

Sustainable Finance Framework **2023**



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1. Sustainability at Emirates NBD



1. Sustainability at Emirates NBD

1.1. About Emirates NBD

Emirates NBD (“ENBD Group” or “the Group”), the leading banking group in the MENAT region, was formed on June 19, 1963, when H.H. Late Sheikh Rashid bin Saeed Al Maktoum signed the Charter of Incorporation of the National Bank of Dubai (NBD). On March 2007, NBD merged with Emirates Bank International (EBI) to form Emirates NBD, the largest banking group in the region by assets. On October 2007, the shares of Emirates NBD were officially listed on the Dubai Financial Market (DFM). The merger between EBI and NBD to create Emirates NBD, became a regional consolidation blueprint for the banking and finance sector as it combined the second and fourth largest banks in the UAE to form a banking champion capable of delivering enhanced value across Corporate, Retail, Islamic, Investment, and Private Banking, Global Markets & Treasury, Asset Management and Brokerage operations throughout the region. As at December 31, 2022, total assets were AED 742 billion, (equivalent to approx. USD 202 billion). The acquisition of DenizBank represented a significant milestone for Emirates NBD with the Group expanding its presence to 13 countries, servicing over 17 million customers.

The Group has branches in United Arab Emirates, India, the Kingdom of Saudi Arabia, Singapore and the United Kingdom, as well as branches (through its operating subsidiaries) in Austria, Bahrain, Egypt, Germany, Türkiye and Russia, and representative offices in China and Indonesia with a total of 854 branches and 4,173 ATMs / SDMs as at June 30, 2023.

As a major bank in the region, we have a dual purpose at national and international levels;

- To offer products and services reflecting the needs of our customers
- To contribute more broadly to the welfare of society and local environments



1.2. Emirates NBD Approach to Sustainability

As the largest financial institution in the Emirate of Dubai, Emirates NBD has both the ability and the determination to contribute to finding solutions to the challenges facing our planet and societies. Our group consists of various banks and entities such as Emirates NBD Bank, Emirates Islamic, DenizBank and Emirates NBD Asset Management.

In order to facilitate the shift towards more sustainable economies and societies, significant financial resources are necessary. As a Bank, we recognize our crucial role in this endeavor, which is why sustainable finance forms the foundation of our sustainability strategy.

Emirates NBD's sustainability strategy takes direction from the United Nations SDGs, the UAE's Vision 2030, and the United Nations Environmental Programme Dubai Declaration for Sustainable Finance that was launched during the UNEP FI's (UN Environment Programme Finance Initiative) 14th Global Roundtable under the auspices of the Ministry of Climate Change and Environment. The latter marks our commitment to transforming our nation into a green, low-carbon economy in support of the UAE Centennial 2071's sustainability agenda. As a part of its ongoing commitment to achieving net-zero goals, Emirates NBD Group has signed the UAE Climate-Responsible Companies Pledge and commit to implement carbon emission reduction goals and follow more sustainable methods in managing their operations, according to a timeline compatible with the UAE's national path to climate neutrality by 2050. The Bank was a pioneer in sustainability reporting, as we began formally reporting on our efforts in 2016 with the publication of our first Sustainability Report. Emirates NBD's strategy aligns with the UN SDGs through multiple initiatives such as providing training to SME clients for business development and signing an MOU with Emirates Development Bank to develop the SME ecosystem and economic output in the UAE. The Bank also provides financial literacy and wellbeing initiatives and trainings for customers, employees and students and partners, has programs to enhance employment opportunities for persons with disabilities and has global partnerships with multiple organisations and initiatives such as the UN Global Compact.¹

¹ Further information on Emirates NBD's alignment with the SDGs can be found in the Emirates NBD's ESG Report 2022 on Emirates NBD's website.

1. Sustainability at Emirates NBD

To ensure accountability and drive progress, we have set specific targets within each of our focus areas (see figure below) to measure our impact and drive further growth.

Key Drivers

1. Emirates NBD Vision, Purpose, Values
2. United Nations Sustainable Development Goals
3. UAE Sustainable Finance Framework 2021-2030

Focus Areas

1. Environmental
2. Community Outreach
3. Diversity & Inclusion
4. Financial Wellness

Implementation Mechanisms

1. Partnerships and Collaboration
2. Programme Development
3. Community and Engagement
4. Volunteering

Impact Measurement

1. Stakeholder Engagement
2. Monitoring and Evaluation
3. Social Return on Investment (SROI)

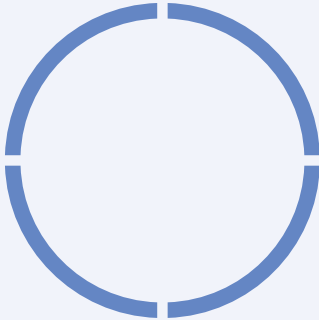
In every focus area within our Social Engagement Framework, we activate the following four elements to create multi-dimensional impact:

Human Assets

- Utilising our human capital to tap into their expertise and enable them to give back to the community

Products

- Using the Bank's expertise in product innovation to create products of benefit to the community



Community

- Partnering with social development institutions and the public to create impact in the wider community

Services

- Identifying existing and creating new services that can address challenges and create opportunities to empower the community

1. Sustainability at Emirates NBD

Emirates Islamic (EI)

Emirates Islamic offers a comprehensive range of Sharia'h compliant products and services across the Personal, Business and Corporate banking spectrum. As an Islamic bank which operates in a Sharia'h compliant manner, Emirates Islamic strives to contribute towards society in promoting equitable creation of wealth and a prosperous economy.

EI commits not just to national and regional development goals, but also international targets such as the Sustainable Development Goals (SDGs). The SDGs significantly inform our sustainable business strategy and management approach. EI is also committed to reducing its environmental impact, in line with the UAE Net Zero 2050

strategy. With a solid foundation in environmental compliance, we adopt the Emirates NBD Group approach to responsible environmental stewardship through our financing and our own operations.

EI is committed to accelerating SME development and diversification; in turn contributing to the UAE Vision to increase its ranking on the Global Entrepreneurship Indicator and to enhance SME contribution to non-oil gross domestic product. EI facilitates a wide array of responsible financing by incentivising business growth across renewable energy, low carbon, clean technology, waste management, community development, infrastructure and more.



1. Sustainability at Emirates NBD

Creating Opportunities to Prosper



DenizBank

DenizBank aims to promote human rights, fair working conditions, diversity, gender equality and equal opportunities to contribute to social development through the bank's business operations.

To that end, DenizBank:

- Contributes to raising awareness in the field of sustainability within both the bank and the society by supporting continuous training and competence development activities for improving organisational capacity
- Aims to develop products and services that support social development from a sustainability perspective
- Offers funds to the agriculture and tourism industries to bolster its commitment to Sustainable Development and National Goals
- Provides vital financial support for farmers to ensure the continuity and productivity of the agricultural sector
- Implementing projects that will contribute to social development and aims to make social contribution by supporting projects aimed at raising social awareness, particularly in the fields of education, culture, art and sports

The Bank cares about contributing to the sustainable consumption of limited resources, to the combat against climate change and to increasing the resistance against unavoidable environmental changes via its services and activities.

To that end, DenizBank:

- Monitors the consumption as well as environmental impacts from its operations and aims to improve them through mitigation projects
- Develops a roadmap to decarbonize its lending portfolio to further strengthen its commitment to mitigate the effects of climate change and comply with national and global targets
- Develops sustainable finance products and considers emissions from operations to support the struggle against global climate change and champion climate adaptation, which are fundamental to sustainable development
- Acts fairly in supplier selection and considers local suppliers to support the local and low-carbon economy

1. Sustainability at Emirates NBD

Emirates NBD Asset Management (AM)

Emirates NBD AM aims to adapt to relevant industry guidelines for responsible investment. Emirates NBD AM has become a signatory to the Principles for Responsible Investment (PRI) in 2021. The PRI has been instrumental in raising awareness about responsible investment among the global investment community and fostering collaboration among companies and policymakers on environmental and social issues. Its goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices.

Unless specifically mandated by asset owners to follow a certain ESG-integration approach, we have established the following guiding principles for ESG integration at Emirates NBD AM.

- We are preparing to follow a full ESG integration approach with quantitative and qualitative analysis of ESG information using leading third-party sources – Sustainalytics, Moody's and Bloomberg, and internal analysis with information from periodic engagements with investee companies;
- We aim to use ESG data sourced from the third-parties mentioned above alongside traditional fundamental analysis to achieve ESG integration (and do not pursue a screening, exclusions or best in class approach);
- The investment team is establishing a separate framework for sovereigns (fixed income) and corporates/banks (fixed income, equities and money market instruments). The underlying analysis, governed by this framework, is currently being prepared for submission to the Responsible Investment Committee (RIC);
- The Responsible Investment Policy, which is the overarching document governing Emirates NBD AM's commitment to ESG adoption, will be available for external publication as soon as our ESG integration approach is adopted for at least 50% of assets under management;
- Our values align with the United Nations Sustainable Development Goals (SDGs) and the UAE Vision. We are focused on driving UAE's economic diversity and prosperity. We understand that our efforts to align with the SDGs will have a greater impact if we include our stakeholders on the journey.

In addition, Emirates NBD AM, as part of the wider Emirates NBD Group, is striving to participate in productive partnerships, internally and externally, such as exploring recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Climate Action 100+ and Science-Based Targets.

1.3. Governance

ESG is embedded into the culture, operations and strategy of Emirates NBD, and supports all strategic decision-making. Strategic ESG matters, including corporate sustainability strategy, are the responsibility of the Emirates NBD Board of Directors and the Board Nomination, Remuneration and ESG Committees, to include how ESG is embedded into strategic initiatives, projects and general operations. The Board of Directors also monitors how evolving global standards are selected and incorporated into the ESG framework.

The Group Head of ESG, is a senior member of key management committees within Emirates NBD, and is a member of our Group Executive Committee. Regular updates on ESG will be provided to the Board of Directors, as well as Group Executive Committee. Emirates NBD's ESG framework is aligned strongly with key global and commitments, for example the Sustainable Development Goals of the United Nations and the UAE Vision 2030. As more strategic initiatives are adopted nationally, including those relating to Net Zero and energy, and as international standards continue to evolve and develop, particularly in the areas of sustainability accounting, audit and ethics standards, Emirates NBD continues to develop its approach to ESG in line with these evolving standards, both regionally and globally.

The Group is in the process of designing a holistic climate risk policy which will be integrate within the existing risk management framework. The key objectives of this policy are the following: Enhance resilience to and management of climate risk through sound risk management practices; Incorporate material climate risk into the overall risk strategy and risk appetite framework of the Bank; Create a common definition for climate risks and taxonomy across the Bank; Promote capacity development and develop climate risk awareness and understanding at all levels of the Bank.

1. Sustainability at Emirates NBD

Environmental and Social Risk Management

The Group serves clients from all industries, including those that could be associated with significant environmental and social impacts. The Group has a steadfast dedication to managing environmental and social risks that stem from its commercial lending activities. We acknowledge that the primary environmental impacts generated by banking institutions are typically indirect and arise from providing financial services to business clients that are engaged in sectors with environmental sensitivities. The Group also holds the conviction that managing the environmental and social repercussions not only reflects responsible corporate citizenship but is also a strategic move that yields business advantages.

Thus, it is imperative for the Group to comprehend environmental and social concerns related to an industry, a client, or a transaction. Our Environmental and Social Risk Policy framework ("ESRP Framework," which is due to be issued in September 2023,) aims to foster decision-making that aligns with our commitment to delivering responsible financial services. Our goal is to collaborate with clients in advancing environmental and social enhancements, while steering clear of business dealings that fail to meet the standards set out in the ESRP framework. The ESRP framework's stipulations are applicable across the Group to Corporate and Institutional Banking, Business Banking, as well as the Private Bank's commercial lending transactions.

The key elements of the ESRP Framework are:

- ESR governance with clearly defined roles and responsibilities across the three lines of defence and committee oversight. The Group is in the process of instituting a governance framework that ensures open and transparent communication within the organization concerning matters that pose potential environmental and social risks. The purpose of this structure is to enable the various departments and teams within the Bank to discuss and address these risks in a concerted manner.
- The methodology employed by Emirates NBD to manage environmental and social risks will be a combination of policy, standards, and guidance.
- Policy restriction, which, inter alia, include, engaging in business with companies involved in production or activities that involve contemporary forms of slavery, human trafficking, or forced labour; detrimental or exploitative child labour practices; logging activities that are conducted illegally; and in production or trade of any goods or services that are deemed unlawful according to the laws or regulations of the host country.
- Enhanced ESR due diligence requirements for sectors deemed to be high-risk from an ESR perspective such as ownership and management of palm oil plantations and operations, including growers and mills; direct financing of new thermal coal mines or the expansion of existing mines; and nuclear waste processing, transportation, and storage activities.
- Emirates NBD treats environmental risk as a factor influencing credit risk and will eventually be incorporated in the credit risk evaluation procedures. The Group has recently concluded a climate risk stress testing exercise. The governance of environmental risks in the realm of credit will be a component of the overarching Enterprise Risk Management Framework.
- The Group is also developing industry-specific risk guidance notes to address activities which have environmental and social sensitivities. These activities are distributed across sectors such as agribusiness, utilities, infrastructure, oil, and gas, coal-fired power, hydropower, nuclear power, and mining.

1. Sustainability at Emirates NBD

1.4. Sustainable Finance and Responsible Banking

Sustainable Finance

As one of UAE's leading financial institutions, a central tenet of Emirates NBD's corporate mission is to conduct all banking services in a responsible and sustainable manner and a way which has a positive impact on its customer base.

Emirates NBD is a regional leader in arranging ESG issuances across conventional and Sukuk format. Emirates NBD sees the ESG bond market as a key solution to guide capital towards sustainable solutions in the countries we are active in. To that end, Emirates NBD has built out a service supporting transition, green and social finance supporting sustainable bond issuers and growing the regional ESG bond market. Emirates NBD is committed to delivering on UAE's broader ESG objectives. Therefore, our sustainability mission is fully aligned to the focus areas of the country.

ESG Integration

All internal stakeholders (investment teams, IT and sales & marketing) are undergoing training and education to gradually integrate ESG factors into investment decisions and ownership practices. We also aim to help the production team with record keeping for engagement, educate our sales & marketing teams with ESG reporting and target discussions with asset owners.

Responsible Banking

Our products and services, especially in the areas of digitalisation and sustainable finance, are innovative and designed with global best practice standards on responsible banking in mind. In addition to conventional banking, our services also reflect our local customer base and we offer Sharia'h compliant financing solutions that are rooted in Islamic principles. Within the context of the global business environment Islamic finance concepts are strongly linked to financial stability and corporate social responsibility. They provide mutuality, sustainability, and a stake in the business for all parties involved.

Also in line with the regional agenda, we have committed to playing an important role in growing the Micro, Small and Medium Enterprises (MSME) economy in the UAE. MSMEs receive special focus from the UAE government as they are considered 'vital for the economic diversification and growth and also because they help in building national human resources'. We consider that positioning ourselves as an important hub for local economic development aligns well with our mission and strengthens our commercial presence, as it embeds our brand into local communities and businesses in the region.

1. Sustainability at Emirates NBD

1.5. Environmental Impact of Our Operations

We have tracked CO₂ emissions from our operations each year since 2020. By doing so, we can evaluate our results, spot areas for improvement, and prepare any necessary corrective actions. By adopting cutting-edge technology and creating carbon offset plans for all our lines of business, we have committed to reducing carbon emissions as per the country guidelines in our countries of operation.

Emirates NBD has introduced multiple initiatives to reduce the carbon footprint of its operations. By setting energy consumption targets, performance tracking and identifying improvements through a data based approach Emirates NBD has introduced the following processes:

- Regular monitoring of energy consumption
- Using a digital platform for benchmarking & trend analysis
- Assess if there is a downward trend in utility consumption
- Implement appropriate control measures to reduce consumption
- Motion sensors installed to avoid unnecessary energy consumption
- Governing temperature control through a building management system (BMS) system
- Replacing aged equipment with higher energy-efficient equipment (e. g. chillers, chilled water pumps, Air Handling Unit (AHU), and Fresh Air Handling Unit (FAHU))

Additionally, to better manage and monitor our fuel consumption, we have tied up with the Emirates National Oil Company (ENOC) for Group fleet vehicles. Consumption is reported through monthly invoices and monitored regularly by the Emirates NBD Transport Desk. To encourage our employees to use shared transport, we enable them to choose free of charge shared transportation services.

The Group is a recognised leader in the development of retail bank branches that have been awarded LEED certifications, with the most recent branches being awarded Platinum Status. Therefore, marking the Group as the first in the MENAT region to be awarded platinum LEED status. In addition, the Group has supported a paperless drive, in its own operations but also through its digital collection service to convert counter transactions to online collections through the Smart Transaction platform and a programme to measure and reduce its Scope 1 & Scope 2 emissions, and has invested in solar energy generation at its Meydan offices (Dubai) to increase its consumption and usage of renewable energy.²

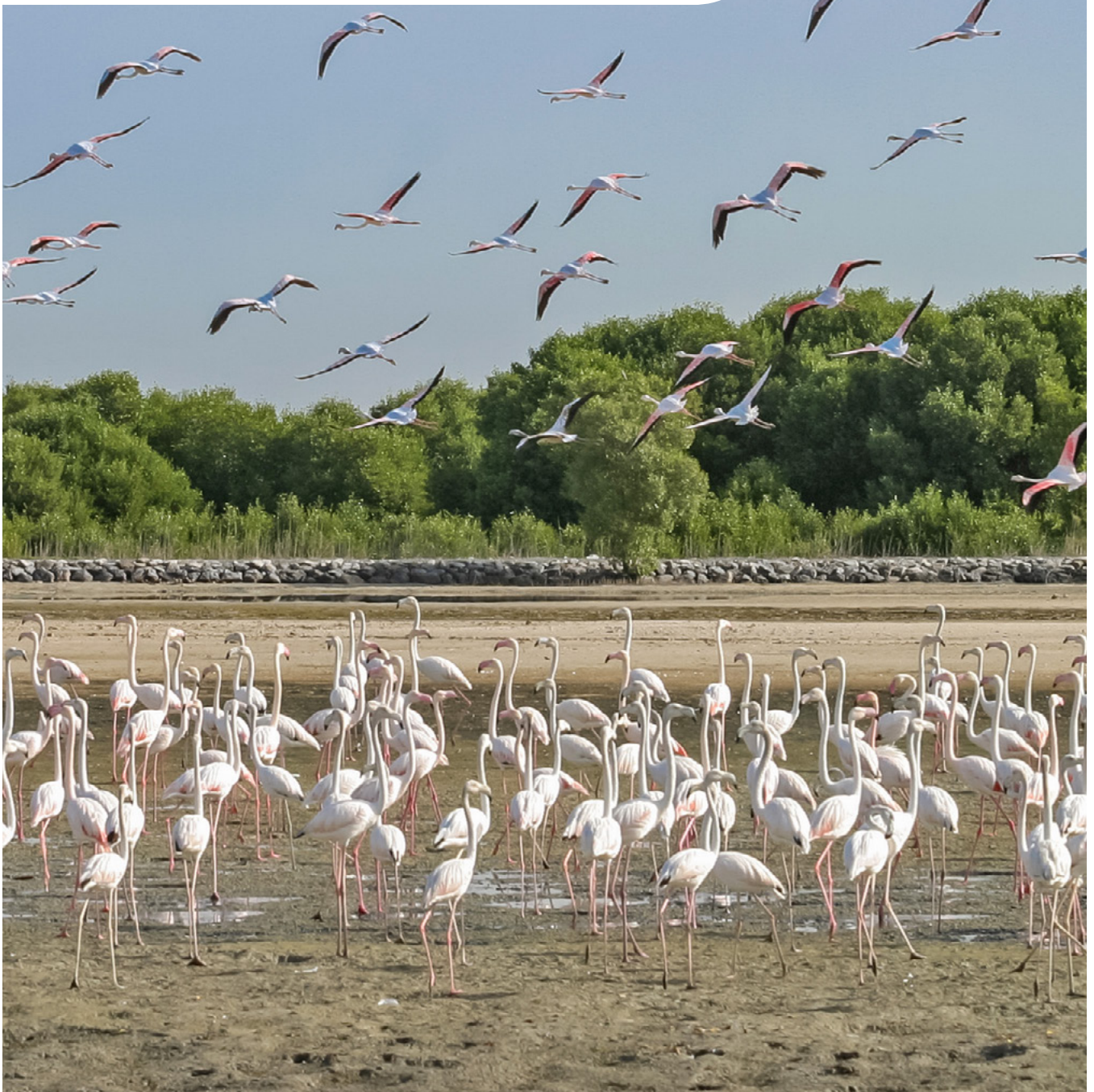
We are dedicated to minimising the effects that our operations have on the environment, both directly and indirectly. We hold an ISO 14001:2015 certification for our environmental management systems, which cover 100% of our operations in the UAE. In order to maintain this standard, we continually work to enhance our environmental management systems through projects focused on energy and water conservation, the installation of solar energy stations, the reduction of plastic consumption and paper waste, water pressure reduction, and leakage sensor installations.

1.6. Diversity, Equality and Inclusion

Variety in the workplace promotes tolerance, cultivates open-mindedness, and nurtures an acceptance of differences of opinion. These qualities are necessary for creating high-performing teams. To further strengthen and promote the Group's level of diversity, which already counts 85+ nationalities working across 13 countries, Group Human Resources established a dedicated Diversity and Inclusion department in 2021. Our Emirates NBD operations have an employee base that is 41% female. We also have a track record of hiring people with disabilities and making our branches accessible for our customers with disabilities.

² Further information on Emirates NBD's approach to sustainability and the Emirates NBD's ESG Report 2021 can be found on Emirates NBD's website.

2. Emirates NBD Sustainable Finance Framework



2. Emirates NBD Sustainable Finance Framework

2.1. Emirates NBD's rationale for Sustainable Financing

As Emirates NBD advances its sustainability journey, we have established a Sustainable Finance Framework (hereinafter referred to as the “**Framework**”) to be able to issue Sustainable Finance Instruments to finance and refinance projects which enable the transition to a low carbon and climate resilient economy, and/or provide positive societal impact and to mitigate social problems. By issuing Sustainable Finance Instruments, we will provide additional transparency around funded projects and assets that carry environmental and social benefits. We hereby hope to promote further investments into environmentally and socially sustainable assets that will assist in reaching the targets set forth by the Paris Climate Agreement and the UN SDGs.

2.2. Sustainable Finance Framework

Emirates NBD has established this Sustainable Finance Framework under which Emirates NBD or any of our group subsidiaries (that does not have its own Green, Social or Sustainable Financing Framework) can issue green, social and sustainability finance instruments (such instruments hereinafter referred to as “**Sustainable Finance Instruments**”), which may include senior bonds, subordinated bonds, medium-term notes, sukuks and commercial papers to finance and/or refinance green and/or social loans/investments with a positive environmental and/or social benefit.

The Sustainable Finance instruments that can be issued under this Framework are defined below:

- Green Finance Instruments to finance and/or refinance Eligible Green loans, Sharia'h compliant financings or investments (as defined in the Use of Proceeds section under Green Eligible Categories)
- Social Finance Instruments to finance and/or refinance Eligible Social loans, Sharia'h compliant financings or investments (as defined in the Use of Proceeds section under Social Eligible Categories)

- Sustainable Finance Instruments to finance and/or refinance a mix of Eligible Green and Social loans, Sharia'h compliant financings or investments (as defined in the Use of Proceeds section under Green and Social Eligible Categories)

This Sustainable Finance Framework is based on the recommendations outlined in the following Principles/Guidelines:

- ICMA Green Bond Principles (GBP) 2021 ³
- ICMA Social Bond Principles (SBP) 2023 ⁴
- ICMA Sustainability Bond Guidelines (SBG) 2021 ⁵
- LMA Green Loan Principles (GLP) 2023 ⁶
- LMA Social Loan Principles (SLP) 2023 ⁷

The Framework is presented through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework also follows the recommendations of the ICMA and LMA Principles regarding External Review. The Framework defines the loans and investments (such loans and investments hereinafter defined as “**Eligible Loans/Financing Portfolio**”) eligible to be funded by the proceeds of Sustainable Finance Instruments issued by Emirates NBD. The documentation for any Sustainable Finance Instrument issued shall provide a reference to this Framework under the use of proceeds section.

This Framework may, from time to time, be updated and will be applied to any Sustainable Finance Instrument issued by Emirates NBD. For instance, future changes to the GBP/SBP/SBG/GLP/SLP may be implemented in future versions of this Framework. Any future version of this Framework will either keep or improve the current level of transparency and reporting disclosures, including the corresponding review by an external consultant. For the avoidance of doubt, any future change to the Eligibility Criteria may not necessarily apply to Green, Social or Finance Instruments issued under this framework.

³ ICMA Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)

⁴ ICMA Social Bond Principles (SBP) 2023

⁵ ICMA Sustainability Bond Guidelines (SBG) 2021

⁶ LMA Green Loan Principles (GLP) 2023

⁷ LMA Social Loan Principles (SLP) 2023

3. Use of Proceeds



3. Use of Proceeds

Emirates NBD will allocate an amount at least equivalent to the net proceeds of the Sustainable Finance Instruments issued under this Framework towards financing and/or refinancing, in whole or in part, new and/or existing eligible loans/financing as described below.

Eligible Green and Social Assets are defined as assets (loans, Sharia'h compliant financings or investments) that meet, respectively, the Green and Social Eligibility Criteria defined below, which has been prepared in accordance with the ICMA Green and Social Bond and LMA Green and Social Loan documentation.

Under this Framework, eligible assets may be for specific assets and projects that align with the below eligibility criteria or to 'pure play' companies, defined as enterprises that are expected to derive $\geq 90\%$ of their turnover from assets aligned with the eligibility criteria defined below. For such enterprises, the entire loan/financing by Emirates NBD to such a borrower/Obligor is 100% eligible as a use of proceeds for a Sustainable Finance Instrument.

Emirates NBD will exclude any refinancing of projects or share of projects which were previously financed by other stakeholders e.g. multilateral development banks under green or social labels to avoid any potential double counting of the environmental or social impact. Any such financing allocated to a Sustainable Financing Instrument issued by Emirates NBD would be pro rata to the share of financing provided by Emirates NBD.

3.1 Green Eligibility Criteria

GBP/GLP Category	Definition	Description of Eligibility Criteria	Contribution to UN SDGs ⁸
Green Buildings	Financing or refinancing the acquisition, development, construction and refurbishment of buildings which meet at least one of the eligibility criteria	New and existing residential, commercial or mixed use buildings that meet the minimum external green building certification level of either: • HQE – 'Excellent' • CASBEE – 'A' • Al Sa'fat, Dubai Green Building System in the Emirate of Dubai 'Golden' • Green Star – '4 Star' • BREEAM, Building Research Establishment Environmental Assessment Method 'Very good' • GSAS, Global Sustainability Assessment System '4 Star' • LEED, Leadership in Energy and Environment Design 'Silver' • Mostadam – 'Silver' • Estidama, Pearl Building Rating System in the Emirate of Abu Dhabi '2 Pearl Rating' • WELL – 'Certified' • Fitwell – 'One Star' • EDGE, Green Buildings Certification 'Certified'	   

⁸ Alignment with United Nations Sustainable Development Goals
- <https://sustainabledevelopment.un.org>

3. Use of Proceeds

GBP/GLP Category	Definition	Description of Eligibility Criteria	Contribution to UN SDGs
Green Buildings	Financing or refinancing the acquisition, development, construction and refurbishment of buildings which meet at least one of the eligibility criteria	New and existing residential buildings that are within the top 15% most energy efficient buildings in their respective region, as determined through, for instance, a specialist green building consultant study Refurbished buildings that achieve a minimum 30% improvement in energy use or carbon emissions	
Renewable Energy	Financing or refinancing the equipment, development, manufacturing, construction, operation and maintenance of renewable energy generation sources	Renewable energy generation sources - Solar: Photovoltaic solar power (PV), concentrated solar power (CSP) and solar thermal - Wind: Onshore and offshore - Green hydrogen: Storage and refuelling infrastructure and fuel production by electrolysis that is 100% powered by renewable energy sources - Bioenergy: Projects that produce electricity exclusively from, second generation biomass⁹ - Geothermal: Projects with an emissions intensity of less than 100gCO₂e/kWh - Hydroelectric: Run of river plants with a capacity of less than 1GW and either generating no more than 5W/m² or having emissions intensity of less than 100gCO₂e/kWh Infrastructure to support renewable energy Projects related to energy transmission infrastructure to connect one or more of the renewable technologies defined above	 
Energy Efficiency	Financing or refinancing the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure	Smart energy grids, energy meters, management systems that promote energy efficiency by carrying information to users for remotely acting on consumption, as well as energy efficiency promotion through battery storage facilities that are connected to renewable energy sources District cooling systems: Energy efficient air-conditioning systems powered by at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat	

⁹ Eligible projects are aligned with the EU Taxonomy Delegated Acts on Climate Change Mitigation and Adaptation Technical Screening Criteria for 4.8 Electricity generation from bioenergy (see here)

3. Use of Proceeds

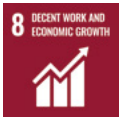
GBP/GLP Category	Definition	Description of Eligibility Criteria	Contribution to UN SDGs
Clean Transportation	Financing or refinancing the production, establishment, acquisition, expansion, upgrades, maintenance and operation of zero tailpipe emission vehicles and related infrastructure	Zero tailpipe emission vehicles (including hydrogen, fuel cell and electric) Infrastructure to support electric vehicles including electrified railways and charging stations for electric vehicles	
Pollution Prevention and Control	Financing or refinancing the establishment, acquisition, expansion, upgrades of waste	Collection, transport and transfer of non-hazardous waste, including municipal solid waste and commercial and industrial waste linked to recycling projects Development, construction, installation and/or maintenance of waste sorting and processing (and related infrastructure) linked to recycling projects Waste prevention, waste reduction and waste recycling. This includes the development, operation and upgrade of recycling plants and recycling activities such as for metals, plastic and paper Waste to energy: Municipality waste incineration¹⁰, energy generation based on biogas and landfill gas, including from anaerobic digestion	 
Sustainable Water and Waste Water Management	Financing or refinancing of the establishment, acquisition, capacity expansion and upgrades of facilities and technologies to treat, distribute and conserve water	Waste water treatment (including agricultural waste water treatment plants) and water recycling facilities Improvements to water infrastructure that increase water use efficiency through replacements and upgrading of inefficient systems Water desalination projects running on reverse osmosis technology with a carbon intensity of less than 100gCO₂e/kWh over the residual asset life¹¹	

¹⁰ Meeting the following thresholds: plant efficiency >=25%; AND bottom ash recovery; AND >=90% recovery of metal from ash; AND average carbon intensity of electricity and/or heat over the life of the plant <= waste management allowance; AND the capacity of the plant does not exceed the calculated residual waste at any time in the plant's life

¹¹ The asset may be fully or partially powered by renewables as long as it meets the 100gCO₂e/kWh threshold

3. Use of Proceeds

3.2 Social Eligibility Criteria

SBP/SLP Category	Description of Eligibility Criteria	Target Group(s)	Contribution to UN SDGs ¹²
Access to Essential Services	Financing dedicated to healthcare facilities: Construction and/or operation of healthcare facilities such as hospitals and primary care facilities, affiliated to the relevant national healthcare system	General population (UAE), due to these facilities being accessible by general population irrespective of income ¹³	 
Affordable Housing	Financing dedicated to government schemes for affordable housing and construction of homes for low income individuals	Populations meeting the criteria for government-supported affordable housing mortgage financing scheme ¹⁴ and with a maximum individual income of AED 25,000 ¹⁵	
Employment Generation, and Programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing	Financing dedicated to MSMEs with an emphasis on employment generation or retention Financing dedicated to emergency response to a crisis (health crisis ¹⁶ , natural disasters and emergency situations ¹⁷) to alleviate unemployment and/or provide financial support for MSMEs	MSMEs ¹⁸	 

Exclusionary Criteria

The proceeds from the instruments will not be used to finance loans linked to generation or transportation of fossil energy, nuclear energy generation, weapons and defense, mining, gambling, tobacco or livestock. In case Emirates NBD issues a Sukuk instrument, it will also need to comply with the principles of the Sharia'h.

¹² Alignment with United Nations Sustainable Development Goals (see here)

¹³ Provision of healthcare insurance is mandatory in the UAE, ensuring access to healthcare facilities for the entire population irrespective of income

¹⁴ Government-supported and subsidized initiatives in the UAE, such as the Mohammed bin Rashid Housing Establishment and the Sheikh Zayed Housing Programme. Financing under such programmes includes profit-free financing by Emirates NBD with an upfront subsidy received from the relevant government ministry by Emirates NBD. Emirates NBD will exclude renovation projects under such programmes

¹⁵ In line with UAE's social welfare programme classifies citizens / families as low-income when total household income is less than AED 25,000 per month (see here)

¹⁶ Throughout the COVID-19 pandemic, Emirates NBD offered a comprehensive relief package to help their customers ease financial pressures caused by the COVID-19 outbreak. For support package examples provided by the Bank, (see here)

¹⁷ Emergency situations as defined by World Health Organization (see here)

¹⁸ The definition of SME and microfinance organisations is determined by each country in line with local standards

4. Process for Project Evaluation and Selection



4. Process for Project Evaluation and Selection

Projects and ‘pure play’ companies financed and/or refinanced through the Sustainable Finance Instrument proceeds are evaluated and selected based on compliance with the eligibility criteria by Emirates NBD’s Sustainable Finance Committee. The Sustainable Finance Committee is composed of representatives from Group Treasury, Group Sustainability, Risk, Legal, as well as subject matter experts from relevant business units such as Lending. The Sustainable Finance Committees’ responsibilities are as follows;

- Reviewing the content of Emirates NBD’s Framework section and updating it to reflect changes in corporate strategy, technology, market, or regulatory developments on a best effort basis;
- Updating external documents such as Second Party Opinion (SPO) and related documents from external consultants and accountants;
- Evaluating and selecting Eligible Green and Social Assets for the Eligible Loans/Financing Portfolio that meet the requirements of Emirates NBD’s Environmental and Social Risk Policy Framework as well as the Eligibility Criteria as set out in the Framework, validating the purpose of the projects and the environmental or social objectives they contribute to; excluding projects that no longer comply with the Eligibility Criteria or have been disposed of and replacing them on a best effort basis;
- Overseeing the allocation of the proceeds from Sustainable Finance Instruments to the Eligible Loans/Financing Portfolio and to ensure that the value of the Eligible Loans/Financing Portfolio equals or exceeds the value of issued of Sustainable Finance Instruments over time;
- Overseeing, approving, and publishing the allocation and impact reporting, including external assurance statements. Emirates NBD may rely on external consultants and their data sources, in addition to its own assessment.

As required, additional attendees can be nominated by members of the committee. Emirates NBD’s Sustainable Finance Committee members will allocate the proceeds of the Sustainable Finance Instruments to the selected portfolio of products/ projects in accordance with the eligibility criteria described above.

Emirates NBD will take care that all selected eligible projects comply with official national and international environmental and social standards and local laws and regulations on a best effort basis. To support this, the Group has implemented a compliance framework that includes a range of policies, systems, and controls. Emirates NBD has developed Group Compliance Policies to ensure compliance with such laws, rules and regulations which include, but are not limited to, the Group Sanctions Compliance Policy, the Anti-Money Laundering (“AML”) & Counter Terrorist Financing (“CTF”) Compliance Policy, the Group Compliance Conflicts of Interest Policy, the Personal Account Dealing Policy and the Group Compliance Breaches Policy.

Additionally, the Group also adheres to the highest standards of Operational Risk Management. To achieve this a framework for the management of Operational Risk across the Group has been developed underpinned by a comprehensive suite of policies and guidelines. The Operational Risk framework defines the Group’s risk appetite for Operational Risk, ensures that each Operational Risk is adequately identified, measured, actively managed, and monitored, and specifies an effective organizational and governance structure, and a risk management process for Operational Risk.

The overarching Group Operational Risk policy is supported by a number of more detailed policies which set out the key requirements, expectations and responsibilities including the Conduct Risk Policy, Outsourcing Policy, Business Continuity Policy, Information Security Policy, Group Fraud Management Policy, Group Anti-Bribery and Corruption Policy, Whistleblower’s Policy, and Legal Risk Policy. The management of Operational Risk in Emirates NBD follows the ‘3 lines of defense’ model. The 1st line of defense are the business and support functions, the 2nd line of defense is Group Operational Risk and other Operational Control Owners (like Group Compliance, Group Finance, Group Legal, Other Risk functions) and the 3rd line of defense is Group Internal Audit. Furthermore, the Group has also formed a dedicated Data Privacy Office as well as appointing Data Protection Officers across all jurisdictions who have implemented a robust data protection framework including promoting a comprehensive data privacy culture across the Group as well as the Group Data Protection Policy which sets out to protect personal data and minimise the risk of personal data misuse and/or breaches by aligning requirements to all relevant jurisdictional regulations and data protection best practices.

5. Management of Proceeds

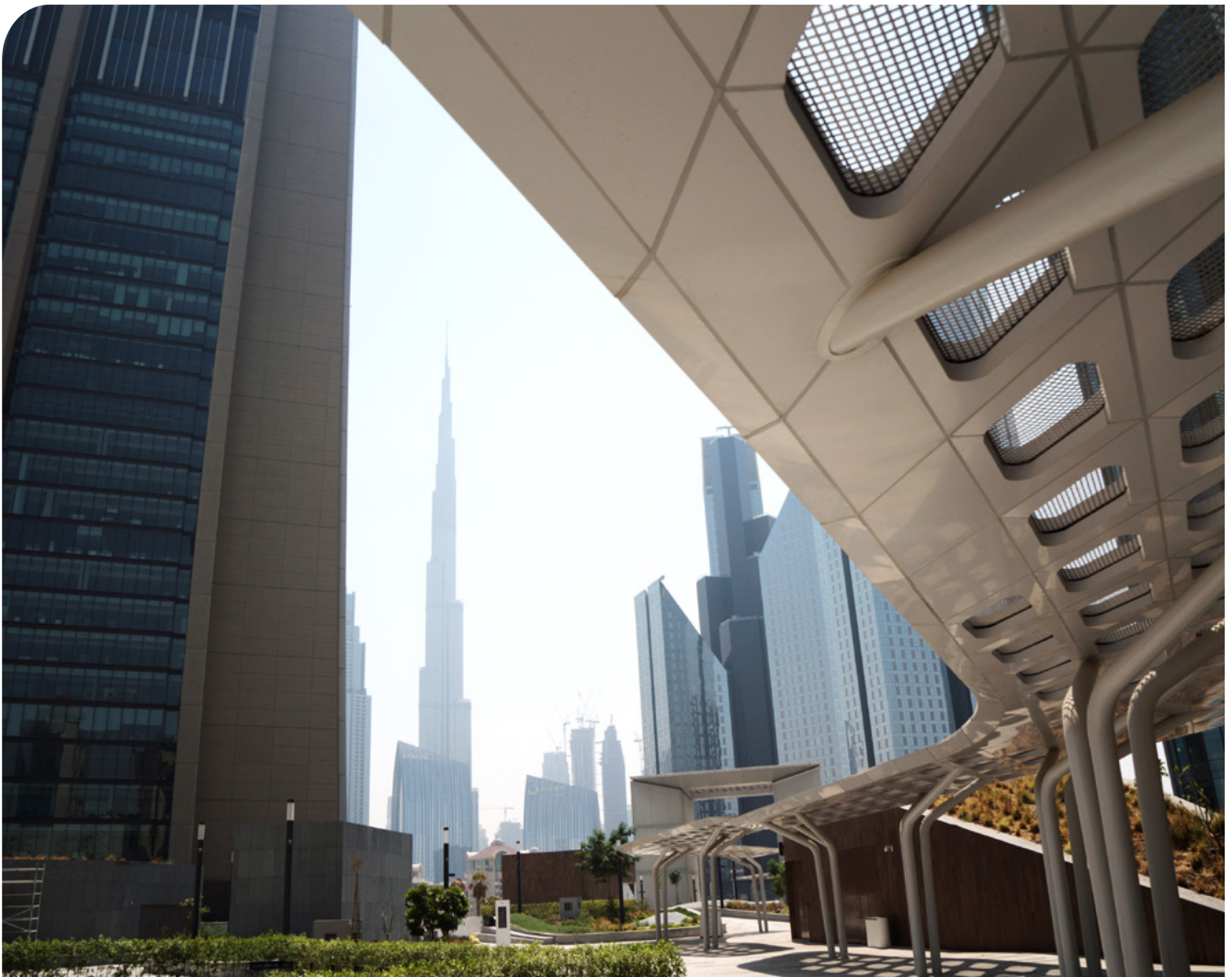


5. Management of Proceeds

The Sustainable Finance Instruments proceeds will be managed by Emirates NBD in a portfolio approach. Emirates NBD intends to allocate the proceeds from the Sustainable Finance Instruments to the Eligible Loans/Financing Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above.

Emirates NBD will strive, over time, to achieve a level of allocation for the Eligible Loans/Financing Portfolio that matches or exceeds the balance of net proceeds from its outstanding Sustainable Finance Instruments, within 24 months from the time of issuance of each instrument. Eligible Loans/Financing Portfolio will be added to, or removed, from Emirates NBD's Eligible Loans/Financing Portfolio to the extent required.

While any Sustainable Finance Instruments net proceeds remain unallocated, Emirates NBD will hold, at its own discretion, in its consolidated balance sheet, in cash or other short term and liquid instruments, the balance of net proceeds not yet allocated to the Eligible Loans/Financing Portfolio.



6. Reporting



6. Reporting

Reporting with respect to each Sustainable Finance Instrument will take place on a portfolio basis, within 12 months following the funding date of such Sustainable Finance Instrument, and annually thereafter until any Sustainable Finance Instrument is outstanding.

Emirates NBD intends to report on an aggregated basis for all of its outstanding Sustainable Finance Instruments at the level of the eligible Green and Social categories.

Emirates NBD intends to align its impact reporting with the portfolio approach described in the “Handbook - Harmonized Framework for Impact Reporting for Green Projects (June 2023)”¹⁹ and “Harmonised Framework for Impact Reporting for Social Projects (June 2023)”²⁰.

Emirates NBD will report on the allocation and impact of the Sustainable Finance Instruments within its Annual Report and / or via a separate Sustainable Finance Reporting document that will be made available to investors at the Investor Relations section of the Group’s website²¹ and the Sustainability Section of the Group’s website.

6.1. Allocation Reporting

Within its allocation report, Emirates NBD intends to provide the following information, on an aggregated basis:

- the size of the identified Eligible Loans/Financing Portfolio;
- the total amount of proceeds allocated to the Eligible Loans/Financing Portfolio;
- the breakdown of Eligible Loans/Financing Portfolio by project categories;
- the balance (if any) of unallocated proceeds;
- the amount or the percentage of new financing and refinancing;
- the geographic location of the assets, at country level.

6.2. Impact Reporting

Where feasible, Emirates NBD intends to report on the environmental and / or social outputs and impacts of the Eligible Loans/Financing funded with the Sustainable Finance Instruments’ proceeds. A list of potential output and impact reporting indicators is presented below. Emirates NBD intends to include the contribution of each Eligible Category to the UN SDGs within the impact report.

¹⁹ ICMA Handbook-Harmonised Framework for Impact Reporting (June 2023)

²⁰ ICMA-Harmonised Framework for Impact Reporting for Social Bonds (June 2023)

²¹ [Emirates NBD to provide]

6. Reporting

Depending on availability and subject to confidentiality agreements, Emirates NBD might seek to complement below indicators with relevant case studies.

Green Eligible Category	Potential output and impact reporting indicators at category level
Green Buildings	• Level of certification, if applicable • Level of Energy Performance Certificate (EPC), if applicable • Estimated annual reduced and / or avoided GHG emissions (in TCO₂eq.) • Estimated annual energy consumption (in KWh/m²)
Renewable Energy	• Estimated annual reduced and / or avoided GHG emissions (in TCO₂eq.) • Installed renewable energy capacity (in MW)
Energy Efficiency	• Estimated annual reduced and / or avoided GHG emissions (in TCO₂eq.) • Distance of transmission (Km) • Energy transmitted (MWh per year) • Number of smart meters installed, if applicable
Clean Transportation	• Estimated annual reduced and / or avoided GHG emissions (in TCO₂eq.) • Number of EVs
Pollution Prevention & Control	• Type and annual amount of recycled waste (tonnes)
Sustainable Water and Wastewater Management	• Annual absolute (gross) water savings (in m³ or in %) • Annual absolute (gross) amount of waste water treated, reused or avoided (in m³ or in %) • Number of people with access to improved sanitation facilities

Social Eligible Category	Potential output and impact reporting indicators at category level
Access to Essential Services	• Number and amount of loans granted to healthcare facilities
Affordable Housing	• Number and amount of loans granted to affordable housing units • Number of residents benefiting
Employment Generation, and Programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing	• Number and amount of loans granted to MSMEs • Number of jobs created / preserved at MSMEs, if possible • Number and amount of loans to MSMEs and start-ups facing the effects of natural disasters and / or health pandemics

7. External Review



7. External Review

Pre-issuance Verification: Second Party Opinion

This Framework has been reviewed by ISS Corporate Solutions (ICS) that has issued a Second Party Opinion (SPO). The Second Party Opinion and this Framework will be made available on the Investors Relations section of the Group's website at: (<https://www.emiratesnbd.com/en/investor-relations>, <https://www.emiratesnbd.com/en/media-center>)

Post-issuance Verification: Verification on the Allocation of Proceeds

Emirates NBD may request, on an annual basis, starting one year after funding and until full allocation of a Sustainable Finance Instrument's proceeds, a limited assurance report of the allocation of such Sustainable Finance Instrument's proceeds to Green and Social Eligible Loans/Financing, provided by its external auditor or any other qualified party.



Disclaimer

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