

POSITION STATEMENT ON EXCLUSIONS



June 2025

Progress Never Stops...

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Introduction

Dubai Islamic Bank P.J.S.C. ("DIB," "Bank") is one of the world's largest Islamic banks, offering a continuously expanding range of innovative Sharia-compliant products and services to retail, corporate, and institutional clients since 1975. Guided by the vision to be the most progressive Islamic financial institution in the world, DIB integrates simplicity, convenience, and sustainability into its offerings, ensuring a responsible and engaging customer experience.

DIB's values and its approach to financing and investment decision making are grounded in its commitment to Sharia principles and compliance with applicable regulatory and sanctions requirements. These foundations guide the Bank's conduct and shape decisions across all areas of the business.

While these responsibilities are embedded in DIB's operations, its vision to "Own the ESG Space" and a broader ESG Strategy, built on the pillars of Lead by Example and Finance a Sustainable Future, serve to strengthen and build upon this ethical and regulatory foundation. The integration of ESG considerations reflects DIB's ambition to broaden its impact and remain aligned with the evolving landscape of sustainable finance, while staying anchored to its core values governed by Sharia principles and compliance with applicable regulatory and sanctions requirements.

Purpose & Positioning

This Position Statement on Exclusions reflects DIB's long-standing commitment to ethical and responsible finance. It brings together the core exclusions that primarily informs its financing and investment decisions, particularly those based on Sharia compliance and regulatory obligations, including sanctions.

It also highlights the Bank's ongoing efforts aligned with its ESG vision and Strategy. Together, these established exclusions and ongoing developments reinforce DIB's ambition to foster business practices that support societal and environmental well-being, while strengthening long-term institutional resilience. They also help safeguard the Bank against ethical breaches, violations of international & national sanction regimes, helping to mitigate reputational and financial risks and strengthen stakeholder trust, regulatory transparency, and broader sustainability outcomes.

This document does not introduce new requirements. Rather, it provides a clear and consolidated expression of DIB's current exclusion approach, as set out in its approved policies and frameworks, while drawing attention to the Bank's continued efforts to enhance them. As the Bank's underlying policies and frameworks evolve, this statement will be updated accordingly to reflect those developments.

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Existing Exclusions

DIB currently applies a principled exclusion approach based on two core pillars: Sharia Compliance and Sanctions Compliance. These exclusions help ensure that financing and investment decisions remain aligned with ethical banking standards, responsible business practices, and regulatory expectations.

1. Sharia Compliance:

- DIB strictly excludes financing for companies and activities that conflict with Sharia principles, ensuring adherence to the ethical and religious values foundational to Islamic finance.
- This includes sectors such as conventional financial services, prohibited industries, and activities deemed non-compliant with Sharia mandates, including Alcohol, Adult Entertainment, Gambling, Tobacco, Interest-based loans, etc.
- The broader list of Sharia exclusions is regularly maintained and circulated internally by the Internal Sharia Supervision Committee.

2. Sanctions Compliance:

- DIB strictly prohibits transactions and relationships involving sanctioned individuals, entities, and jurisdictions.
- DIB complies with sanctions regulations administered by the United Nations Security Council, United Arab Emirates Cabinet, European Union, United Kingdom His Majesty's Treasury, United States Department of State's Office of Foreign Assets Control, United States Department of State, United States Department of Commerce.

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In-Progress Developments

As part of its commitment to ethical & responsible finance, and in alignment with its vision to “Own the ESG Space” and its ESG Strategy, DIB continues to strengthen its exclusion approach through a series of assessments and evolving frameworks:

- DIB is finalising an in-depth analysis of its financing portfolio and conducting a Financed Emissions calculation in line with Category Scope 3, Category 15 of the Greenhouse Gas (GHG) Protocol. These findings will help understand sector-level exposure and inform targeted decarbonisation actions.
- The Bank has also implemented a methodology to assess counterparties within its portfolio using an ESG risk scorecard (“Scorecard”). Upon completion of this evaluation for the full portfolio, insights will support client engagement and guide the strategic direction of DIB’s financing and investment activities.
- In addition, DIB is developing an exclusion methodology to screen out companies in violation of the United Nations Global Compact, to which it became a signatory in 2024. This particularly includes companies found to be breaching international environmental treaties, involved in human rights violations, or associated with corruption. DIB may also consider exclusions for companies demonstrating inadequate responsiveness to climate change.

Based on the outcomes of these initiatives, DIB will further enhance its exclusion approach and develop an action plan that may include stakeholder dialogue, sectoral decarbonisation & mitigation targets, and restrictions or exclusions on financing high-emission sectors involved in the production, distribution, or use of fossil fuels such as thermal coal, oil, and gas.

Commitment to Continuous Improvement

DIB remains committed to continually strengthening its exclusion approach, adapting to emerging best practices, evolving regulatory developments, and global sustainability standards.

This Position Statement is subject to ongoing evaluation and will be reviewed annually to ensure it reflects the latest ESG, Sharia, and regulatory developments.

Ownership & Oversight

The Board Sustainability Committee serves as the ultimate owner of this document.

