

ESG Report 2022
**Together for
a sustainable
future**



INTRODUCTION



ABOUT THIS REPORT

Welcome to National Bank of Fujairah’s (NBF) 2022 ESG Report. This report highlights the Bank’s overall Environmental, Social, and Governance (ESG) performance from 1st January 2022, to 31st December 2022, across all its branches and offices. This report is issued as part of NBF’s commitment to transparency and sharing its sustainability performance, and to helping create a more sustainable future for all its stakeholders, and the communities NBF operates in.

REPORTING FRAMEWORKS

This report demonstrates NBF’s support for the principles and objectives of the UN Sustainable Development Goals (SDGs), which foster a long-term, collaborative approach to sustainability. Nationally, we are guided by the UAE Energy Strategy 2050, the UAE Centennial 2071, UAE Net Zero 2050, Fujairah 2040 and the Abu Dhabi Securities Exchange Guidance on Sustainability Reporting.

REPORTING BOUNDARIES

Unless stated otherwise, all financial data shown in this report is for the National Bank of Fujairah, and all non-financial data covers NBF operations in the UAE.

We welcome all feedback on our report and our sustainability performance via any of the channels below.



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 www.linkedin.com/company/national-bank-of-fujairah/

ALIGNING WITH REPORTING PRINCIPLES

This report follows the GRI (Global Reporting Initiative) reporting standards to ensure its effectiveness and quality. It focuses on those ESG issues of most material relevance to NBF and our stakeholders.

REPORTING PRINCIPLES FOR DEFINING REPORT QUALITY

Accuracy	All qualitative and quantitative data in this report have been reviewed, analysed and approved.
Balance	For a complete and transparent picture of our performance, both positive and negative impacts have been presented in this report.
Clarity	To help ensure clarity of information in this report, we have outlined our data collection and analysis procedures in detail. We have provided the GRI content index in Appendix A to ensure disclosures are clear.
Comparability	Unless otherwise stated, reporting boundaries within the report are for our operations in the UAE. The approach used to collect the data will remain consistent for years to come.
Completeness	Coverage of the material topics and Indicators and the definition of the report’s boundaries reflect significant economic, environmental, and social impacts within the reporting period, enabling the reader to make a fair assessment of our performance.
Sustainability context	This report provides a clear description of initiatives and partnerships that aim to increase sustainability in the UAE and specifically in Fujairah region.
Timeliness	This report provides an overview of our performance from 1st January 2022 to 31st December 2022. It enables stakeholders to assess the company’s sustainability performance related to economic, environmental and social dimensions during the reporting period.

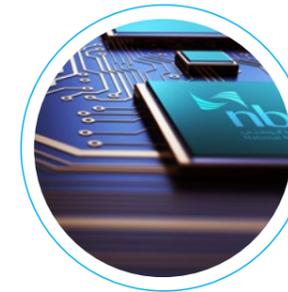
This report contains statements that may be deemed as “forward-looking statements” that express the way in which National Bank of Fujairah intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as “plans”, “aims”, “assumes”, “continues”, “believes”, or any variations of such words that certain actions, events or results “may”, “could”, “should”, “might”, “will”, or “would” be taken or be achieved.

National Bank of Fujairah has made every effort to ensure that this report is as accurate and truthful as possible. However, by their nature, forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond the Bank’s ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will actually occur.

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MESSAGE FROM

OUR CEO

We have a particular focus on increasing financial literacy, with workshops and advice to help customers better understand financial products and make better-informed choices.

We live in challenging times. As we emerged from the biggest pandemic in a century, 2022 saw new upheavals, from the war in Ukraine to rising global inflation and a cost-of-living crisis. In such times, being a responsible business is no longer one option among many – it is an essential part of being successful and remaining competitive. At NBF, we are committed to acting responsibly towards all our stakeholders. I am pleased to say that, in 2022, we have launched a number of initiatives that demonstrate this commitment.

We reviewed our Sustainability framework along with undertaking a materiality assessment to highlight the relative focus on a range of ESG matters. We have adopted the ESG Position statement along with other initiatives detailed later in the report. This ESG report aligned to the GRI standards highlights our important achievements and plans in line with our framework.

At NBF, we have been known as a significant and consistent partner to the SME sector in the UAE. Around 24 percent of assets are in this segment complemented by digital initiatives like NBF Connect targeted to achieve financial inclusion and make banking easier, as well as providing a community platform that includes other providers to this important customer group. We also have a significant presence in socially relevant sectors like Education and Healthcare. We will continue this journey by further integrating ESG factors into our lending and investment decisions in 2023.

We continue to support our customers to help them get the best products and services for their long-term sustainable success. We have a particular focus on increasing financial literacy, with workshops and advice to help customers better understand financial products and make better-informed choices. We also continue to promote financial inclusion. In 2022, 6.2 percent of all new accounts were opened by first-time account holders.

As we have emerged from the Covid pandemic, the Bank has provided its employees with new opportunities for personal and professional growth and development. We have significantly increased staff training in 2022, nearly doubling the number of hours per person, and we continue to recruit and develop the finest young Emirati talent. We are also fully committed to engaging with and supporting the local communities where we work, with a total community investment of AED 5.7 million in 2022. Our spend with local suppliers reached 80 percent.

As the effects of climate change become ever-more visible both in our own region and around the world, protecting the environment is becoming increasingly important. We began building our own portfolio of ESG-compliant financing in 2022 and will continue to grow the proportion of these projects and transactions within our total holding. We have continued to grow our digital bank offering and are increasingly proposing innovative financial products that help people invest in greener technology, such as solar panels. We have launched targets to reduce our power use by 5 per cent every year for the next four years through measures such as replacing old, inefficient lighting with new LED lighting at our branches and offices, and to grow our use of green energy.

In all of these ways and more, NBF is striving to be a responsible, sustainable business bringing benefits and added value for its stakeholders. I thank all our employees for their hard work in 2022 and I look forward to the Bank continuing to support all its stakeholders in the year ahead.

Thank you,

Vince Cook
Chief Executive Officer

ABOUT US

As one of the most well-respected banks for businesses in the UAE, NBF is renowned for its award-winning services, unrivalled understanding of local markets and unwavering commitment to its customers. As the UAE's Bank of choice for almost 40 years, it takes pride in servicing a range of needs of customers better than competition in its areas of expertise.

NBF includes subsidiaries. Collectively, these are referred to within this report as "NBF":

NBF FINANCIAL SERVICES FZC

Established in December 2004 with limited liability status in the Fujairah Free Trade Zone, NBF Financial Services FZC provides the Bank with key support services.

NBF MARKETS (CAYMAN) LTD

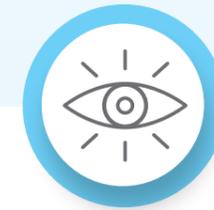
Registered in the Cayman Islands as an exempted company limited by shares under the Companies Law (revised) of the Cayman Islands and regulated by the Cayman Island Government General Registry.

The Company was established on 31st January 2017 to provide support services to the Bank to enter foreign exchange and derivative transactions with financial institutions / counterparties under the terms and conditions of International Swaps and Derivatives Association (ISDA).



OUR VISION, MISSION, AND VALUES

NBF's vision, mission and values underscore the Bank's commitment to the development of the UAE and the emirate of Fujairah.



Vision

- The financial partner for business, focused on your personal and professional needs.



Mission

- To provide our customers with exceptional financial service.
- To develop a strong sense of partnership through service and innovation.
- To offer a stimulating working environment where individuals can tap their potential to achieve new heights.
- To operate the highest standard of professionalism, while contributing to the growth and advancement of communities in which we work.

Values



PASSION AND COMMITMENT

Be ready to go the extra mile, for the Bank and each other.



RESPECT

Have mutual trust and understanding, appreciate and seek the views of others.



INTEGRITY

Be honest and transparent.



DEDICATION TO TEAMWORK

Work towards common goals; build effective teams across organisational boundaries.



EXCELLENCE IN SERVICE

Make delivering an exceptional customer service at the heart of everything we do.

OUR STRATEGY FOR 2022

The geopolitical events of 2022, and particularly the outbreak of war in Ukraine, destabilised the global economy and brought economic and political uncertainty. Against this backdrop, NBF sought to improve its resilience by increasing its focus on quality business and an efficient funding base and by supporting the UAE's broad and continued economic recovery.

NBF's business strategy continued to revolve around client relationships, supported by a segmented approach to serve its customers' needs. The Bank maintained its approach of acquiring new customers and business in areas of expertise enabled by exceptional service and offering. This helped to increase diversification and maintain stable growth across all business segments. The Bank also continued to invest in its core business, accelerating digital innovation, and concentrating on the interests and needs of its customers.

NBF took a proactive approach to optimising opportunities created by the market volatility. The Bank grew its high-quality, investment-grade investment portfolio, which offered a good risk to return ratio. NBF also supported clients with

appropriate foreign exchange and hedging solutions, helping the Bank achieve record performance in its Treasury business. Together with a particular attention to risk management, transparency, and a close focus on consolidation and financial stability, this approach ensured that NBF was well placed to adapt its business growth at a time of heightened global uncertainty.

The Bank also maintained prudent recognition of problem accounts. The small number of exceptional group exposures that had been earmarked for resolution progressed well in line with the Bank's recovery strategy, as evidenced by a significant improvement in the non-performing loans ratio from 9.8% in 2021 to 6.9% in 2022. The Bank reviewed its approach and strategy for ESG in line with global and regional direction and will continue embedding sustainable practices across its operations, product offerings and business decisions. Integrating an ESG risk assessment into the Bank's credit appraisal processes is a particular point of focus, while a structure for ESG governance throughout the Bank has been set. This will ensure ESG issues are considered at all levels of the organization moving forward.



AWARDS



Best Commercial Bank UAE
MEA Finance Industry Awards 2022

Best SME Bank UAE
MEA Finance Industry Awards 2022

Best Trade Finance Provider
MEA Finance Industry Awards 2022

Best Cyber Assurance and Resiliency Capabilities
MEA Finance 2022

Best Innovation in Trade Finance
MEA Finance's Banking Technology Awards 2022

Most Innovative Trading Platform – NBFX
MEA Finance's Banking Technology Awards 2022

MEMBERSHIPS AND CERTIFICATES



**DUBAI CHAMBER
CSR LABEL**



**ISO 45001 FOR
HEALTH AND SAFETY**



**ISO 9001 - QUALITY
MANAGEMENT
SYSTEM**



**ISO 27001-
INFORMATION
SECURITY
MANAGEMENT
SYSTEMS**

2022 ESG HIGHLIGHTS



SUSTAINABILITY

APPROACH



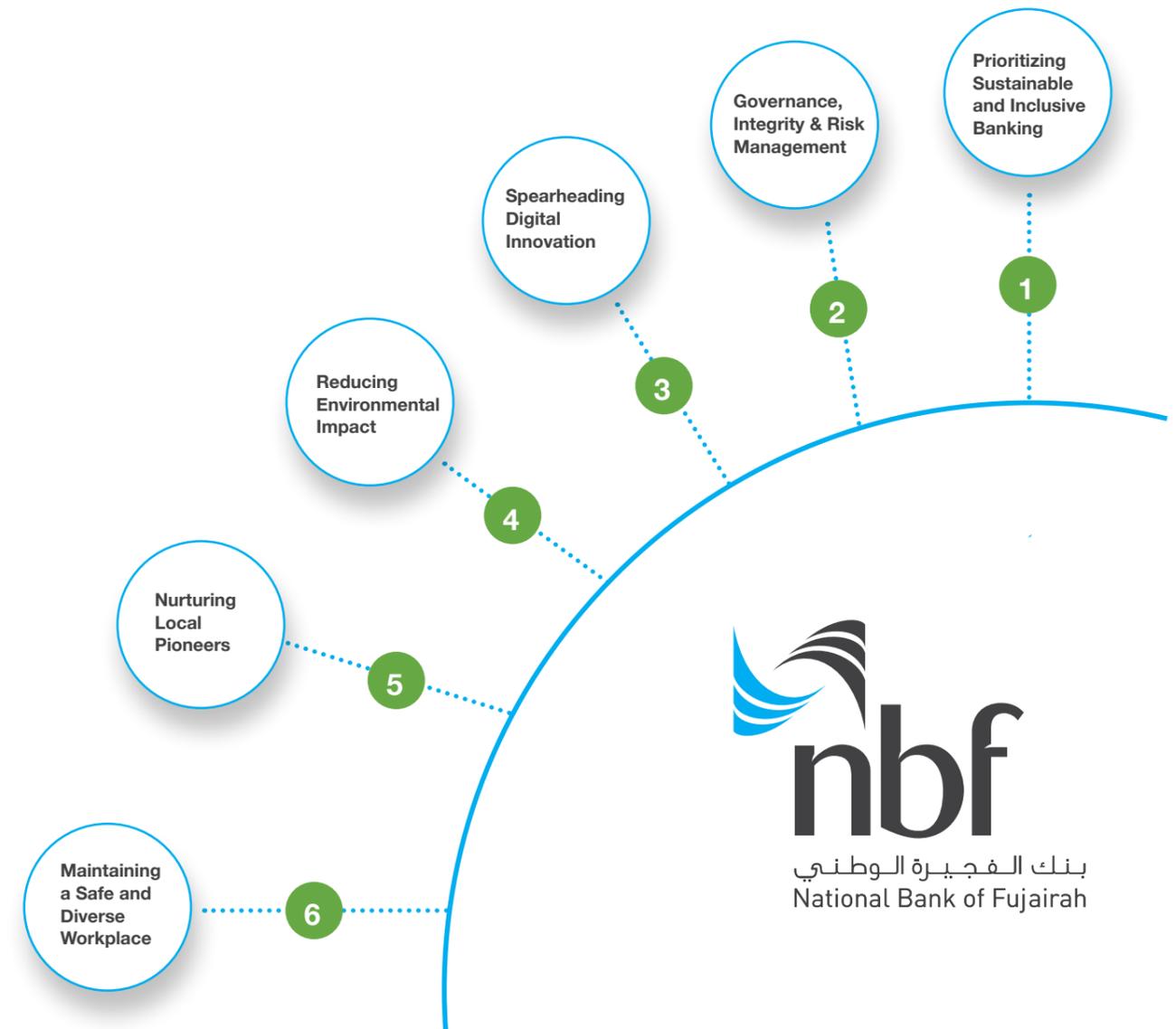
EMBRACING SUSTAINABILITY

Sustainability is at the core of NBF's business. The Bank aims to be a sustainable finance leader in the region, driven by its new ESG strategy that will set the direction for NBF for the next three years. It essentially reflects our overall strategic direction and anticipates competitive advantages, with a clear rationale and objectives to make us a leader in sustainable finance and a good corporate citizen, creating a positive impact on the environment and our community. The strategy will therefore help us make a strong contribution to the UAE's growth and its sustainable development in support of both the 'We the UAE 2031' strategy and the UAE Energy Strategy 2050.

By embedding ESG into its corporate strategy, NBF will ensure sustainability is considered in all its financial decisions. The Bank will integrate ESG criteria into its lending and investment activities, with a particular focus on high-growth and high positive impact sectors through offering the best choice of sustainability-oriented products and service opportunities. NBF will also increasingly offer consumers digital banking products supported by the latest technology in alignment with national and international sustainability standards.

SUSTAINABILITY FRAMEWORK

NBF is committed to serving all its stakeholders: its shareholders, customers, suppliers, wider society and the planet itself. To help achieve this, the Bank has made ESG a key priority and has developed a Sustainability Framework to guide its efforts. Built around six key pillars, the Framework is aligned with the Bank's corporate mission and values, the priorities of investors, stakeholder interests, national goals, and global standards and frameworks.



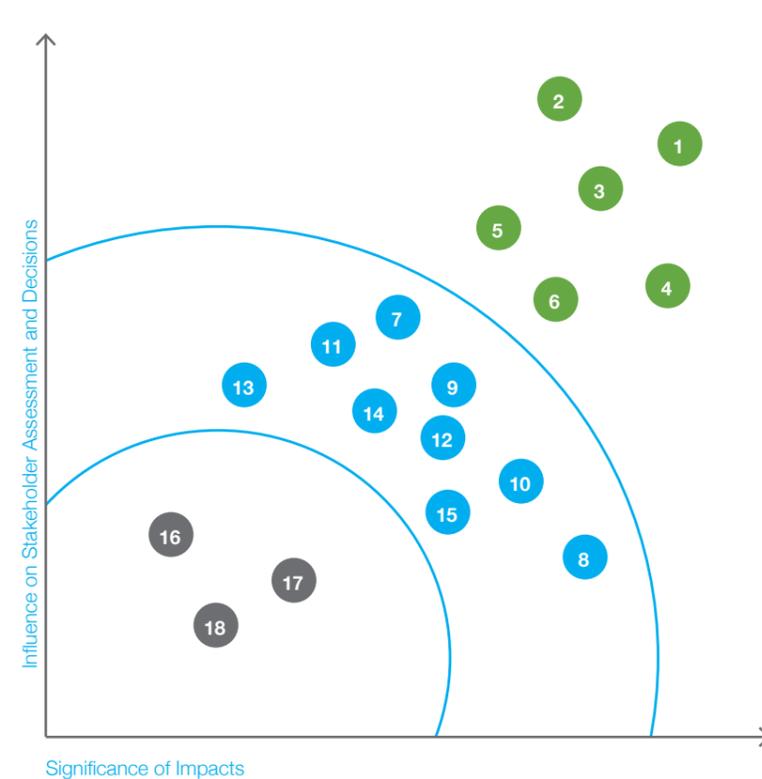
MATERIALITY ASSESSMENT

To build a sustainability strategy that is relevant and inclusive, NBF needs to understand which issues are important both to the Bank and to its stakeholders. This means engaging them in the sustainability conversation and being open and transparent in our responses.



A materiality assessment was undertaken to identify the issues that matter most to the organisation and its stakeholders. To determine the most material issues, peer reviews and internal engagement were carried out, as well as an assessment of the business against global and national sustainability

ambitions, ESG standards and guidelines. From this, 18 material topics were identified, which were then rated as most important, more important or important. The final ranked list was approved by NBF's senior management.



Material Topic	Rank
Financial Performance	1
Corporate Governance	2
Responsible Finance	3
Privacy and Data Security	4
Customer Experience and Engagement	6
Financial Inclusion	6
Risk Management	7
Climate Change	8
Digitalization	9
Anti-money Laundering	10
Diversity and Inclusion	11
Financial Literacy	12
Talent Attraction and Management	13
H&S and Wellbeing	14
Community Engagement	15
Responsible Supply Chain	16
Environmental Management	17
Human Rights	18

ALIGNMENT WITH NATIONAL AND INTERNATIONAL STANDARDS AND FRAMEWORKS

To increase its positive impact on society and the Emirate, NBF has widened its vision, goals and frameworks by aligning with key national and global standards, including: the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDGs), ADX ESG Disclosures, UAE Centennial 2071, UAE Net Zero 2050, UAE Energy Strategy 2050 and Fujairah 2040.



This year's report is aligned with the following SDGs:



PRIORITISING SUSTAINABLE AND INCLUSIVE BANKING

NBF acknowledges its role in promoting sustainable growth and the transition to a low-carbon economy. As a financial services business, the Bank aims to use its financial expertise and products to support its clients to become more sustainable, mitigate climate change and protect the environment.

FINANCIAL PERFORMANCE

NBF realised a 26% increase in revenues compared with the previous year. Net profit reached AED 340.4 million in 2022, while total operating profit increased by around 29% compared with 2021.

For more information about the financial performance of the Bank in 2022, please see NBF's 2022 Annual Report.

Key Performance Indicators (KPIs)	Units	2020	2021	2022
Operating Income	AED'000	1,385,551	1,441,926	1,814,587
Operating costs	AED'000	490,983	486,283	578,168
Operating profit	AED'000	894,568	955,643	1,236,419
Net profit	AED'000	(475,252)	115,247	340,381

VALUE OF FINANCING PORTFOLIO BY SIZE

Key Performance Indicators (KPIs)	Units	2020	2021	2022
Corporate and institutional banking	AED Million	18,740	18,702	18,186
Business banking (SME)	AED Million	5,861	6,232	6,962
Retail banking	AED Million	3,107	3,507	4,099



RESPONSIBLE FINANCE

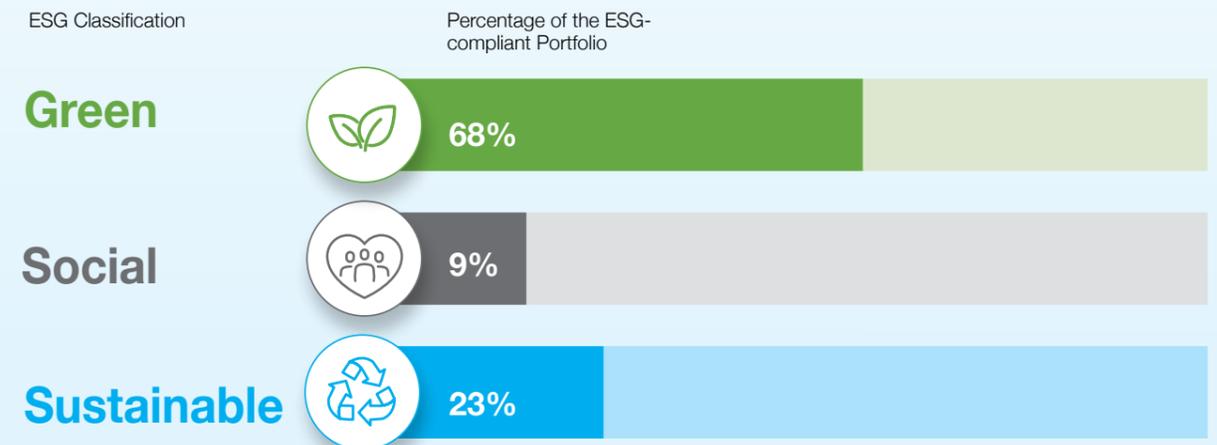
As a responsible business, NBF is committed to providing financial solutions and services that contribute to sustainable growth and development for its customers and wider society. In 2022, NBF started developing its ESG policy framework, and align it with international best practices, national priorities, and ESG rating agencies' requirements.

INVESTMENT

NBF aims to add long-term environmental and societal value through sustainable and profitable investment.

During the year, the Bank began building an ESG portfolio of investments (green, social and sustainable), which stood at AED 321 million at the end of the year. The Bank also issued guidelines to asset managers to start rating the Bank's portfolios under mandate according to ESG parameters. NBF has also invested in ESG-compliant bonds and Shari'ah compliant sukus.

The Bank's existing ESG-compliant portfolio comprises around 5.60 per cent of its total direct portfolio. Using the Bloomberg classification based on issuer information, 68 per cent of the ESG bonds held in our portfolio are in the Green category, 23 per cent in the Sustainable category and 9 per cent in Social.



Looking ahead, NBF will:

- Continue to invest in ESG-compliant bonds for its own funds in 2023 as part of its investment strategy as well as to track performance against established ESG benchmarks.
- Maintain at least 5 per cent of the Bank's bonds as ESG compliant based on the Bloomberg classification and aim to increase this figure in 2023.
- Integrate the ESG framework into NBF's practices and procedures.
- Ensure the Bank's fixed income mandates portfolio is fully benchmarked against recognised ESG metrics.

LENDING

NBF will consider ESG factors in its lending decisions and develop front-end staff skills in sustainable finance. Sustainability-linked loans offer incentives to the borrower for meeting ESG performance objectives, while the conditions of the loan will be tied to the achievement of ESG goals such as meeting renewable energy targets.



In 2022, NBF started reviewing and updating its Credit Risk Policy and integrated ESG elements into it. In addition, the Bank started developing its ESG due diligence toolkit to screen its lending portfolio. The toolkit supports NBF in classifying its corporate clients, investments, and projects into three main ESG risk categories – High/Medium/Low. For high or medium risks client/investment, NBF evaluates the ESG performance across a series of ESG questions and topics that are material across sectors. When a project is proposed for financing, and is classified as high or medium risks, the project is assessed in alignment with the International Finance Corporation's (IFC) Performance Standards.



Environmental and social factors will become a key focus in the Bank's lending assessment process, especially when a client's environmental and social factors are resulting in a particularly negative outcome. Should this be the case, this would be considered by NBF's Risk Analysis section at a broader level. However, environmental and social factors will form part of a client's risk rating parameters, which include the organisation's impact on such factors. Governance factors are considered as part of the lending assessment in line with the UAE Central Bank Guidelines, which inform the Bank's policies.



NBF has partnered with Emirates Development Bank's (EDB) credit guarantee scheme to provide credit solutions to eligible SMEs and microenterprises and began disbursing facilities under this scheme in 2022. The scheme's primary objective is to increase the number of SMEs by providing easy financing solutions to support them and help them establish credit history with banks. Around 20 clients have been approved to receive facilities through this scheme so far and this number is expected to grow in 2023.



NBF traditionally has been focussed on being a partner to small businesses in the UAE. The value of the Bank's loan portfolio for Microenterprises in 2022 was AED 103 million and AED 6,613 million for SMEs. (For this report, NBF defines Microenterprises as customers having a sales turnover of less than AED 20 million while SMEs are defined as customers with annual turnover of less than AED 400 million).



NBF has also been focussing on the socially important sectors of Healthcare and Education. As on 31st December 2022 the portfolio exposure was AED 292 million (Education) and AED 328 Million (Healthcare).



In 2022, NBF enhanced its presence in the green and renewable energy space as a part of its Energy and Marine segment. This has resulted in some significant additions to the Bank's



The Bank has partnered with One Road Automotive, the exclusive UAE distributor of HongQi Motors, a luxury Chinese car brand, to support the expansion of the company's new electric vehicle range in UAE. Moreover, another facility agreement was signed with Yellow Door Energy, the leading sustainable energy partner for businesses in the Middle East and Africa, which aims to refinance 31 operational solar power plants with a total capacity of 39 megawatts in the UAE. In addition, the Bank partnered with Cleanmax to refinance a distributed generation portfolio of solar rooftop assets in the UAE aimed at providing green electricity to commercial and industrial companies. The portfolio total capacity is 37.8 megawatts with 50 operational projects.



On a similar note, NBF offers green loans for purchase of electric vehicles for its retail customers. To add on to its green product suite, the Bank is currently exploring ways to provide personal loans for retrofitting homes with solar panels. Preliminary discussions and meetings have taken place and the Bank will progress this initiative in 2023. In the coming years, NBF is aiming to see 5 percent of auto loans and 2 percent of personal loans to be eligible for loans under our Green Loan initiative (for the purchase of electric vehicles and the retrofitting of solar panels).

FINANCIAL INCLUSION

It is important that all NBF's customers, whether individuals or businesses, are able to access its products and services through a range of accessible channels. The Bank also works to promote financial inclusion to better support its clients.



NBF has participated in various initiatives to increase financial inclusion, such as training sessions to help our colleagues understand people's needs and how they can support them with our products and services.

Extensive training has been provided to our staff to give them the skills to better assist People of Determination access financial services.

Mystery shopping reports are used to confirm that NBF branches provide necessary facilities for people of determination, such as easy access, and that our queue systems work correctly to offer them priority service.

NBF offers payroll cards to employees who do not have a bank account and a salary of less than AED 5,000. NBF provides a pre-paid card, which the holder can use to withdraw funds from any ATM or make purchases at POS terminal.

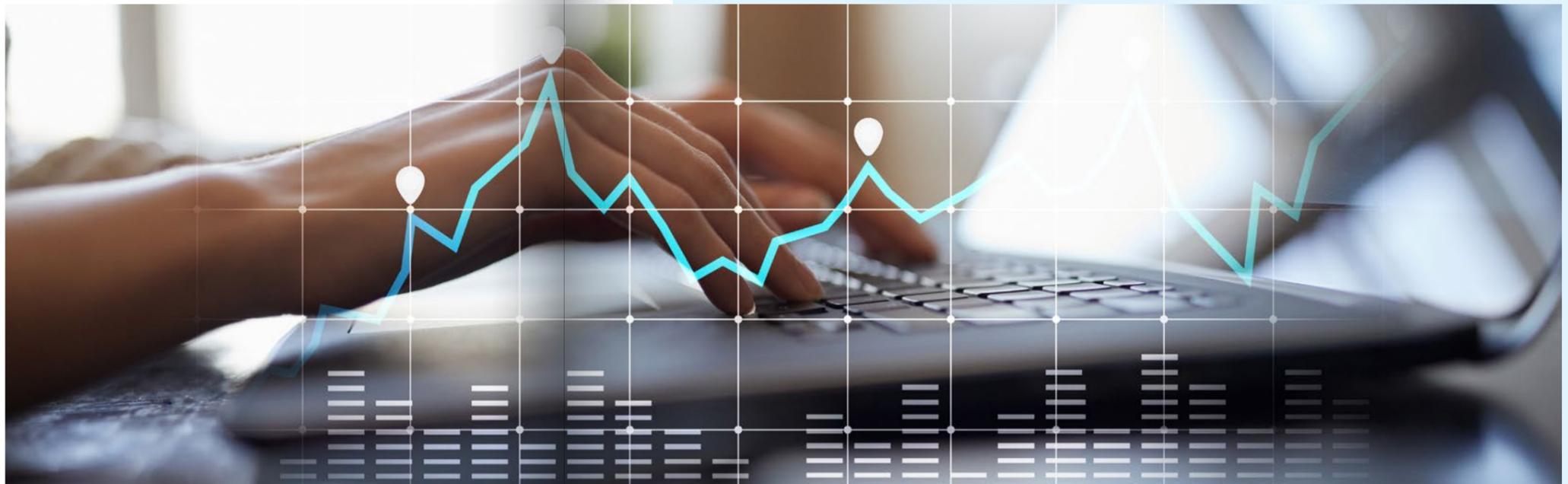
Moreover, NBF offers a proposition designed to deliver a social benefit through Ajyal, an innovative form of banking catering to young Emiratis – students, graduates and new to work.

As a facilitator of financial services to the SMEs, NBF provides banking solutions to SMEs operating across various economic sectors, thereby, supporting the economic development of the Fujairah region and the Emirate as a whole.

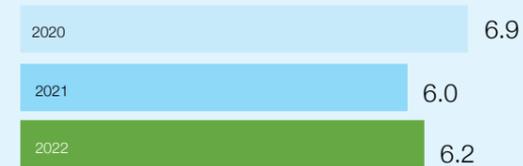
NBF aims to be accessible to people in remote and rural areas. NBF operates four branches and four ATMs in low populated and economically disadvantaged areas. NBF also does not charge its customers for using other banks' ATMs to improve accessibility.



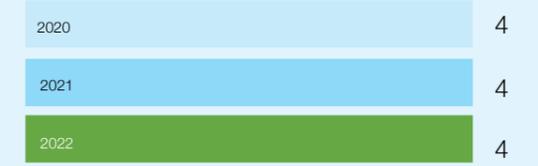
6.2%
percentage of
new accounts in
2022 opened by
first-time account
holders



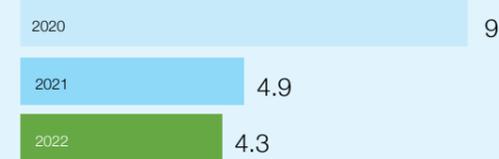
PERCENTAGE OF NEW ACCOUNTS HELD BY FIRST-TIME ACCOUNT HOLDERS (%)



NUMBER OF BRANCHES IN LOW POPULATED AND ECONOMICALLY DISADVANTAGED AREAS



PERCENTAGE OF TOTAL DOMESTIC LOANS FOR UNDERSERVED AND UNDERBANKED BUSINESS SEGMENTS (%)



NUMBER OF ATMS IN LOW POPULATED AND ECONOMICALLY DISADVANTAGED AREAS



GOVERNANCE,

INTEGRITY, AND

RISK MANAGEMENT

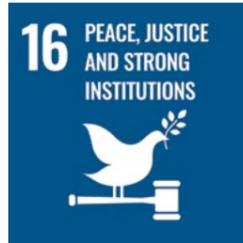


NBF is committed to maintaining the highest standards in all its operations and activities, including compliance, business ethics and risk management. The Bank adheres to best practices to discharge its duties and responsibilities, ensure transparency and disclosure, encourage justice and equality, manage risk, regulate shareholder practices and promote wider societal development.

All of our employees are required to be aware of and adhere to the Bank's Code of Conduct, and to act at all times in accordance with our vision and principles. The Bank conducts regular audits to ensure integrity throughout its business.

CORPORATE GOVERNANCE

NBF is committed to upholding the highest ethical and corporate governance standards. Good corporate governance is essential to the long-term success of any business, helping to build trust and engagement between the company and its stakeholders.



Through NBF Islamic, the Bank also offers Shari'ah-compliant products and services. An Internal Shari'ah Supervision Committee (ISSC) undertakes Shari'ah-based supervision of all the businesses, activities, products, services, contracts, and documents of

NBF Islamic. ISSC also issues Shari'ah fatwas and resolutions that are binding upon NBF Islamic and, through our internal Shari'ah control division and internal Shari'ah audits, monitors NBF Islamic's compliance with Islamic Shari'ah principles.



BOARD OF DIRECTORS

The Board of Directors is responsible for providing effective governance and oversight over the Bank's affairs for the benefit of shareholders, and for balancing the interests of diverse stakeholders, including investors, customers, employees, suppliers, regulators, government, and local communities.

The Board is composed of nine members, each with extensive experience. All Board members play an active role in raising, reviewing, and discussing our sustainability challenges and activities on a regular basis.

Board members are appointed for three-year terms by an election of shareholders at our Annual General Assembly Meeting. The CEO is prohibited from serving as the Board Chair according to NBF's bylaws.

The Board Nomination and Remuneration Committee is responsible for the adoption of the new corporate governance regulations of the UAE Central Bank, staff and management rewards, performance evaluation of the Board, and ongoing education and development for the Board members.

NBF actively promotes female representation on its Board in line with its focus on diversity and inclusion. At present, 11 per cent of NBF's Board are female. The Bank also has appointed an Emirati female Board Secretary. In the forthcoming AGM scheduled for Q1, 2023, the Bank has a plan in place for increasing its independent board members' composition to one third.

TOTAL NUMBER OF BOARD MEMBERS (#)

TOTAL NUMBER OF BOARD MEMBERS

2020	9
2021	9
2022	9

TOTAL NUMBER OF NON-EXECUTIVE MEMBERS

2020	9
2021	9
2022	9

TOTAL NUMBER OF INDEPENDENT MEMBERS

2020	2
2021	2
2022	2

TOTAL BOARD SEATS OCCUPIED BY WOMEN

2020	1
2021	1
2022	1

ANTI-CORRUPTION

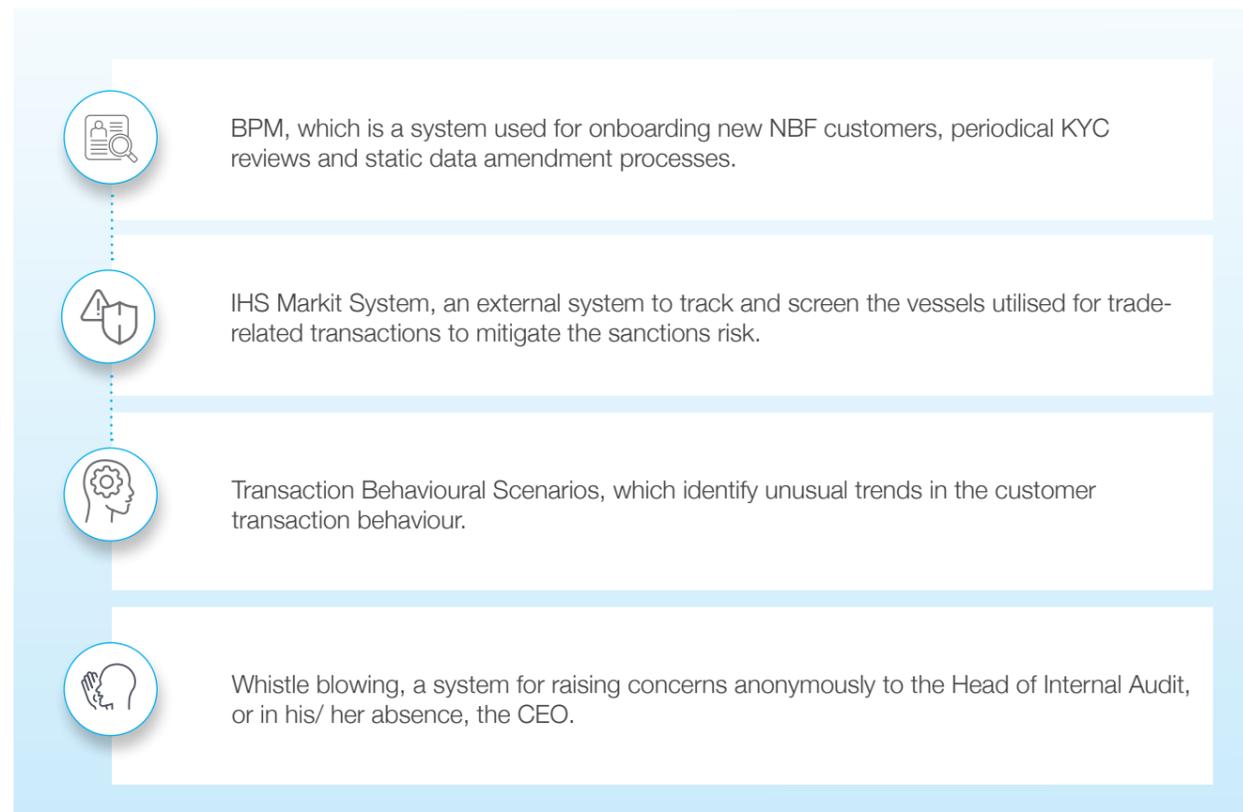
NBF uses a range of measures to ensure compliance with all applicable laws and regulations, and with global best practices. The business has a compliance culture that is based on a proactive risk management. The Compliance Committee reviews the Bank's compliance risk profile on a monthly basis and presents their KPIs along with other compliance outputs to Management Risk Committee and the Board Risk Committee of the Bank.

The Bank's Compliance Policy is based on building and maintaining a culture of trust, integrity, and transparency in all our operations. On an annual basis, all staff are required to attest they have read

and understood the policy. NBF also has a Sanctions Policy, which ensures compliance with relevant economic and trade sanctions laws and regulations in all jurisdictions in which the Bank operates.

NBF has a range of internal procedures, including "Know your Customer (KYC)", "Transaction Monitoring", "STR/ SAR Reporting", "Sanctions Screening", "Transactions Screening", "Quality Assurance", and "Regulatory Compliance", all of which comply with and reinforce the aforementioned policies.

A number of operational systems and processes further monitor and ensure compliance:



The effectiveness of these systems is measured by KPIs and confirmed by the fact that NBF has recorded no financial penalties or sanctions for non-compliance with laws and regulations in the last three years.

RISK MANAGEMENT

The Board provides a clear operational structure for the Group to manage risk in a manner that ensures establishment of appropriate controls consistent with the Bank's risk appetite, risk profile and capital strength.

These controls, operated through the Bank's Enterprise-wide Risk Management Framework (ERMF), are regularly cascaded by NBF's management to relevant staff. Continuous monitoring takes place through the ERMF, along with the integrated evaluation of different risk types and their interaction to assess the overall enterprise-wide risk profile.

and treatment of risks based on a clear statement of our risk appetite. To do this effectively, the Bank utilises a "Three Lines of Defence" operating model in relation to the management of risk. The key principle of the model is that risk management capability must be embedded within the business to be effective.

NBF recognises that risk exists in all its activities and that this requires a clear and ordered approach to the identification, assessment, measurement, reporting

1 FIRST LINE	2 SECOND LINE	3 THIRD LINE
<ul style="list-style-type: none"> Business's own risks and obligations, and the mitigation strategies that help manage them 	<p>Independent and functionally segregated risk management and compliance functions:</p> <ul style="list-style-type: none"> develop risk management frameworks. define the risk management principles in the Bank's policies. provide an objective review and challenge relating to effectiveness of risk management within the first line businesses. execute specific risk management activities where the functional segregation of duties or specific expertise are required. 	<p>An independent Internal Audit function reporting to the Board, monitors the effectiveness of risk management in the first and second lines and compliance with the Enterprise-wide Risk Management Framework and the Bank's Policies.</p> <p>A structured approach to risk measurement and reporting is then applied, which is assessed against NBF's Risk Appetite and overseen by specialised risk governance committees to ensure transparency.</p>

A Board Risk Committee assists the Board in carrying out the responsibilities set out in its Charter. It receives regular reporting from management and provides guidance to management where required as well as consideration and approval of specific matters referred to the committee.

ANTI-MONEY LAUNDERING

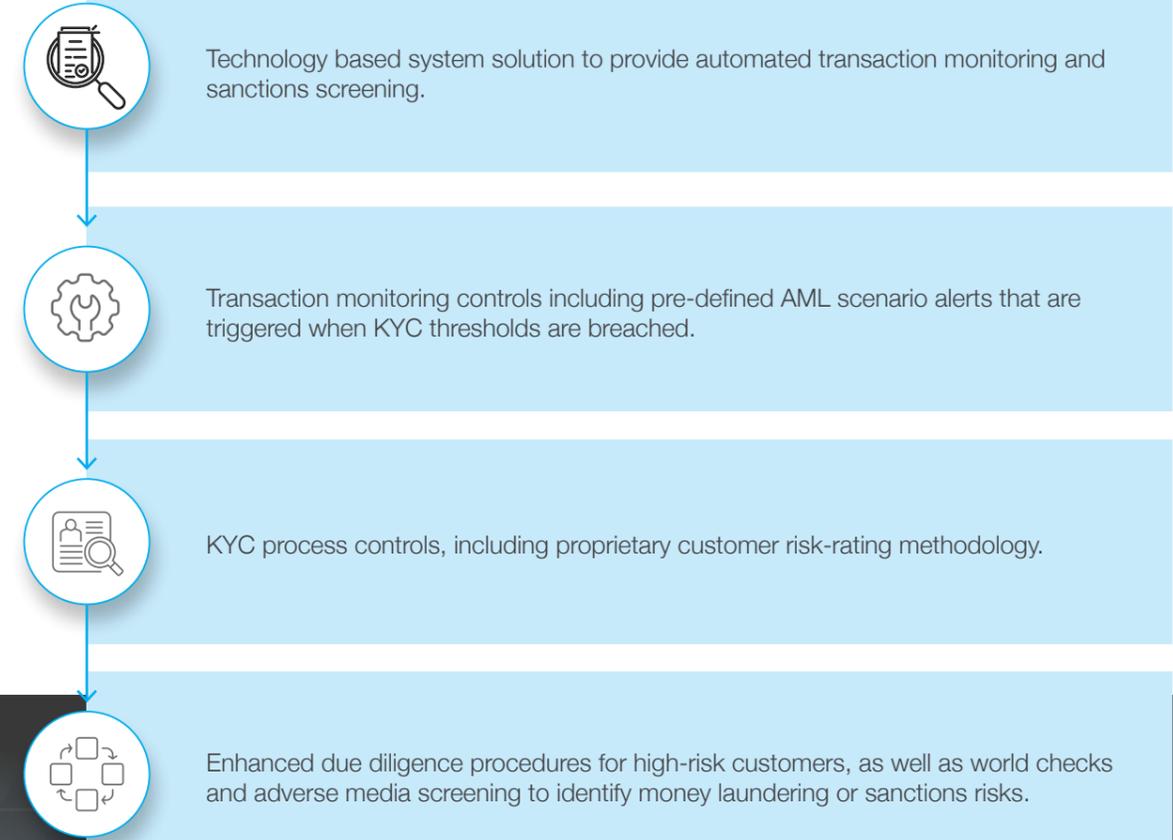
NBF has clear policies and processes to ensure compliance with all applicable UAE Laws, Central Bank of UAE Regulations and relevant global practices and standards relating to anti-money laundering (AML). The Bank's AML activities include ongoing customer risk assessments, monitoring of client activities and a process of continual improvement to ensure NBF mitigates the risk of facilitating financial crime. This is supported by annual AML training for relevant employees.

The Bank follows the Wolfsburg Group principles and adheres to Financial Action Task Force requirements. A standalone AML Policy covers procedures, regulations and controls to mitigate the risk of money laundering and combat terrorist financing. This Policy applies

to all employees and has been documented in line with the principles of the Three Lines of Defence, in accordance with our ERMF.



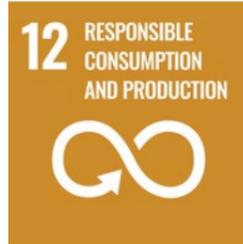
A number of systems further support the Bank's anti-money laundering efforts:



All employees must complete a mandatory anti-money laundering training. A refreshed AML training module was launched in December 2022 which has been completed by 100% of our employees as of January 2023.

RESPONSIBLE SUPPLY CHAIN

NBF is committed to sustainable procurement, ensuring that core sustainability values are followed throughout the life cycle of products and services. It aims to guarantee future sustainable procurement and investments by establishing a sustainable procurement Policy in the upcoming year to increase the Bank's long-term viability.

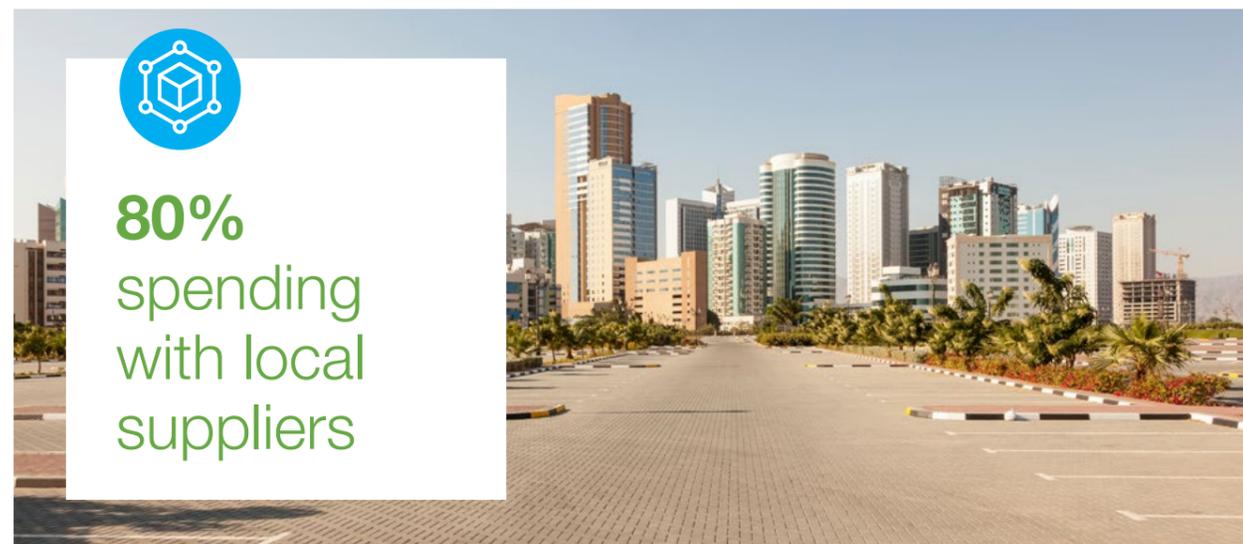


The Bank's supplier onboarding process comprises reference checks, a world check and validity of trade licence checks. Outcomes are held in a Payments and Contracts Management system as part of NBF's compliance and governance process, in addition to our Blacklist check, to certify a supplier's compliance

with NBF's regulations. Request for Proposals (RFPs) covers specific LEED standards which new constructions must adhere to.

Our total procurement spend is shown in the table below.

Key Performance Indicators (KPIs)	Units	2020	2021	2022
Total procurement spending	AED	39,166,930	56,099,811	72,813,360
Total procurement spending on local suppliers	AED	31,369,238	47,878,783	58,232,392
Percentage of spending on local suppliers (%)	%	80	85	80
Total number of suppliers engaged	#	1,382	1,204	1,413
Total number of local suppliers engaged	#	1,259	1,061	1,225



HUMAN RIGHTS

NBF is committed to supporting and respecting the protection of human rights across all its operations and businesses. This plays an important role in ensuring the protection of rights of the Bank's employees, customers, and the communities in which it operates.... NBF aims to avoid contributing to adverse human rights impacts through its business activities and internal policies.

The Bank adheres to strict policies, including its Code of Conduct and Ethics Policy, and other regulations and measures to prevent any kind of abuse, harassment, or discrimination. An Internal Equal Opportunity and Anti-Harassment Policy embed anti-discrimination efforts in the Bank's operations and culture. In addition, all employees have

various channels through which they can safely and anonymously raise any concerns. This is supported by a whistleblowing Policy, which encourages employees to voice their concerns and ultimately aims to protect the Bank and its employees from acts of misconduct and malpractice.

NON-DISCRIMINATION

An Internal Equal Opportunity and Anti-Harassment Policy embed anti-discrimination efforts in the Bank's operations and culture.

NBF has a formal Grievance and Disciplinary Committee and a formal Appeal Committee. NBF encourages open communication between the Line Manager and staff when a grievance is raised. The grievance and disciplinary mechanism is a step-by-step process.

In this process, the grievance or complaint is considered on its merits by independent Management. A grievance is employee-initiated, while a disciplinary action is Line Manager-initiated.

An employee may appeal to the Grievance and Disciplinary Committee if he/she is not satisfied with the outcome following a formal grievance or formal disciplinary meeting. Hearings at the Grievance and Disciplinary Committee are documented and signed by all parties present as well as the employee.

No grievances were filed in 2021 and 2022.

SPEARHEADING

DIGITAL INNOVATION

In line with the UAE's Centenary 2071 plan, NBF will continue to be positioned as a 'digital-enabled' Bank by providing digital banking solutions to its customers, meeting their expectations, and building lasting relationships. In 2022, the Bank continued to invest in its core business, accelerating digital innovation and concentrating on the interests and needs of its customers.

Data security is at the heart of NBF's digital transformation strategy. The Bank continually pursues efforts to strengthen security controls and data privacy measures.

DIGITALISATION

To ensure continuity and provide excellent customer service, NBF strives to continuously improve its banking products and services, with a focus on operational innovation and digitalisation. We are aiming to implement new initiatives and enhancements to existing initiatives in the year ahead.



NBF places 'transformational thinking' at the heart of its operations, leading to the creation of an innovative culture that aims to place the Bank at the cutting edge of technology, with a clear-cut focus on customer centricity.

In 2022, two important milestones were achieved: the deployment of the eSignature project and the / UAEPASS implementation. The Smartforms and eSignature project enables digital signatures for all internal and external processes where a signature is involved. The UAEPASS implementation relates to the rollout of an electronic system for enabling a more digital Know Your Customer (KYC) process.

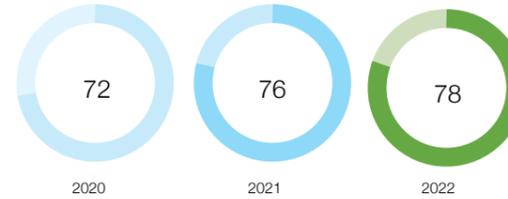
Other initiatives continue to evolve each year, such as our NBFX digital trading platform, T24 rate automation and gold loan automation. These enable the Bank to minimise paper-based processes and improve Turn Around Time (TAT) and efficiency in processing.

NBF is part of a consortium of banks for UAE Trade Connect, a blockchain-based platform that enables banks to share invoice details and run checks for duplicate invoices and fraudulent invoices across all the banks. In 2022, around 8,000 invoices were uploaded through the platform. The Bank has also partnered with with a trade technology provider to automate and speed up the trade processing based on scanned copies of documents.

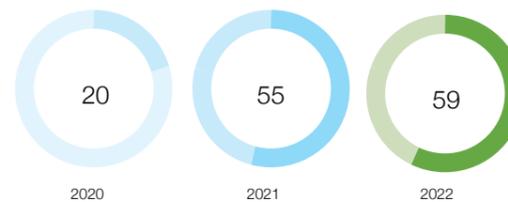
The first quarter of 2022 saw the launch of the NBF Lite bank account to provide the benefits of digital banking solutions to start-ups and SMEs. Designed to suit the needs of flexi desks and co-working businesses in select UAE free zones, the account is a unique offering from our digital platform NBF Connect.

The number of online/mobile transactions on the Bank's platforms increased significantly by 27% in 2022. Despite this huge increase, the Bank was able to maintain excellent customer service levels and further enhance our platforms.

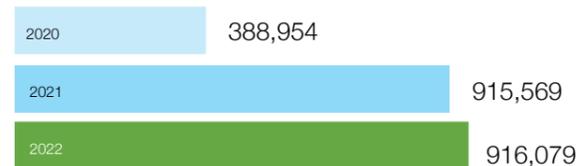
DIGITALLY ACTIVE CUSTOMERS (%)



NEW CUSTOMERS ONBOARDED DIGITALLY (%)



NUMBER OF BRANCH TRANSACTIONS



NUMBER OF ONLINE/MOBILE TRANSACTIONS



CASE STUDY

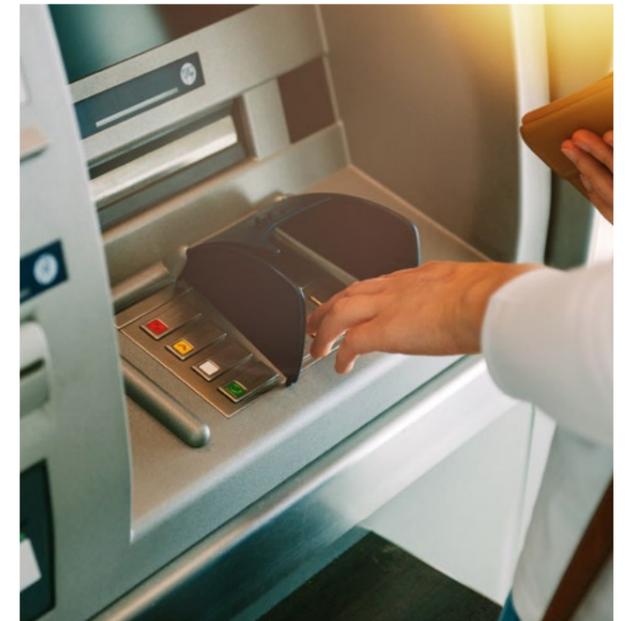
DYNAMIC CVV

NBF is leading the way nationally in the deployment of innovative digital technology. The Bank introduced CVVkey™, a simple, proven solution to online credit and debit card fraud. CVVkey™ replaces the 3-digit CVV code on the back of the credit/ debit card with an easy-to-use dynamic CVV code that can be easily accessed through the smartphone.

CVVkey™ sends a unique 3-digit security code to the customer's smartphone. Whenever the three-digit security code on the back of the card is requested during check out for online purchases, a fresh code from the app can be entered instead. The app generates a new code every six hours preventing unauthorized purchases.



27% increase in digital transactions in 2022



CUSTOMER EXPERIENCE AND ENGAGEMENT

Customers are NBF's number one priority. The Bank provided its customers with an exceptionally high quality of financial services and develop strong partnerships built on service, trust and innovation. Through a customer-centric business model backed by technological and digital enhancements, the Bank ensures a customer experience that is easy, fast and convenient.

NBF reviewed its customer and business segmentation in 2022 to better align it with customers' needs. The Bank also implemented its Consumer Banking processes that ensure compliance with the Consumer Protection Regulations (CPR), which has brought significant improvement in consumers' understanding of the products and services we offer, and the risks associated with them. This reflects the importance to NBF of responsible marketing. CPR also ensures that customers' interests are protected when they use or apply for a financial product or a service.

NBF uses automation tools such as Robotic Process Automation to make processes quicker and more efficient and improve the customer experience. The Bank is also working to minimise customer complaints and improve the complaint resolution process. Initiatives include:



Monthly Champions meetings to highlight the importance of First Call resolution.



Process improvements as a result of root cause analysis of customer complaints.



A daily complaint audit process to identify process/ system gaps and plan changes in coordination with IT and process owners.



In 2022, retail net promotor score (NPS) stood at 49 per cent, while wholesale net promotor score (NPS) reached 48 per cent. Due to the pandemic, there was no customer satisfaction survey for 2020.

NET PROMOTER SCORE (RETAIL) (%)



NET PROMOTER SCORE (CORPORATE) (%)



Key Performance Indicators (KPIs)	Units	2020	2021	2022
Number of complaints received	#	1,569	2,335	2,517
Number of complaints resolved	#	1,567	2,334	2,495
First call resolution (FCR)	%	86	90	92



PRIVACY AND DATA SECURITY

The increased use of digital platforms has heightened cybersecurity concerns. In response, NBF works tirelessly to strengthen its layered security controls, increase its cyber-resilient capabilities and educate its workforce and customers about cyberattacks on a regular and ongoing basis.

The Bank has a fundamental responsibility to maintain customers' trust by ensuring their data privacy and security from unauthorised access and use. In 2022, a new Data Privacy Policy was launched that discloses how data is collected and processed and sets out customers' rights towards their own data.

NBF is ISO 27001:2013 certified and complies with the UAE National Electronic Security Authority (NESAs) standards, the SWIFT Customer Security Programme and Payment Card Industry Security Standards Council data security standards. NBF also collaborates

with regional and global regulators, industry peers, vendors, customers and law enforcement agencies for threat intelligence and knowledge sharing. This includes being part of an information sharing platform managed by the UAE's Central Bank.

NBF has a designated Information Security and Data Protection unit, which manages information security risks and data privacy. It is headed by both our Chief Information Security Officer and Data Privacy Officer.



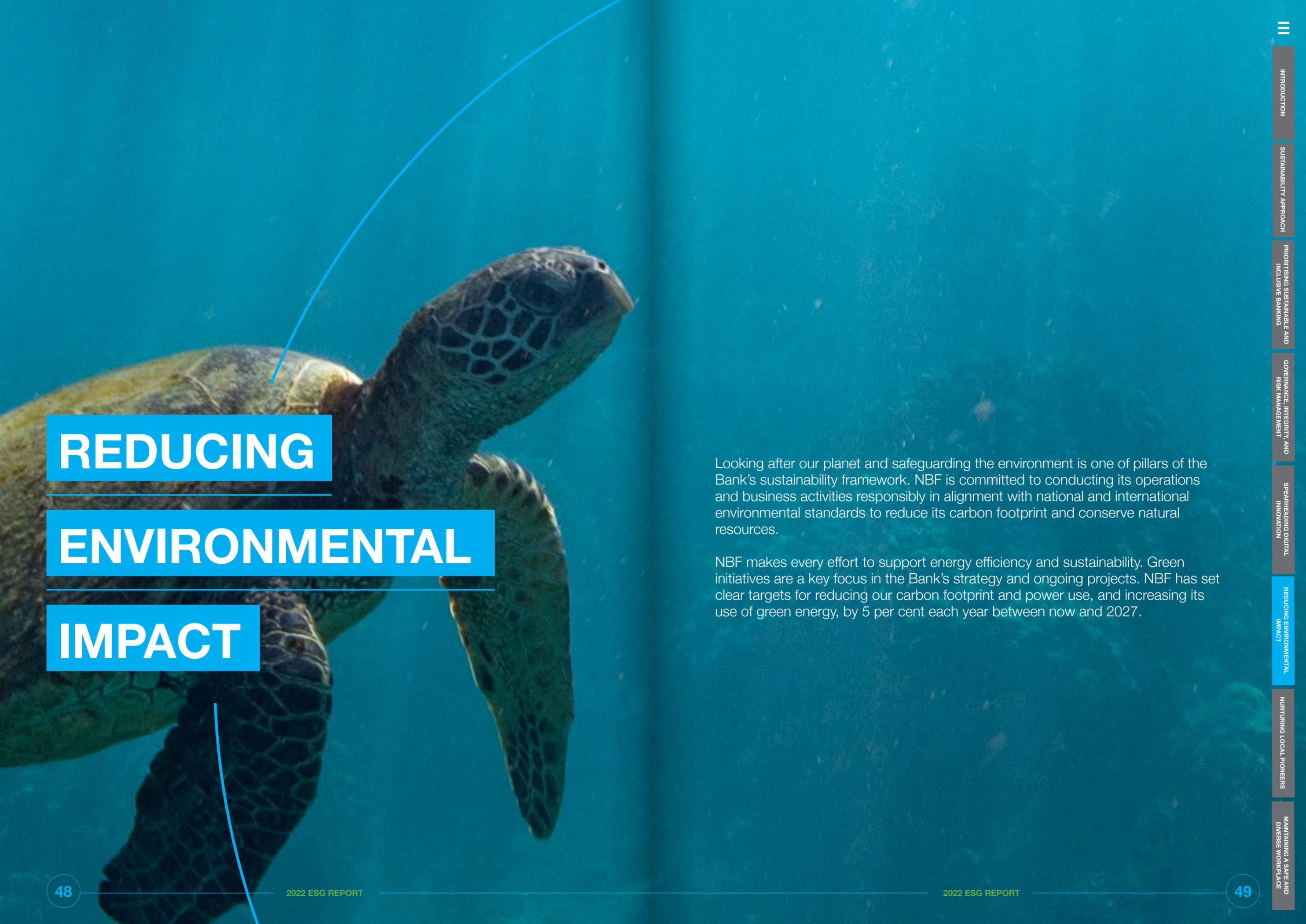
All NBF cards have chip and pin security for card present transactions and for preventing card not present (CNP) frauds. In addition, 3D secure, which requires an additional verification step, is already in place and we have implemented dynamic card verification value (CVV) to replace the static CVV system. This makes CNP frauds and Bank Identification Number attacks much more difficult, if not impossible. Card management, including fraud management, is outsourced to market leaders.

The Bank continually seeks to raise customer awareness around fraud, regularly engaging with customers on fraud typologies and its prevention, using all available channels including emails, SMS, ATM displays and internet banking.

Security and privacy audits are conducted annually and a Data Privacy Impact Assessment was launched in 2022. As well as operating an information security programme annually that covers assurance, resiliency, culture, and data privacy capabilities, NBF regularly assesses, monitors and improves its capabilities based on organization risk appetite.

In 2022, the provision of training related to data security and customer privacy increased from 80 hours to 100 hours. NBF was pleased to record zero security breaches in 2022 for the third successive year.





REDUCING

ENVIRONMENTAL

IMPACT

Looking after our planet and safeguarding the environment is one of pillars of the Bank's sustainability framework. NBF is committed to conducting its operations and business activities responsibly in alignment with national and international environmental standards to reduce its carbon footprint and conserve natural resources.

NBF makes every effort to support energy efficiency and sustainability. Green initiatives are a key focus in the Bank's strategy and ongoing projects. NBF has set clear targets for reducing our carbon footprint and power use, and increasing its use of green energy, by 5 per cent each year between now and 2027.

CLIMATE CHANGE

NBF aims to help protect the planet by reducing its carbon footprint across its operations and product portfolio in line with national and international practices. As part of this, the Bank carries out an annual test of air quality out across all its locations and takes remedial measures to rectify any issues identified.



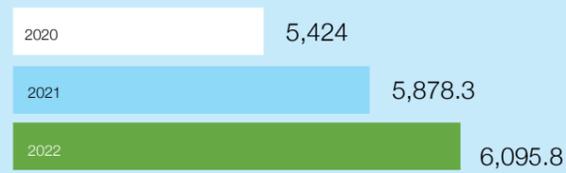
In 2022, emissions intensity stood at 6.2 tonnes of CO₂eq per employee.

EMISSIONS

DIRECT GHG EMISSIONS (SCOPE 1)
(TONNES OF CO₂eq)



TOTAL GHG EMISSIONS
(TONNES OF CO₂eq)



INDIRECT GHG EMISSIONS
(SCOPE 2) (TONNES OF CO₂eq)



GHG EMISSIONS INTENSITY
(TONNES OF CO₂eq/ EMPLOYEE)



ENVIRONMENTAL MANAGEMENT



7 AFFORDABLE AND CLEAN ENERGY



ENERGY CONSUMPTION

NBF is aligning with the UAE Energy Strategy 2050 in implementing the transformation of the national economy to green activities to meet the country's economic requirements and environmental goals. The

Bank measures its total energy consumption and has implemented a number of significant initiatives in 2022 to reduce energy use and increase energy efficiency, including:

-  Installing a solar water heater
-  Setting timers for water heaters
-  Installing motion sensor-operated lights
-  Setting timers for air conditioning systems
-  Replacing old lights with new, energy-efficient LED lighting
-  Providing a solution for Jebel Ali Chillers, installing air-cooled chillers, a chilled water system and smart energy meters.

CASE STUDY

BECOMING MORE ENERGY EFFICIENT

One of the biggest ways we can reduce our carbon footprint is through reducing the energy we use. In 2022, we replaced the old lighting in our branches with new, energy-efficient LED lights as part of our efforts to reduce our energy consumption. This has led to a reduction of 1,033,789 KW per year

and a lowering of our carbon emissions by 856,750 KG per year. The new lighting also means lower costs, with an annual saving of AED 454,867. Other initiatives, such as the introduction of motion-sensitive lights and increased use of solar power, will bring even more environmental benefits.

Petrol consumption from NBF's operations amounted to 13,245 litres in 2022, while diesel consumption was

14,189 litres. Total solar energy consumption in the year was 239,148 KW.

Energy	Units	2020	2021	2022
Total number of branches	#	25	19	19
Electricity consumption (office, storage, facilities, etc.)	kWh	8,019,264.01	8,690,960.36	8,914,904.00



WATER CONSUMPTION

Managing essential resources such as water is a priority for NBF and something the Bank is making considerable effort to improve. We monitor water consumption in all our branches and encourage all employees to pay attention to their own water consumption.

A periodic maintenance programme ensures that no water is wasted, and consumption bills are monitored

to identify any changes that occur in consumption and determine the reasons. We have also installed tap aerators to reduce water consumption and all new building projects will use sensor water taps for more efficient water use.

Water consumption intensity decreased by 20 per cent from 14.32 cubic metres per employee in 2021 to 11.46 cubic metres per employee in 2022.



TOTAL WATER CONSUMPTION (M³)



WATER CONSUMPTION INTENSITY M³/ EMPLOYEE





20% reduction in water consumption intensity in 2022 v 2021



WASTE CONSUMPTION

NBF seeks to apply best practices in waste reduction and the preservation of natural resources.

The amount of waste generated within NBF increased

significantly in 2022, but this was due to employees returning to offices following the COVID pandemic the previous year, when the majority of staff worked from home. Inevitably, this led to a rise in waste generation.

Waste	Units	2020	2021	2022
Non-hazardous waste generated	kg	-	5,046	11,048
Non-hazardous waste recycled	kg	3,000	1,600	3,565
Hazardous waste recycled	kg	50	10	85

NURTURING LOCAL

PIONEERS

NBF undertook a number of initiatives towards supporting the local community in 2022. We place a particular focus on developing the talent of UAE nationals, as they are the country's leaders of tomorrow. We aim to help equip them with the knowledge and skills they need to achieve their career goals while contributing to the country's economic growth.

COMMUNITY ENGAGEMENT

Most of the Bank's charitable and philanthropic initiatives and donations are centred in its home-emirate of Fujairah and are chosen by the CSR Committee. An example of the positive impact NBF's support makes is the Fujairah Welfare Association, which supports several initiatives such as Ramadan Drives, Dibba Football club, and a tennis club. Other initiatives include educational support to Higher Colleges of Technology (HCT) through scholarships and infrastructure support.

Since 2012, NBF has supported Mission to Seafarers (MtS), a charitable institution that aids the welfare of seafarers across the UAE. In 2022, we donated AED 75,000 to MtS to help make a positive difference to those working at sea.

In line with our commitment to environmental sustainability, we also partner with Emirates Nature-WWF and collaborated with the Emirates Environmental Group to organise an urban afforestation activity under the 'For Our Emirates We

Plant' programme in 2022. The tree-planting initiative took place in Dibba in March, when 265 saplings of indigenous Sidr and Ghaf trees were planted at a protected area. NBF's ongoing association with the group will focus on conservation work in the Jahar Mountains in Wadi, from terrestrial conservation to supporting a survey of nocturnal species. The Bank will also continue using our ATM network to encourage customers to donate one Dirham when withdrawing money and will match total donations to further boost conservation efforts in the region.



NBF monitors the effectiveness of its community development approach by cascading the initiatives to

the Sustainability Steering Committee for assessment and monitoring.

CASE STUDY

SUPPORTING THE NBF FUJAIRAH RUN 2022

The NBF Fujairah Run is an increasingly popular annual community event that saw record participation levels in 2022, its sixth year. Designed to encourage active lifestyles and to raise awareness of the health benefits of exercise, the event attracted everyone from families to serious fitness enthusiasts, including some of the UAE's best runners. More than 40 runners entered the 'Determined ones' category for people with disabilities.

Run in partnership with sports management agency Super Sports, the event is fully tracked using a digital system so that runners can get their exact times and perhaps even achieve some personal bests!



CASE STUDY

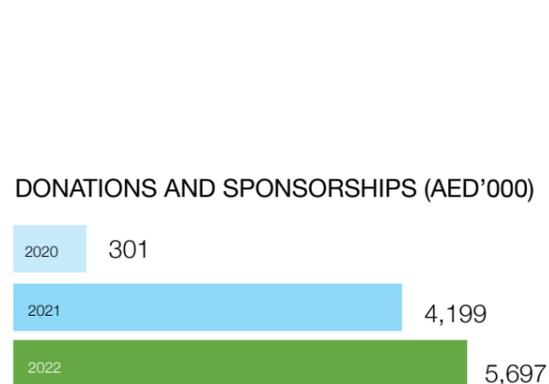
NBF ART COMPETITION 2022

The NBF Art Competition encourages artists from across the UAE to submit artwork focused on sustainability. The theme of the 2022 competition – “It All Starts With Me!” – was aimed at highlighting and encouraging individual actions to help protect the planet through the medium of art, as well as supporting NBF’s Environmental, Social and Governance agenda

Now in its second year, the competition attracted entries from more than 500 artists across the UAE – more than double the number in 2021. NBF is excited to be able to support the UAE’s burgeoning creative sector by providing artists with a platform to showcase their creativity, flourish and be recognised.



Donations and sponsorships increased by 35.7 per cent in 2022 compared with the previous year.



AED 5,697,000
NBF’s community investment in 2022

FINANCIAL LITERACY

Banks today recognise the importance of improving customers’ financial literacy and educating them about the financial benefits and risks associated with the products and services on offer. Detailed information helps customers to better understand and assess their financial requirements.

Supporting this, in 2022 the Bank added to NBF Aiyal’s existing workshops on financial awareness to include sessions on entrepreneurship, leadership, fraud and the customer experience. Our target audience was primarily Emiratis aged between 18 and 25.

NBF Aiyal’s workshops all have clear goals and objectives:



Financial Awareness: Helping young people understand banking in the UAE.



Entrepreneurship: Educating Emirati’s youth to develop essential entrepreneurial skills for success.



Fraud Awareness: Exploring cybersecurity and highlighting cyber threats.



Customer Experience: What is the customer experience and how does NBF provide it.

NUMBER OF PARTICIPANTS IN FINANCIAL LITERACY INITIATIVES FOR UNBANKED¹, UNDERBANKED², OR UNDERSERVED CUSTOMERS³



1. Unbanked customers are those in households without a cheque or savings account who may rely on alternative financial services (AFS), such as payday loans, non-bank money orders, non-bank cheque-cashing services, non-bank remittances, rent-to-own services, pawn shops, or refund anticipation loans.
2. Underbanked customers are in households that have a cheque and/or savings account but may still regularly use AFS.
3. Underserved customers include those who are unbanked, underbanked, or have limited access to mainstream financial services, often due to a limited credit history.

TALENT ATTRACTION AND MANAGEMENT

For any organisation, a key challenge is attracting and retaining the best talent. In today's competitive climate this requires a flexible, innovative working environment that can respond to and anticipate the needs of the workforce. At NBF, we place a particular focus on developing local UAE talent, equipping them with the knowledge and skills they need to meet their career goals and contribute to the economic growth of the country.

CASE STUDY

TECHNOLOGY ACADEMY 2022

This initiative aims to develop young talent from the Emirate of Fujairah by providing them with the opportunity to attend a world-class development programme and offer them employment opportunities with NBF and other Fujairah Government entities.

NBF subsequently hired 11 graduates of the programme, and one joined Fujairah Ports. The graduates joined different teams within the Bank and have been placed on a fast-track development route to help them grow in their careers and assume senior roles in the organisation in the next three to five years.

We carried out a thorough assessment in Q1 2022 to select the best candidates for the programme. Those selected undertook a six-month learning journey, attending relevant classes and on-the-job assignments before completing a hands-on project in their respective field.



TRAINING AND DEVELOPMENT

Training is mandatory for all employees, as is consumer protection training for all customer-facing staff. In 2022, we focused our efforts on developing and strengthening our existing Retail and Corporate training academies and working closely with our Talent Pool members (employees with high potential) to help them progress into their next roles, including management positions. In addition, we offered a number of awareness campaigns in different areas, such as well-being, banking products and career management.

NBF has various initiatives to ensure the achievement of its learning and development objectives. For our business vertical, we set up **Career Frameworks**, which define the expected competency and experience requirements for different job roles and levels.

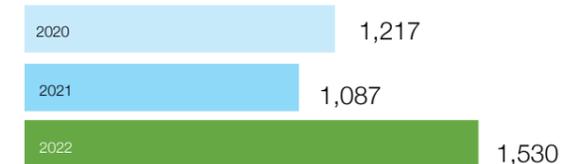
Based on Career Frameworks, we have developed **Learning Academies** for our main business stream, to provide the right skill-based training to bridge current gaps and support future development and career growth.

In addition, a **Programme-based approach** addresses specific cross-functional needs, such as new technologies, leadership development, employee well-being and new ways of working.

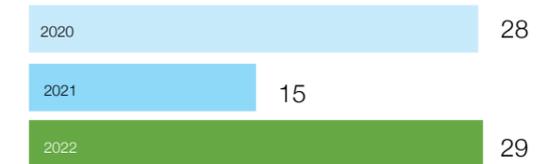
Both well-established and new learning tools, including blended learning, micro-learning, and online and classroom courses, are used to achieve the best possible results.

In 2022, as we emerged from the Covid pandemic we saw a significant increase in the number of employees completing training.

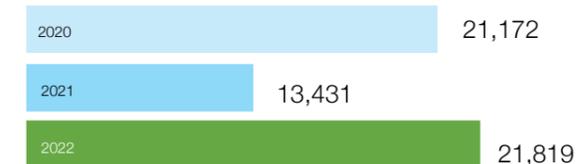
AVERAGE MONETARY AMOUNT SPENT PER FULL-TIME EQUIVALENT (FTE) IN TRAINING AND DEVELOPMENT (AED/EMPLOYEE)



AVERAGE TRAINING PER EMPLOYEE (HOURS)



TOTAL TRAINING DELIVERED (HOURS)



At NBF, we are constantly searching for talented individuals whom we can add to our family. In 2022, NBF hired a total of 106 employees.

Key Performance Indicators (KPIs)	Units	2020	2021	2022
New employee hires by gender				
Female	#	6	39	55
Male	#	45	54	51
Employee turnover (Voluntary only)				
Female	#	11	15	27
Male	#	23	10	22

PERFORMANCE REVIEWS

All NBF employees have specific goals each year, which are in line with the Bank's objectives. There are two formal performance appraisal exercises annually, where staff meet with their line managers and feedback is shared on deliverables and areas for improvement. Managers are also encouraged to meet staff regularly through one-to-one sessions and team meetings to update employees on their department's overall performance and any change in the Bank's strategy or plans.

NBF holds an Employee Engagement Survey annually, which is managed by an independent third party to ensure confidentiality. HR Business Partners share these results with respective department heads and their staff, with discussion sessions where feedback from staff is encouraged. Following this, departmental action plans are drawn up and shared with the Management Committee.

EMPLOYEE ENGAGEMENT (%)



EMPLOYEE ABSENTEE RATE (%)



74%
Employee
engagement
in 2022



NATIONALISATION

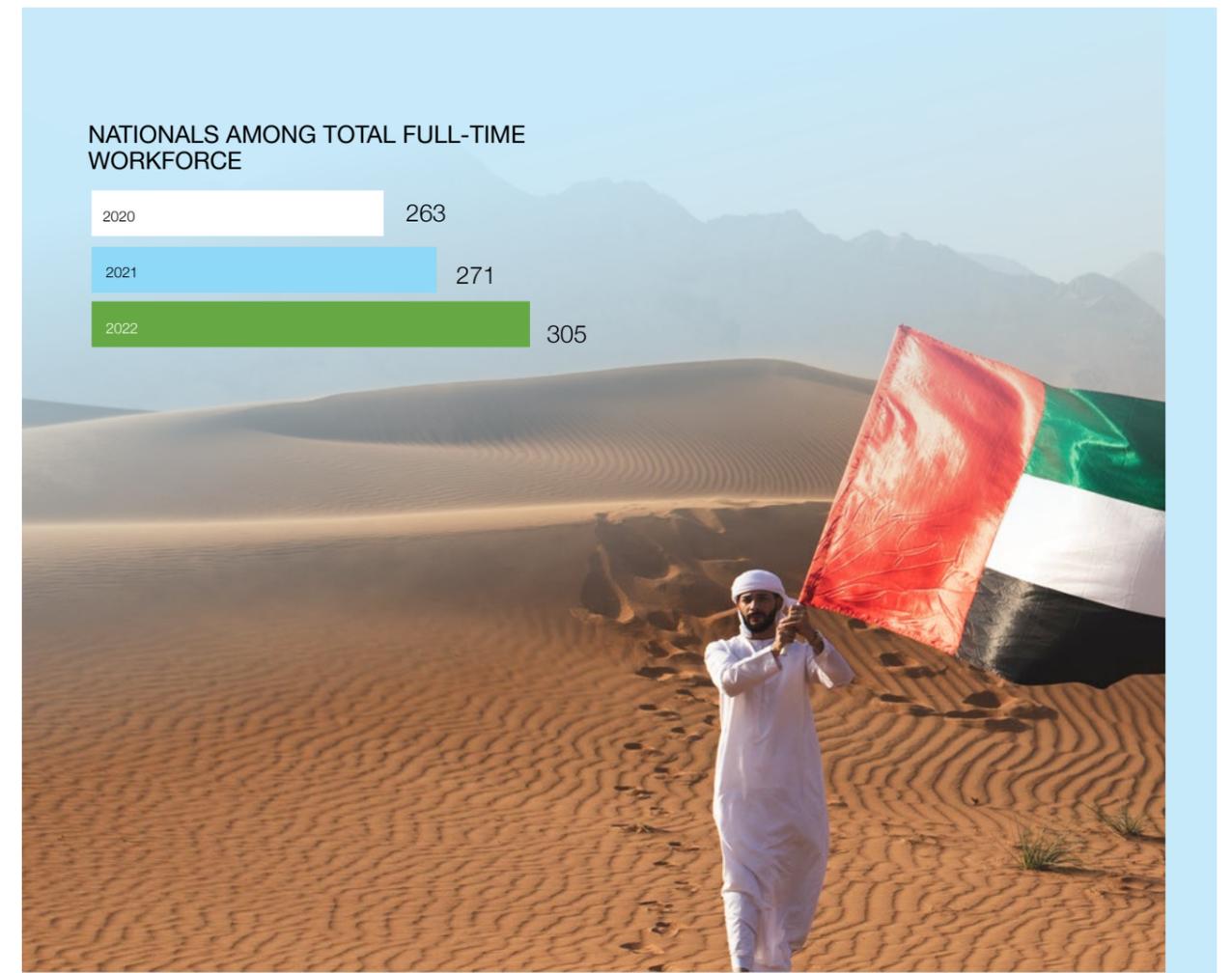
Emiratization is a key performance indicator of Abu Dhabi Economic Vision 2030. The UAE Government trains Emiratis in various fields, provides life skills, reserves jobs for them and has made legal provisions for recruiting and retaining them in jobs.

A key element of NBF's HR strategy is supporting the career aspirations of the nation's youth and developing their skills to prepare them for leadership roles within the Bank. This is reflected in the fact that, as of December 2022, 40.2% of NBF's employees were UAE nationals and more than 50 of the Bank's most talented staff have been enrolled in Emiratization programmes.

Key programmes under the Bank's Emiratization initiative in 2022 included management training, career advancement and a national development programme.

In addition, the Bank provides potential staff with an external perspective by giving them opportunities to enhance their skills to international standards. To do so, NBF collaborates with the Institute of International Finance (IIF), a global financial sector association. One of the Bank's female employees enrolled in the IIF's Future Leaders Program in 2021 and has successfully completed the programme's components. The programme features two events during a 12-month period designed to introduce participants to the big ideas and topics that will drive the future of the industry.

NATIONALS AMONG TOTAL FULL-TIME WORKFORCE





MAINTAINING A

SAFE AND DIVERSE

WORKPLACE

All NBF employees have the right to enjoy a safe and secure workplace. The Bank seeks to create and maintain a work environment that is inclusive of and respectful to every individual, regardless of their age, gender, ethnicity, religion, or disability.

HEALTH AND SAFETY AND WELLBEING

The Bank has a formal Occupational Health and Safety (OHS) Policy, which is displayed at all our branches and offices as well as available on our website. The Policy received ISO 45001 accreditation in 2021 and was recertified in 2022.



All staff are required to refresh their knowledge of our OHS procedures and policies a every year through our NBF Policy Tech – Learning Management System. An OHS management system demonstrates the Bank’s commitment to ensuring staff health safety and wellbeing as well as complying with the UAE’s legal requirements.

A dedicated HSE Manager supports and oversees all programmes related to employee health and safety and conducts routine HSE risk assessments and site inspections at each branch and location at least once each quarter. Third-party HSE inspections are carried out by Technical & Trading Est. each month and emergency evacuation drills take place at branches and offices on a regular basis. An HSE PWC health and safety committee monitors, collects and reviews feedback and advises on occupational safety programmes and every NBF branch and location also

has its own HSE Champions as well as trained fire wardens and first aiders.

Various session on the importance of mental health were conducted in 2022. Different topics were tackled including men’s health, women’s health, supporting your child’s mental health, work life integration, and understanding and managing anxiety.

In 2022, NBF was pleased to record zero fatalities and recordable injuries for employees and contractors for the third year in succession. The Bank conducted 19 health and safety audits, the same number as in 2021, and provided 178 hours of health and safety training to 155 employees, up from 65 the previous year.

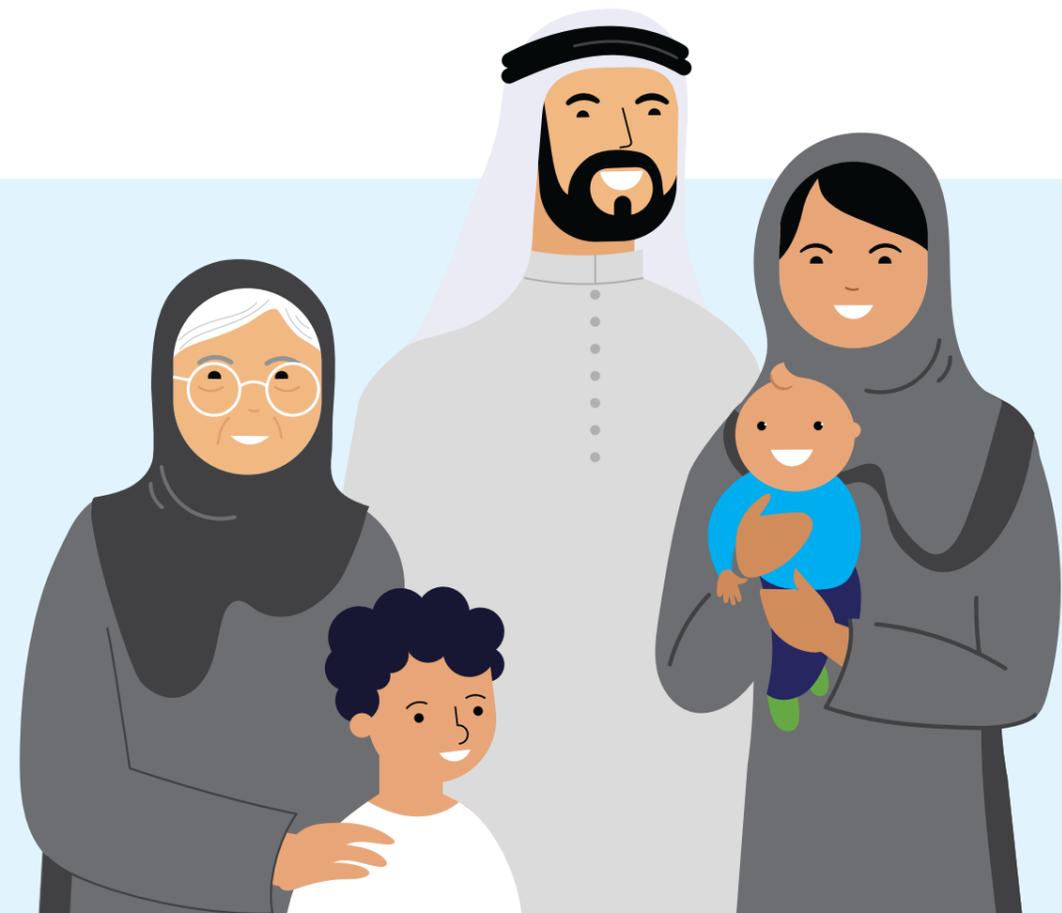


PARENTAL LEAVE POLICY

NBF has a clear leave policy, which includes 45 calendar days of paid maternity leave (15 days at half pay) and 10 calendar days of paternal leave. This also applies to staff on probation. In 2022, NBF recorded

a 100 per cent return to work rate and a 100 per cent retention rate for the third year in succession.

Key Performance Indicators (KPIs)	Units	2020	2021	2022
Number of employees that took parental leave	#	16	17	22
Number of employees who returned to work after parental leave ended (return to work)	#	16	17	22
Number of employees returned from parental leave who were still employed twelve months after return to work (retention)	#	16	17	22



DIVERSITY AND INCLUSION

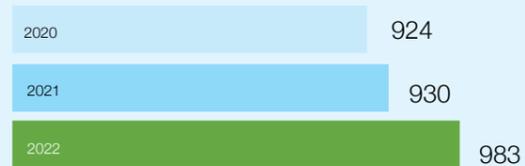
NBF is committed to developing and maintaining a diverse workforce and a working environment based on mutual respect. The Bank believes that diversity and inclusion in the workplace brings benefits for all, including improved business performance, drives innovation and helps attract talent to the organisation. Equal consideration is given to all applicants for positions within the Bank and do not discriminate on grounds of race, age, gender, disability or religion.



NBF has a Diversity and Inclusion Policy which covers equal opportunity and non-discrimination. In 2022, female employment stood at 44%.

WORKFORCE SIZE

TOTAL NUMBER OF EMPLOYEES (#)

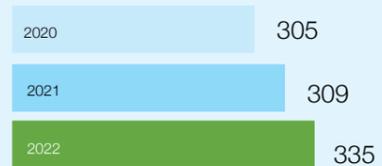


FULL-TIME EMPLOYEES (#)



WORKFORCE BY GENDER PROFILE

FEMALE FULL-TIME EMPLOYEES (#)



MALE FULL-TIME EMPLOYEES (#)



APPENDIX

APPENDIX A: GRI CONTENT INDEX

STATEMENT OF USE	NBF has reported in accordance with the GRI Standards for the period 1st January to 31st December 2022.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	None

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/ DIRECT ANSWER/ LINK	OMISSION			GRI SECTOR STANDARD REF. NO.
			OMISSION	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	10, 11				
	2-2 Entities included in the organization's sustainability reporting	10				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	No restatements				
	2-5 External assurance	NBF doesn't seek external assurance				
	2-6 Activities, value chain and other business relationships	https://nbf.ae/en/about-us				
	2-7 Employees	65				
	2-8 Workers who are not employees	70				
	2-9 Governance structure and composition	33				
	2-10 Nomination and selection of the highest governance body	33				
	2-11 Chair of the highest governance body	33				
	2-12 Role of the highest governance body in overseeing the management of impacts	32, 33				
	2-13 Delegation of responsibility for managing impacts	33				
	2-14 Role of the highest governance body in sustainability reporting	The Board of Directors provides final approval				
	2-15 Conflicts of interest	33, 34				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/ DIRECT ANSWER/ LINK	OMISSION			GRI SECTOR STANDARD REF. NO.
			OMISSION	REASON	EXPLANATION	
	2-16 Communication of critical concerns	34, 39				
	2-17 Collective knowledge of the highest governance body	https://nbf.ae/en/about-us/investor-relations/corporate-governance/board-of-directors Additionally, we plan to conduct sustainability training sessions for our Board of Directors, senior management and broader team.				
	2-18 Evaluation of the performance of the highest governance body	33				
	2-19 Remuneration policies	33				
	2-20 Process to determine remuneration	33				
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Not disclosed	Confidentiality constraints			
	2-22 Statement on sustainable development strategy	18				
	2-23 Policy commitments	34, 36, 39				
	2-24 Embedding policy commitments	34, 36, 39				
	2-25 Processes to remediate negative impacts	35				
	2-26 Mechanisms for seeking advice and raising concerns	39				
	2-27 Compliance with laws and regulations	21				
	2-28 Membership associations	13				
	2-29 Approach to stakeholder engagement	80				
	2-30 Collective bargaining agreements	Collective bargaining is prohibited in UAE				
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20				
	3-2 List of material topics	20				
Financial Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	24				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	24				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/ DIRECT ANSWER/ LINK	OMISSION			GRI SECTOR STANDARD REF. NO.
			OMISSION	REASON	EXPLANATION	
Responsible Supply Chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	38				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	38				
Corporate Governance						
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 33				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	34				
	205-2 Communication and training about anti-corruption policies and procedures	34				
Environmental Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 54, 55				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	53				
	302-3 Energy intensity	53, 70				
	302-4 Reduction of energy consumption	49, 52, 53				
GRI 303: Water and Effluents 2018	303-5 Water consumption	54				
GRI 306: Waste 2020	306-3 Waste generated	55				
	306-4 Waste diverted from disposal	55				
Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	50				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50				
	305-2 Energy indirect (Scope 2) GHG emissions	50				
	305-4 GHG emissions intensity	50				
	305-5 Reduction of GHG emissions	50				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/ DIRECT ANSWER/ LINK	OMISSION			GRI SECTOR STANDARD REF. NO.
			OMISSION	REASON	EXPLANATION	
Talent Attraction and Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 63				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	63				
	404-1 Average hours of training per year per employee	63				
	404-2 Programs for upgrading employee skills and transition assistance programs	62, 63				
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	64				
Health and Safety and Wellbeing						
GRI 3: Material Topics 2021	3-3 Management of material topics	68				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	68				
	403-2 Hazard identification, risk assessment, and incident investigation	68				
	403-5 Worker training on occupational health and safety	68				
	403-6 Promotion of worker health	68				
	403-9 Work-related injuries	68				
GRI 401: Employment 2016	401-3 Parental leave	69				
Diversity and Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	70				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	33				
Human Rights						
GRI 3: Material Topics 2021	3-3 Management of material topics	39				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	39				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/ DIRECT ANSWER/ LINK	OMISSION			GRI SECTOR STANDARD REF. NO.
			OMISSION	REASON	EXPLANATION	
Community Engagement						
GRI 3: Material Topics 2021	3-3 Management of material topics	58				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	58, 59, 60				
Privacy and Data Security						
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 47				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47				
We also report on topics that are not covered by the GRI standards						
Customer experience and engagement						
GRI 3: Material Topics 2021	3-3 Management of material topics	44				
Financial inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	28				
Risk management						
GRI 3: Material Topics 2021	3-3 Management of material topics	35				
Digitalization						
GRI 3: Material Topics 2021	3-3 Management of material topics	42,43				
Anti-money Laundering						
GRI 3: Material Topics 2021	3-3 Management of material topics	36,37				
Financial literacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	61				

APPENDIX B: STAKEHOLDER ENGAGEMENT MAP

Stakeholders	Needs and Expectations	Methods of Engagement
Shareholders and Investors	Strong and stable cash flows based on transparency and disclosures	<ul style="list-style-type: none"> Investor Relations Department Website NBF Annual Report Statement of compliance approach Annual General Meetings Quarterly financial results Investor presentations
Customers	<ul style="list-style-type: none"> Identity and data protection Clear and responsive communication channels Competitive rates and fees Innovative products and services Accessibility 	<ul style="list-style-type: none"> Relationship Manager Customer Events Email Customer Service Department Call centre ATMs Branches Social media Customer charter NBF Direct app
Employees	<ul style="list-style-type: none"> Diversity and inclusion Health and safety Engagement Learning and development Benefits Work-life balance Health insurance and health tests 	<ul style="list-style-type: none"> Human Resources Department Training and NBF webinars Whistleblowing mechanism Awareness programmes Offsite and Townhall Meetings Newsletters
Suppliers	<ul style="list-style-type: none"> Transparent bidding Scheduled payments 	<ul style="list-style-type: none"> Property & Services Information Technology Finance Department
Government	<ul style="list-style-type: none"> Compliance with legal and regulatory requirements. Managing financial crime compliance. Protecting the interests of shareholders and customers. Financing projects and initiatives Ensuring safety of people and the economy 	<ul style="list-style-type: none"> Annual General Assembly Meeting External audits Risk Committee Compliance Department Annual Report Board Secretary
Regulators	<ul style="list-style-type: none"> Compliance with legal and regulatory requirements. Managing financial crime compliance. Protecting the interests of shareholders and customers. Financing projects and initiatives Ensuring safety of people and the economy 	<ul style="list-style-type: none"> Internal Shari'ah Supervision Committee Internal audit External audit Risk Committee Compliance Department Annual Report

APPENDIX C: ACRONYMS

AED	United Arab Emirates Dirham
AML	Anti-Money Laundering
ATM	Automated Teller Machine
CNP	Card Not Present
CPR	Consumer Protection Regulations
EDB	Emirates Development Bank
ERMF	Enterprise-wide Risk Management Framework
ESG	Environmental, Social, and Governance
FCR	First Call Resolution
FTE	Full-Time Equivalent
GRI	Global Reporting Initiative
HCT	Higher Colleges of Technology
IFC	International Finance Corporation
ISSC	Internal Shari'ah Supervision Committee
kg	Kilogram
KPI	Key Performance Indicators
kWh	Kilowatt Hour
KYC	Know Your Customer
MtS	Mission to Seafarers
NBF	National Bank of Fujairah
NESA	National Electronic Security Authority
OHS	Occupational Health and Safety
RFP	Request for Proposals
SASB	Sustainability Accounting Standards Board
SDG	UN Sustainable Development Goals