.70</td>
<td>1,086.67</td>
<td>896.02</td>
<td>867.46</td>
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<td>Direct CO$_2$ from Diesel (tonnes)</td>
<td>2.25</td>
<td>2.05</td>
<td>2.93</td>
<td>5.52</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total CO$_2$ Emissions (tonnes)</td>
<td>36,397.07</td>
<td>22,671.68</td>
<td>30,945.71</td>
<td>20,237.39</td>
<td>25,027</td>
<td>21,689</td>
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<tr>
<td>Tonnes of CO$_2$ per UAE employee</td>
<td>6.67</td>
<td>5.06</td>
<td>6.98</td>
<td>4.75</td>
<td>6.3</td>
<td>6.1</td>
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<td>Total electricity consumption (KwH)</td>
<td>62,256,919.67</td>
<td>37,506,730</td>
<td>55,710,665</td>
<td>35,764,423</td>
<td>32,848,098</td>
<td>28,471,910</td>
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<td>Total electricity consumption (GJ)</td>
<td>224,131.19</td>
<td>135,024</td>
<td>200,559</td>
<td>128,752</td>
<td>118,253</td>
<td>102,499</td>
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<tr>
<td>Electricity consumption per capita (KwH)</td>
<td>11,417.00</td>
<td>8,377.60</td>
<td>12,570</td>
<td>8,399</td>
<td>8,316</td>
<td>7,586</td>
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<td>Total water consumption (M3)</td>
<td>140,968.33</td>
<td>121,388</td>
<td>135,632</td>
<td>57,631</td>
<td>149,330</td>
<td>129,436</td>
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<td>Total water consumption (IG)</td>
<td>31,008,698.32</td>
<td>26,701,673</td>
<td>29,834,766</td>
<td>12,677,130</td>
<td>20,362,128</td>
<td>26,388,889</td>
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<td>Water consumption per capita (IG)</td>
<td>5,686.54</td>
<td>5,964.19</td>
<td>6,732</td>
<td>2,977</td>
<td>8,316</td>
<td>7,586</td>
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<td>Total paper consumption (KG)</td>
<td>249,475.00</td>
<td>219,150</td>
<td>230,850</td>
<td>212,175</td>
<td>248,988</td>
<td>213,163</td>
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<td>Total paper consumption per capita (KG)</td>
<td>46</td>
<td>49</td>
<td>52.09</td>
<td>49.83</td>
<td>63.03</td>
<td>56.8</td>
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<tr>
<td>Total paper recycled (KG)</td>
<td>153,726.50</td>
<td>110,958</td>
<td>93,365</td>
<td>49,507</td>
<td>38,842</td>
<td>36,917</td>
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<tr>
<td>Paper recycling rate</td>
<td>62%</td>
<td>51%</td>
<td>40.40%</td>
<td>23.30%</td>
<td>15.60%</td>
<td>17.30%</td>
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<tr>
<td>Annual spending on standard photocopy paper (AED)</td>
<td>983,191.65</td>
<td>1,273,712</td>
<td>1,024,950</td>
<td>1,122,375</td>
<td>920,325</td>
<td>868,200</td>
</tr>
<tr>
<td>Printer cartridges (UAE)</td>
<td>239,470.05</td>
<td>278,115</td>
<td>232,850</td>
<td>212,175</td>
<td>248,988</td>
<td>213,163</td>
</tr>
<tr>
<td>Total printer cartridges purchased</td>
<td>48</td>
<td>45</td>
<td>52,250</td>
<td>49,983</td>
<td>60,373</td>
<td>56.8</td>
</tr>
<tr>
<td>Total paper recycled (KG)</td>
<td>10,000</td>
<td>110,958</td>
<td>93,365</td>
<td>49,507</td>
<td>38,842</td>
<td>36,917</td>
</tr>
<tr>
<td>Paper recycling rate</td>
<td>62%</td>
<td>51%</td>
<td>40.40%</td>
<td>23.30%</td>
<td>15.60%</td>
<td>17.30%</td>
</tr>
<tr>
<td>Annual spending on standard photocopy paper (AED)</td>
<td>983,191.65</td>
<td>1,273,712</td>
<td>1,024,950</td>
<td>1,122,375</td>
<td>920,325</td>
<td>868,200</td>
</tr>
</tbody>
</table>

### Product and customer performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average branch internal shopper score</td>
<td>83%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer satisfaction*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Global – Retail &amp; Commercial Division</td>
<td>82%</td>
<td>81%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumer Banking Group</td>
<td>81%</td>
<td>86%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Credit card readers</td>
<td>77%</td>
<td>81%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elba Banking Cards</td>
<td>81%</td>
<td>73%</td>
<td>93%</td>
<td>92%</td>
<td>96%</td>
<td>-</td>
</tr>
<tr>
<td>Abu Dhabi National Islamic Financial Services</td>
<td>82%</td>
<td>82%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ATMs in low population and economically disadvantaged areas</td>
<td>44%</td>
<td>35%</td>
<td>-</td>
<td>64%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Global Wealth Division</td>
<td>94%</td>
<td>95%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Private Banking UAE</td>
<td>86%</td>
<td>75%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NBAD Securities</td>
<td>77%</td>
<td>80%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total number of customer privacy breaches</td>
<td>14</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total number of SME Clients (cumulative)</td>
<td>30,697</td>
<td>25,399</td>
<td>25,256</td>
<td>19,961</td>
<td>14,983</td>
<td>-</td>
</tr>
<tr>
<td>Percentage growth in number of debit cards issued</td>
<td>32%</td>
<td>24.6%</td>
<td>23.1%</td>
<td>31%</td>
<td>10%</td>
<td>-</td>
</tr>
<tr>
<td>Total credit cards in use</td>
<td>214,767</td>
<td>210,502</td>
<td>138,311</td>
<td>111,387</td>
<td>84,264</td>
<td>75,794</td>
</tr>
</tbody>
</table>

---

*We carried out an internal shopper programme instead of the mystery shopper approach (conducted by an external provider), to ensure we comply with internal customer service procedures and standards.

*We have revised the number of departments included in the customer satisfaction survey, and have excluded some departments (i.e. contact centre users and card merchants).

*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.
## Appendix C2 – Our People Performance Indicators

### Group Workforce Figures

<table>
<thead>
<tr>
<th>Category</th>
<th>Group 2013</th>
<th>Group 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Workforce (Excluding Trainees &amp; Students)</strong></td>
<td>5616</td>
<td>5878</td>
</tr>
<tr>
<td><strong>Senior Level Positions Bands 5 &amp; 4 (previously Gr 12 +)</strong></td>
<td>174</td>
<td>300</td>
</tr>
<tr>
<td><strong>Middle Management positions Bands 3 &amp; 1</strong></td>
<td>1079</td>
<td>2512</td>
</tr>
<tr>
<td><strong>Employees Band 1 (previously Grade 4-B)</strong></td>
<td>3214</td>
<td>365</td>
</tr>
<tr>
<td><strong>Employees – Non-clerical staff (previously Grade 1-3)</strong></td>
<td>585</td>
<td>440</td>
</tr>
<tr>
<td><strong>Contract Staff (Including Retired)</strong></td>
<td>564</td>
<td>536</td>
</tr>
<tr>
<td><strong>Total number of employees hired</strong></td>
<td>974</td>
<td>752</td>
</tr>
<tr>
<td><strong>Total number of employees terminated/ left</strong></td>
<td>670</td>
<td>524</td>
</tr>
<tr>
<td><strong>Total workforce turnover (%) (leavers/Total No. of Staff)</strong></td>
<td>11.4%</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Senior Management - Bands 5 &amp; 4 (previously Gr 12 +)</strong></td>
<td>9%</td>
<td>8.5%</td>
</tr>
<tr>
<td><strong>Middle Management — Bands 3 &amp; 1</strong></td>
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</tr>
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</tr>
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<td>14.8%</td>
</tr>
<tr>
<td><strong>Contract Staff</strong></td>
<td>14.9%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

### Employee Turnover Figures

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<th>Group 2014</th>
</tr>
</thead>
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</tr>
<tr>
<td><strong>Contract Staff</strong></td>
<td>14.9%</td>
<td>14.8%</td>
</tr>
</tbody>
</table>
### UAE employee training figures

*Figures are not yet available for employee training outside the UAE.*

<table>
<thead>
<tr>
<th>Year</th>
<th>Total training delivered (Days)</th>
<th>Total training delivered (Hours)</th>
<th>Average training per employee (Days)</th>
<th>Number of employees trained (including all bands 1-5)</th>
<th>Business Unit Heads (Bands 4 &amp; 5)</th>
<th>Manager of Managers (Band 3)</th>
<th>Team Leader/Manager/Specialist (Band 2)</th>
<th>Individual Contributor/Supervisor (Band 1)</th>
<th>Trainees</th>
<th>Contract Staff (excluding retirees)</th>
<th>Average training (hours)</th>
<th>Number of employees who completed anti-money laundering course (e-learning and classroom)</th>
<th>Number of e-learning training hours delivered</th>
<th>Number of employees who completed sustainability awareness e-learning programme (2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>8,290</td>
<td>58,030</td>
<td>4.08</td>
<td>2,030</td>
<td>40</td>
<td>32</td>
<td>1,464</td>
<td>1,124</td>
<td>59</td>
<td>5</td>
<td>Contract Staff (excluding retirees)</td>
<td>34.16 (2004)</td>
<td>5207</td>
<td>5207 (2004)</td>
</tr>
</tbody>
</table>

1. Average training hours/days are calculated based on number of people trained, not total employee numbers.
2. Dissolved, included in Bands information
3. The total number includes employees who have completed the AML e-learning & classroom courses, however, as all employees are given access to the e-learning course, some staff may have completed both courses.

### 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.

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Definition/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual spending on photocopy paper</td>
<td>Based on total cost of procurement not consumption.</td>
</tr>
<tr>
<td>Average Training Delivered</td>
<td>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 &amp; 4 (pre-2014: Grade 12-13) Middle Management Bands 3 &amp; 2 (pre-2014: Grade 9-11) Employees Band 1 (pre-2014: Grade 4 - 6) Non-clerical Staff (pre-2014: Grade 1 - 3)</td>
</tr>
<tr>
<td>Community donations as a percentage of pre-tax profit</td>
<td>‘Donations &amp; Charity’ / pre-tax profits x 100</td>
</tr>
<tr>
<td>Direct economic value generated and distributed</td>
<td>Based on GRI definition in Financial Services Sector Supplement Version G4, indicator G4-EC1</td>
</tr>
<tr>
<td>Economic value retained</td>
<td>Based on GRI definition in Financial Services Sector Supplement Version G4, indicator G4-EC1</td>
</tr>
<tr>
<td>Emiratisation rate UAE only - Total UAE National employees or potential employees in development (1,177 employees + 162 distributed)</td>
<td>Based on GRI definition in Financial Services Sector Supplement Version G4, indicator G4-EC1</td>
</tr>
<tr>
<td>Employees trained</td>
<td>% of total workforce attending training either under the NBAD Academy or at an external recognised institution.</td>
</tr>
<tr>
<td>Employee grades</td>
<td>Senior Level Bands 5 &amp; 4 (pre-2014: Grade 12-13) Middle Management Bands 3 &amp; 2 (pre-2014: Grade 9-11) Employees Band 1 (pre-2014: Grade 4 - 6) Non-clerical Staff (pre-2014: Grade 1 - 3)</td>
</tr>
<tr>
<td>Impaired loans</td>
<td>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.</td>
</tr>
<tr>
<td>Low-population and economically disadvantaged areas</td>
<td>Ghayathi, Liwa, Ruwais, Silk, Yahar, Sweihan, Hayan, Wagan, Mirfaa, Madam, Dibba Hisn, Qidfaa.</td>
</tr>
<tr>
<td>Net increase in UAE Nationals hired</td>
<td>Increase in number of UAE Nationals who are permanent staff (excluding trainees). Net increase = New UAMN recruits + conversions from trainees to permanent staff - UAE Nationals staff turnover.</td>
</tr>
<tr>
<td>Non-performing loans (NPLs)</td>
<td>Same as impaired loans</td>
</tr>
<tr>
<td>Number of contract staff</td>
<td>All Long &amp; short term contract staff (including retirees) on contracts directly with NBAD. Does not include third party supplied contractors.</td>
</tr>
<tr>
<td>Online banking satisfaction results</td>
<td>Based on customer service index developed through ongoing online customer survey/feedback.</td>
</tr>
<tr>
<td>Overdue loans (past due but not impaired)</td>
<td>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, but 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.</td>
</tr>
<tr>
<td>Paper Recycling Rate</td>
<td>Recycled paper as a percentage of total paper consumption.</td>
</tr>
</tbody>
</table>

---

This table provides simple explanations of how we calculate some of our performance figures.

<table>
<thead>
<tr>
<th>Definition/Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emiratisation rate</td>
</tr>
<tr>
<td>Direct economic value generated and distributed</td>
</tr>
<tr>
<td>Economic value retained</td>
</tr>
<tr>
<td>Emiratisation rate UAE only</td>
</tr>
<tr>
<td>Employees trained</td>
</tr>
<tr>
<td>Employee grades</td>
</tr>
<tr>
<td>Impaired loans</td>
</tr>
<tr>
<td>Low-population and economically disadvantaged areas</td>
</tr>
<tr>
<td>Net increase in UAE Nationals hired</td>
</tr>
<tr>
<td>Non-performing loans (NPLs)</td>
</tr>
<tr>
<td>Number of contract staff</td>
</tr>
<tr>
<td>Online banking satisfaction results</td>
</tr>
<tr>
<td>Overdue loans (past due but not impaired)</td>
</tr>
<tr>
<td>Paper Recycling Rate</td>
</tr>
<tr>
<td>Performance Indicator</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Paper Shredded (tonnes)</td>
</tr>
<tr>
<td>Payment to providers of capital</td>
</tr>
<tr>
<td>Payment to government</td>
</tr>
<tr>
<td>Per capita consumption</td>
</tr>
<tr>
<td>Percentage of toners recycled (remanufactured)</td>
</tr>
<tr>
<td>Provision coverage</td>
</tr>
<tr>
<td>Ratio of basic salary</td>
</tr>
<tr>
<td>Return on shareholders’ funds</td>
</tr>
<tr>
<td>Sick leave</td>
</tr>
<tr>
<td>Capital resources</td>
</tr>
<tr>
<td>Total community donations and charity (AED'000)</td>
</tr>
<tr>
<td>Total electricity consumption</td>
</tr>
<tr>
<td>Total GHG emissions</td>
</tr>
<tr>
<td>Total number of customer privacy breaches</td>
</tr>
<tr>
<td>Total paper consumption</td>
</tr>
<tr>
<td>Total paper recycled</td>
</tr>
<tr>
<td>Total registered online banking customers</td>
</tr>
<tr>
<td>Total transactions value</td>
</tr>
<tr>
<td>Total workforce</td>
</tr>
<tr>
<td>Total workforce turnover</td>
</tr>
</tbody>
</table>
## Appendix D – Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi Economic Vision 2030</td>
<td>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.</td>
</tr>
<tr>
<td>ADIA</td>
<td>Abu Dhabi Investment Authority.</td>
</tr>
<tr>
<td>ADSG</td>
<td>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.</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>Traditional consumer and corporate banking e.g. personal accounts, loans, mortgages</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>DSN</td>
<td>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).</td>
</tr>
<tr>
<td>Elite Banking</td>
<td>Consumer banking for high net worth individuals</td>
</tr>
<tr>
<td>Emiratisation</td>
<td>An initiative by the government of the UAE to employ its citizens in a meaningful and efficient manner in the public and private sector.</td>
</tr>
<tr>
<td>Equator Principles</td>
<td>A voluntary standard which reviews the potential social and environmental impacts of projects the bank is looking to finance.</td>
</tr>
<tr>
<td>Estidama Pearl Rating System</td>
<td>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.</td>
</tr>
<tr>
<td>E-waste</td>
<td>A term used to describe electronic waste—discarded, surplus, obsolete or broken electrical or electronic devices.</td>
</tr>
<tr>
<td>EWS-WWF</td>
<td>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.</td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>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.</td>
</tr>
<tr>
<td>GCC</td>
<td>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 (GCC). Also referred to as the Arab Gulf Cooperation Council (AGCC). The 6 GCC countries, citizen nationals, nationals, or member states include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product;</td>
</tr>
<tr>
<td>GRI</td>
<td>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.</td>
</tr>
<tr>
<td>Independent Director</td>
<td>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 an 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.</td>
</tr>
<tr>
<td>ISO 26000</td>
<td>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.</td>
</tr>
<tr>
<td>Khalifa Fund for Enterprise Development</td>
<td>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 and medium-sized investments in the Emirate. <a href="http://www.khalifafund.ae">www.khalifafund.ae</a>.</td>
</tr>
<tr>
<td>LED</td>
<td>Light emitting diodes.</td>
</tr>
<tr>
<td>LEED</td>
<td>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.</td>
</tr>
<tr>
<td>NBAD Group</td>
<td>Refers to NBAD operations within the UAE and worldwide.</td>
</tr>
<tr>
<td>NBAD UAE</td>
<td>Refers to NBAD operations within the UAE.</td>
</tr>
<tr>
<td>Private Banking</td>
<td>Bespoke investment banking e.g. equities, fixed income products.</td>
</tr>
<tr>
<td>Project Finance</td>
<td>Long term financing of major development or infrastructure projects.</td>
</tr>
<tr>
<td>SCA Licence</td>
<td>Securities &amp; Commodities Licence.</td>
</tr>
<tr>
<td>Total Cost of Ownership (TCO)</td>
<td>Total Cost of Ownership usually abbreviated as TCO is a calculation designed to help make a 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 services, repair, and maintenance.</td>
</tr>
<tr>
<td>Wholesale Banking</td>
<td>Financial services conducted between financial services companies and institutions such as banks, insurers, fund managers, and stockbrokers.</td>
</tr>
</tbody>
</table>
Appendix E – Information & 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.

Due to a number of issues, we are still unable to obtain utility bills for our offices and premises which we lease. During 2014, however, we met with Abu Dhabi Distribution Company (ADDC) to obtain more accurate data on the consumption of utilities in our 14 NBAD owned buildings. The information from our utility bills was sometimes being reported inaccurately internally, and we continued to have difficulties accessing water meters. We now have online access to these utility bills and are able to track our annual consumption more accurately.

The methodology used in 2012 and 2013 to calculate our water and energy consumption for all employees across the UAE, was also utilised for our 2014 data.

We receive utility bills for our 14 NBAD owned buildings, including our Head office and ADNEC office. These have the highest occupancy rate out of all our UAE premises. We, therefore, used the base consumption rate figures from the 14 buildings comprising 2,337 employees to extrapolate the total consumption rate for all 5,453 employees including outsourced staff across the UAE.

The electricity consumption in 2014 is based on the consumption rate of 2,337 employees in 14 NBAD owned buildings. Based on this consumption rate, the total estimated electricity consumption for all 5,453 employees (including outsourced staff) across our UAE premises is 62,256,920 KwH.

Based on the consumption rate in our 14 NBAD buildings, the total estimated water consumption for all 5,453 employees (including outsourced staff) across our UAE premises is 31,008,698 Imperial Gallons (IG).

We plan to commission an environmental audit of our Head office and Khalidiya office buildings in order to assess the current environmental performance of these buildings and make improvements where necessary. This will assist us in obtaining accurate environmental baseline information for these buildings and help us to set targets to reduce our consumption of electricity and water. We prepared and issued the request for proposals (RFPs) for the audit, which will be carried out in 2015.

We will also participate in the ADSG’s Energy Management Flagship Programme in 2015, through which selected staff will receive formal training on measuring electricity and water consumption and proposing techniques/solutions for the reduction in consumption of these resources in our buildings.

Green House gas emissions

In 2014, we calculated our GHG emissions (Table 1) using the sources of emission factors listed in Table 2 below.

Table 1 Total CO₂ Emissions

<table>
<thead>
<tr>
<th>Source of Emission Factor</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on the results of Abu Dhabi GHG inventory for 2010.</td>
<td>Electricity</td>
</tr>
<tr>
<td>Based on the results of Abu Dhabi GHG inventory for 2010.</td>
<td>Water</td>
</tr>
<tr>
<td>GHG Protocol GHG emissions from transport or mobile sources Calculation Tool V 2.3 Oct 2010</td>
<td>Flight</td>
</tr>
<tr>
<td>GHG Protocol GHG emissions from transport or mobile sources Calculation Tool V 2.3 Oct 2011</td>
<td>Flight</td>
</tr>
<tr>
<td>GHG Calculation Tool V 4.01 Oct 2010, IPCC 2006 Guidelines</td>
<td>Flight</td>
</tr>
</tbody>
</table>
### Appendix F - Our Future Sustainability Commitments

<table>
<thead>
<tr>
<th>Report Section</th>
<th>Sustainability Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chapter 5.0 Responsible Business Practices</strong></td>
<td><strong>Short-term (2015)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Engage with our customers through our customer satisfaction survey to identify and meet our customers’ needs and expectations.</td>
</tr>
<tr>
<td></td>
<td>✓ Continue our support of the Abu Dhabi 2030 vision through financing of infrastructure, power, transport and multi-use developments (on-going commitment).</td>
</tr>
<tr>
<td></td>
<td>✓ Finalise the sustainability selection criteria for suppliers and prepare code of conduct for supplier registration.</td>
</tr>
<tr>
<td></td>
<td>✓ Increase the number of service ambassadors to 28 branches to ensure our customers receive a high quality and efficient level of service.</td>
</tr>
<tr>
<td></td>
<td><strong>Medium (2016-2018)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Continue to integrate sustainability objectives within our 5 year strategy and report on our progress annually.</td>
</tr>
<tr>
<td></td>
<td>✓ Underline direct engagement with our stakeholders for the perception and materiality analysis aspect of our sustainability reporting (every two years).</td>
</tr>
<tr>
<td></td>
<td>✓ Implement our Group-wide policy in relation to project financing.</td>
</tr>
<tr>
<td></td>
<td>✓ 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.</td>
</tr>
<tr>
<td></td>
<td>✓ Incorporate sustainability selection criteria within registration process and screen our new suppliers using sustainability criteria.</td>
</tr>
<tr>
<td></td>
<td>✓ Fully integrate our supplier complaints management system within our automated procurement system.</td>
</tr>
<tr>
<td></td>
<td><strong>Long-term (2018-beyond)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Continue to support Abu Dhabi and the UAE’s economic growth by aligning our goals and objectives with the Abu Dhabi Vision 2030.</td>
</tr>
</tbody>
</table>

**Chapter 6 Investing in our People**

<table>
<thead>
<tr>
<th>Report Section</th>
<th>Sustainability Commitments</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Short-term</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Provide 100 net new jobs for Emiratis annually to support the Abu Dhabi 2030 Vision for Emiratisation (ongoing commitment).</td>
</tr>
<tr>
<td></td>
<td><strong>Medium (2015-2018)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ 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.</td>
</tr>
<tr>
<td></td>
<td>✓ Investigate how our sustainability objectives can be incorporated into employees’ annual performance targets to measure and reward our employees’ performance against these targets.</td>
</tr>
<tr>
<td></td>
<td><strong>Long-term (2018-beyond)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Provide certified training for associates under the Professional Bankers Project, to build a pipeline of professional individuals with the ability to meet our strategy. New recruits will also be a part of this group, providing employment opportunities for talented individuals.</td>
</tr>
<tr>
<td></td>
<td>✓ Undertake responsible marketing and communications training for relevant staff to provide an understanding of the relevance of sustainability within their areas of business.</td>
</tr>
<tr>
<td></td>
<td>✓ Investigate incorporation of sustainability-specific objectives in managers’ formal appraisal to integrate the principles of sustainability within our organisation.</td>
</tr>
</tbody>
</table>

**Chapter 7 Our Impact on Society**

<table>
<thead>
<tr>
<th>Report Section</th>
<th>Sustainability Commitments</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Short-term (2015)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Continue to participate in the Dubai Chamber Sustainability Network (DCSN) working groups to encourage and promote sustainability amongst the wider business community.</td>
</tr>
<tr>
<td></td>
<td>✓ Support the Abu Dhabi’s 2030 vision by investing in the local economy (ongoing commitment).</td>
</tr>
<tr>
<td></td>
<td><strong>Medium (2016-2018)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Identify a planned, comprehensive set of training programmes delivered by relevant specialists that will focus on key, practical skills which will drive SMEs to the next level of success.</td>
</tr>
<tr>
<td></td>
<td>✓ Provide support to Emirates Foundation’s financial literacy programmes.</td>
</tr>
</tbody>
</table>

**Chapter 8.0 Environmental Stewardship**

<table>
<thead>
<tr>
<th>Report Section</th>
<th>Sustainability Commitments</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Short-term (2015)</strong></td>
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<tr>
<td></td>
<td>✓ We plan to have our environmental data externally assured.</td>
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<tr>
<td></td>
<td>✓ Commission an Environmental Audit of Head Office building to identify environmental improvement opportunities.</td>
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<tr>
<td></td>
<td>✓ Conduct more environmental awareness campaigns for our employees and outsourced staff.</td>
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<tr>
<td></td>
<td>✓ Identify our waste streams and develop a waste management plan for our Head Office and NBAD Academy building.</td>
</tr>
<tr>
<td></td>
<td>✓ Continue to participate in the Carbon Disclosure Project (CDPR), to measure and disclose our greenhouse gas (GHG) emissions.</td>
</tr>
<tr>
<td></td>
<td><strong>Medium (2016-2018)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Develop new and innovative financial structures and products that will support the development of the energy industry.</td>
</tr>
<tr>
<td></td>
<td>✓ Participate in ADSG’s Energy Pilot Programme and continue to work on improving our operational performance and energy efficiency.</td>
</tr>
<tr>
<td></td>
<td>✓ Develop and implement environmental resource management plans.</td>
</tr>
<tr>
<td></td>
<td>✓ Monitor, record and assess trends in relation to paper, water, waste and energy consumption and set targets for reduction.</td>
</tr>
<tr>
<td></td>
<td><strong>Long-term (2018-beyond)</strong></td>
</tr>
<tr>
<td></td>
<td>✓ Improve the environmental performance of our NBAD buildings and branches to minimise our resource consumption and mitigate associated impacts.</td>
</tr>
</tbody>
</table>