

FAB Climate Position Statement

Our belief

At First Abu Dhabi Bank (FAB), we recognise the risk that climate change can pose to human health, environment, and the disruptive impact it can have on economies and livelihoods. We acknowledge that an urgent global response is required to ensure greenhouse gas emissions are cut significantly so that the world can reach net zero by 2050.

As a leading regional bank, we believe that we have a responsibility to address climate change, for our employees, clients, and in the markets where we operate. This will be achieved through recognising the opportunities climate action creates for economic diversification, lasting prosperity, and social development.

Our ambition is to be the pacesetter when it comes to addressing climate change for the region's banking industry, helping to drive the sustainability agenda.

Our commitment

In 2021, FAB joined the Net Zero Banking Alliance (NZBA), becoming the first UAE and GCC bank to take this initiative. In doing so, we committed to reaching net zero carbon emissions from our operations (scope 1 and 2) by 2030, and from scope 3 emissions by 2050. We will pursue these ambitions in close collaboration with our stakeholders.

Our commitments towards addressing climate change include but are not limited to:

- 2015 – FAB become the first and only UAE bank to be a signatory to the Equator Principles;
- 2016 – FAB committed to lend, invest, and facilitate USD 10 billion by 2026 to sustainable activities;
- 2017 – FAB was the first MENA bank to issue a Green Bond;
- 2019 – FAB committed to implement the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD);
- 2021 – FAB introduced an ESG strategy and supporting governance framework; Set a target to lend, invest, and facilitate sustainable business of USD 75 billion by 2030; Became a signatory of the Net Zero Banking Alliance (NZBA) and the Principles for Responsible Banking (PRB); FAB became a signatory to the Partnership for Accounting Financials (PCAF);
- 2023 – FAB developed emission reduction net zero targets for eight high-emitting sectors within its loan and investment portfolio, which cover approximately 90% of the bank's financed emissions; Set a new target to lend, invest, and facilitate sustainable or transition projects of USD 136 billion by 2030; Implemented TCFD recommendations and published the bank's first TCFD report.

Our actions

Our clients and customers:

Our priority is to go beyond serving our clients' needs. Our ambition is to support their journey to a low carbon economy. To deliver upon this goal, we have:

- Integrated ESG risks in our risk assessment processes;
- Introduced a sustainable finance framework;
- Committed to lend, invest, and facilitate sustainable or transition projects of USD 136 billion by 2030;
- Included sustainable products to our portfolio of offerings;
- Established dedicated ESG teams;
- Committed to reduce carbon intensity through our financed emissions by 2050.

We also play active roles in multistakeholder initiatives such as the United Nations Environmental Programme - Finance Initiative (UNEP FI), NZBA, PRB or PCAF, where we provide our contribute to drive the sustainability agenda both regionally and internationally.

Our operations:

Our goal is to be net zero in our operations by 2030, by prioritising reduction strategies and only using carbon offsets for unavoidable residual carbon emissions. To deliver upon this goal, we have developed a roadmap in partnership with a globally recognised consultancy firm and selected the year of 2019 for our emissions baseline. The roadmap will support us in:

- Improving carbon emissions monitoring;
- Reducing Scope 1 and 2 emissions through decarbonisation levers such as energy efficiency, renewable energy, fleet electrification or carbon offsetting;
- Addressing material Scope 3 categories.

Governance and transparency:

Our goal is to be transparent with all our stakeholders in this journey to net zero and ensure climate risks and actions are a strategic and operational consideration across the organisation. To implement this, we have:

- Introduced a multi-tiered governance structure reporting into the Board;
- Committed to follow the external recommendations of the TCFD;
- Disclosure and reporting on ESG aligned with international best practices.

Conclusion

As a leader at the forefront of sustainable finance, FAB is proud of the work we are doing to transition towards a low carbon and equitable economy. Across FAB Group, we are driving our sustainability agenda forwards, while being a catalyst for positive and tangible change within the financial industry.

We aim to continue to bring tangible results which support a long-term view on climate change. Our priority is to go beyond serving our clients' existing needs to become their trusted advisor on the journey to environmental and social sustainability.

Disclaimer

This Climate Position Statement includes forward-looking statements (including, but not limited to, commitments from FAB) based on current beliefs and expectations about future events. Forward-looking statements are not guarantees of future performance, results or occurrences and are subject to inherent risks, uncertainties and assumptions about FAB and its affiliates and investments, developments, banking industry trends, changes in political, social and/or economic conditions globally, in particular energy prices, technological innovations, climate-related events and other unforeseen events or conditions. Actual results may differ materially from those projected in these forward-looking statements. FAB expressly disclaim any liability and responsibility for any decisions or actions that you may take and for any damage or losses you may suffer from your use of or reliance on this Climate Position Statement.