



بنك دبي الإسلامي
Dubai Islamic Bank

#ReadyForTheNew

SUSTAINABILITY REPORT

20
23



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ABOUT DIB

ABOUT THIS REPORT

(GRI 2-2, GRI 2-3, GRI 2-5)

Purpose

This report intends to provide an overview of Dubai Islamic Bank's ("DIB") progress in environmental, social, and governance (ESG) practices. Covering our activities in 2023 and, where relevant, comparing them with those in 2022 and 2021. The report details the ambition, approach, successes and areas of improvement in our sustainability journey.

Scope

This report relates to DIB's operations within the United Arab Emirates, unless otherwise indicated. The use of the name "DIB" or "the Bank" in this report, refers to our UAE operations. "DIB Group" or "the Group" refers to our entire global network, including all subsidiaries. The data provided, unless otherwise stated, is current as of December 31, 2023.

Standards

This report is prepared in reference to the Global Reporting Initiative (GRI) Standards. The report additionally refers to the United Nations Sustainable Development Goals (SDGs) as well as relevant aspects of the SASB Commercial Banking, Consumer Finance and Mortgage Finance requirements.

Assurance

DIB has appointed an external assurance provider to conduct a limited-scope assurance on this report. The provider has assessed critical sustainability Key Performance Indicators. This step underscores our commitment to not just report our progress but also to validate it through expert and objective evaluation.

Contact point

For further inquiries or detailed discussions about our sustainability practices and this report, we encourage stakeholders to reach out. We are committed to an open dialogue and welcome your questions and feedback. Please feel free to contact our sustainability team for any additional information or clarification.

Sustainability-related Inquiries: DIB.Sustainability@dib.ae
 General Inquiries: Contactus@dib.ae



Chairman's Message (GRI 2-22)



His Excellency Mohammed Ibrahim Al Shaibani

Director General of His Highness
The Ruler's Court of Dubai
and Chairman of Dubai Islamic Bank

The global landscape is in a constant state of flux, and amid these changes, the UAE stands firm in its commitment to progress and sustainable development. As the world leans into a greener future, our nation's dedication to this cause becomes ever more evident, especially with our successful hosting of the COP28 Climate Change Conference.

Sustainability is the cornerstone of our evolution, shaping decisions not only within our institution but across the entire nation. This commitment extends beyond mere words, evident in our continued alignment with the United Nations Sustainable Development Goals (UN SDGs).

The Board, proactively navigating the changing expectations of stakeholders and regulators, plays an instrumental role in guiding our sustainable journey. By integrating sustainability into board decisions and establishing a specialised sub-committee, we ensure that our direction remains steadfast and purposeful.

I am pleased to highlight our milestones in the DIB 2023 Sustainability Report. This document sheds light on our aspirations to lead in sustainable finance both regionally and globally. The emphasis is on tangible actions rather than lofty declarations, a testament to our focus on actualising the commitments we make.

In hosting the COP28 Climate Change Conference, the UAE demonstrated its commitment to a brighter future. Taking these commitments to heart, we as a bank indicated our resolve to ensure that they are fulfilled. By collaborating with stakeholders, businesses, and international communities, we promote positive activities through our proactive approach to sustainability.

The year 2023 was remarkable for us, marked by the significant expansion of our sustainable portfolio and the successful issuance of another Sustainable Sukuk (USD 1 billion) in February. These achievements reflect our steadfast commitment to ethical financing and our seamless alignment with the strategic vision of the UAE.

Looking ahead, our strategy is clear: innovation, agility, and alignment with stakeholder objectives. As we navigate the complexities of today's global ecosystem, DIB's mission remains consistent - to collaborate with partners and clients, advancing our shared goals in the sustainability arena.

In closing, our sustainability journey stands as a testament to our unwavering commitment towards creating a more equitable and eco-conscious future for the generations to follow. With each step, we aim to effect meaningful change, benefitting not just our community and nation but the world at large.



In an era of transformation and change, the UAE has not only observed but demonstrated its commitment to serve as a catalyst for a global green transformation. By hosting the iconic COP28 event in 2023, the UAE brought the international community together to build bridges and fast-track inclusive climate action. DIB's presence at COP28 as Associate Pathway Partner, facilitated robust interactions with a diverse audience that included leaders from the corporate realm, youth associations and Government entities to name a few.

Our forward-thinking sustainability strategy is the roadmap that will guide us in realising our aspirations of leading the sustainable financial landscape. Through our first strategy pillar, appropriately titled: "Lead by Example," we have championed diversity, inclusion, and employee well-being. Additionally, the second prong of our strategy, titled: "Financing a Sustainable Future" extends beyond just endorsements - at DIB, we are actively shaping the future landscape of ethical business.

A standout highlight of this year was our second Sustainable Sukuk - a remarkable USD 1 billion 5.5-year senior issuance. This was not just a financial move; it was a statement. Achieving the largest issuance by a Middle East financial institution since June 2021 and the largest-ever sustainable issuance by a Middle East financial institution is testament to DIB's leadership in both Islamic and sustainable finance.

Our tree-planting initiative is another source of pride. By

pledging to plant a tree for every new DIB account, we are not just taking a step towards climate action. We are making each customer a partner in our environmental journey, collaborating with esteemed NGOs, and ensuring a tangible impact with land trees and mangrove forests alike.

Addressing these challenges, we have refocused our strategies and broadened our scope, welcoming new market voices and participants. The integration of our recently appointed Chief Sustainability Officer and team expansion further down the year has fortified our resolve, adding depth to our sustainability efforts.

Our synergies with the UAE Central Bank in sculpting the Islamic sustainable finance framework have solidified our position at the forefront of sustainable innovation. In collaboration with other leading banks in the UAE, DIB has reiterated its commitment to support the UAE's vision of sustainability by pledging to mobilise over AED 1 trillion in sustainable finance by the year 2030. Through this ambitious initiative, we are forging a path towards a sustainable and resilient future for the UAE, ensuring our contributions transcend monetary value to leave a lasting impact on our environment and communities.

To conclude, our trajectory at DIB is crystal clear: We are not merely chasing growth; we are pioneering purpose-driven expansion. We are crafting a sustainable path, for DIB, for the UAE, and for the global Islamic banking and finance sphere.

**Group CEO
Message (GRI 2-22)**



Dr. Adnan Chilwan

HISTORY AND JOURNEY

(GRI 2-2, GRI 2-3)



As the largest and first full-service Islamic bank in the world, Dubai Islamic Bank offers an ever-increasing range of innovative Sharia-compliant products and services to retail, corporate and institutional clients. Our primary objective is to maintain our position as the leading Islamic financial institution in the Middle East region as well as in other selected strategic markets.



Since its inception, DIB has taken significant strides in the world of Islamic banking. Today, with 48 years of operation, DIB continues to lead, advocating for Islamic Finance as a viable and often preferred alternative to conventional banking. With a strong customer base exceeding 5 million across the DIB Group, we provide a broad spectrum of Sharia-compliant products and services, including new sustainable finance options, catering to diverse segments in multiple regions.

DIB is committed to pioneering financial excellence with an unwavering commitment to sustainability. Forging a legacy of impactful innovation, DIB endeavors to be the leading financial institution in the Middle East that empowers individuals and transforms communities.

DIB is listed on the Dubai Financial Market (DFM) as a public joint stock company and has been registered under the Commercial Companies Law No 8 of 1984. DIB's ownership structure is a blend of institutional and public shareholders. Specifically, 27.97% is owned by the Investment Corporation of Dubai, the primary investment division of the Government of Dubai. The remainder of the shares is open to public ownership.



ABOUT DIB

(GRI 2-1)

Our Activities

(GRI 2-6)

CONSUMER BANKING

Having served more than 2 million customers in the UAE, our Consumer Banking division offers its retail and business banking services through a network of over 50 branches and nearly 600 ATMs and CCDMs across the UAE. We offer a broad range of retail products and services that include: Auto Finance, Cards, Personal Finance, Home Finance, Wealth Management Solutions, Wakala Deposits and SME Solutions.

REAL ESTATE & CONTRACTING FINANCE

The Group plays a significant role in supporting corporate real estate developments, including the construction of commercial property and residential estates. Standard Islamic financing products being offered include: Istisna financing, Murabaha acquisition finance, Diminishing Musharaka, and Ijara Lease financing.

CORPORATE BANKING

Our Corporate Banking division has sector-specific focus units that target clients across both the private and public sectors. Corporate Banking manages relationships, including sovereigns/ GREs, large corporates, middle market, contracting finance and real estate finance companies. It is instrumental in leveraging its client relationships to cross-sell other products offered by DIB, including investment banking and treasury services.

TREASURY

Treasury offers a comprehensive range of products backed by DIB's expert understanding of local and international markets. Its principal customers are corporate clients, financial institutions, high-net-worth individuals and SMEs. It is also responsible for managing DIB's liquidity requirements, fixed income portfolio and capital markets funding.

INVESTMENT BANKING

Investment Banking is a leading regional and global participant in the Islamic finance markets, assisting its clients, which include sovereigns, government-related entities, corporates and financial institutions, with every aspect of their funding requirements. The division provides innovative Sharia-compliant Capital-raising and structured financing solutions and has a diversified product suite with a focus on sukuk structuring, execution and syndicated and club financing transactions including advisory.



ABOUT DIB

(GRI 2-1)

Our Geography

(GRI 2-1)

International Geographic Presence & Branches



International holdings and expansions

- 2001:** Acquired a 27.3% stake in Bosna Bank, Europe's first Sharia-compliant bank.
- 2005:** Obtained a 60% stake in the Bank of Khartoum (BoK) in Sudan, which has since been adjusted to 29.5%.
- 2005:** Established a representative office in Turkey.
- 2006:** Launched DIB Pakistan, the bank's wholly-owned subsidiary providing Islamic banking services in Pakistan.
- 2014:** Expanded into Indonesia, acquiring an initial 24.9% stake in PT Bank Panin Dubai Syariah, which increased to 38.3% in 2015 and is currently at 25.1%.
- 2017:** Established DIB Bank Kenya, a wholly-owned subsidiary, marking the bank's entry into Africa.
- 2023:** Announcement to acquire significant minority stake into T.O.M. Group.

Our values

The values of an organisation define not just the ethos of the company, but set the tone for what shareholders, customers and societal stakeholders can expect from an organisation. DIB's 5 key values - ICARE, are aimed at serving customers globally with the same business conduct and ethics.

- Inclusive** - Accessible to all, and most importantly, without bias.
- Collaborative** - Connected together as a team to deliver banking with ease.
- Agile** - Deliver faster solutions and provide happy experiences.
- Responsible** - Fair, transparent and accountable in making responsible decisions.
- Engaged** - Passionate and committed to delivering fulfilling journeys.

ABOUT DIB

(GRI 2-1)

Membership of Association

(GRI 2-28)



ABOUT DIB

(GRI 2-1)

Spotlight on Awards & Achievements



Euromoney Awards for Excellence 2023

- Best Islamic Bank in the UAE
- Best Islamic Bank in the Middle East



16th Annual Best Deal & Solution Awards

- Best Sovereign Bond & Best Green Sukuk of the year 2022



MEA Finance Banking Technology Awards 2023

- Best Corporate Payments Service
- Best Analytics System (Dubai Islamic Bank and GBM)
- Best Innovation in User Experience



Islamic Finance News Awards

- Most Innovative Islamic Bank
- Best Overall Islamic Bank in UAE
- Best Corporate Bank in UAE
- Best Overall Islamic Bank in Kenya
- Best Investment Bank in Kenya
- Best Corporate Bank in Kenya
- Most Innovative Bank in Kenya
- Syndicated Deal of the Year
- Turkey Deal of the Year
- Corporate Finance Deal of the Year
- Pakistan Deal of the Year
- Best Overall Islamic Bank



FINANCIAL HIGHLIGHTS (GRI 201-1)



▲ 9.0% YOY

TOTAL ASSETS
AED 314 BN

▲ 12% YOY

NET FINANCING & SUKUK
AED 268 BN

▲ 12% YOY

CUSTOMER DEPOSITS
AED 222 BN

▲ 300bps YOY

ROTE
20%

▲ 43% YOY

TOTAL INCOME
AED 20 BN

▲ 26% YOY

NET PROFITS
AED 7 BN

▲ 30bps YOY

ROA
2.3%

▼ 110bps YOY

NON-PERFORMING FINANCE
5.4%

OUR APPROACH THE CONTEXT OF ISLAMIC BANKING

At DIB, our philosophy is deeply rooted in the traditions of Islamic finance. This tradition is one that firmly puts us in line with the global push for sustainability. Islamic finance is not just a system; it's a belief in conducting business that benefits all. It prohibits practices such as usury (interest) and investment in unethical sectors like alcohol, gambling, and weapons.

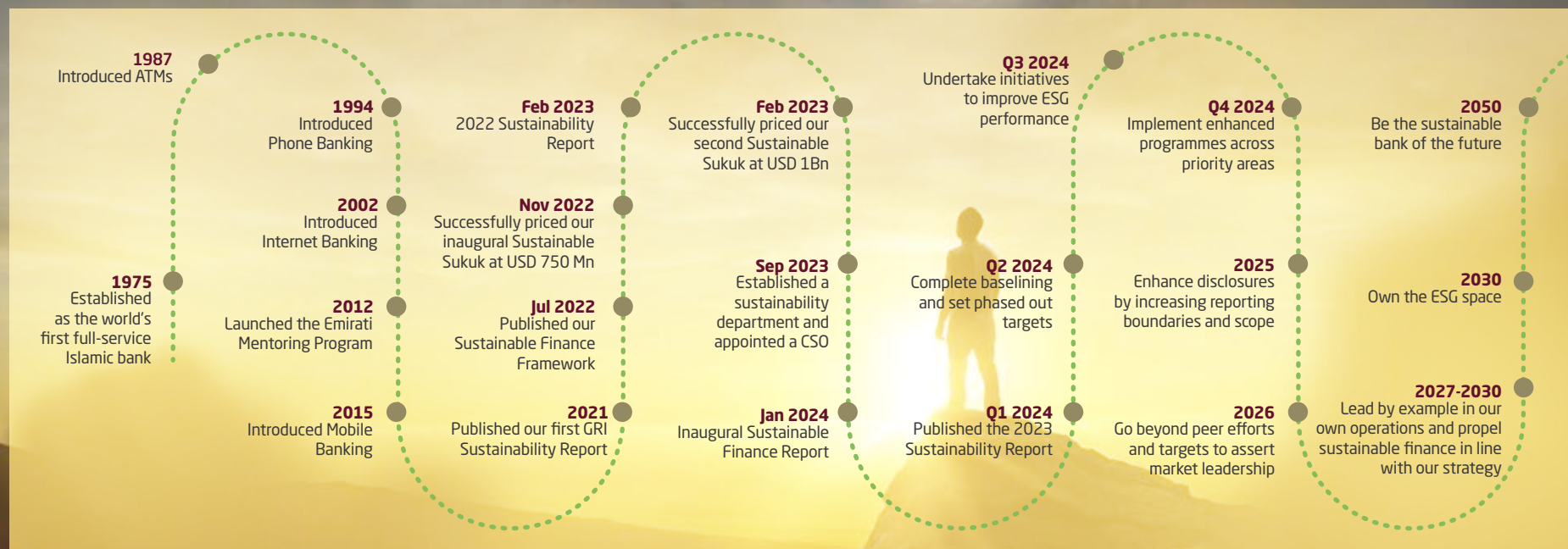
This ethical foundation naturally resonates with the concept of ESG principles that promote responsible business conduct.

	<p>Risk Sharing, Not Risk Transferring</p>	<p>One of the tenets of Islamic finance is the idea of risk sharing. Financial transactions are based on tangible assets, emphasising real economic activity over speculative gains. This promotes financial stability and discourages reckless financial behaviors, aligning with sustainability's aim for long-term holistic well-being over short-term profits.</p>	
		<p>Steward- ship of the Earth</p>	<p>Islamic teachings emphasise the concept of intergenerational equity, one of the principles of sustainable development which states that current generations are the custodians of the earth and its resources for future generations. Environmental consciousness isn't a new trend in this system—it's a mandate that has been echoed at various international conventions. Avoiding harm (or "Darar") is a fundamental principle in Islamic finance, pushing for environmentally friendly practices and investments that do not harm the Earth or its inhabitants.</p>
		<p>Emphasis on Social Justice</p>	<p>Zakat (charity) and the focus on economic equity in Islamic finance ensure wealth circulation in society, preventing its undue accumulation by a few. Such principles mirror the 'Social' in ESG, advocating for financial inclusion, community development, and the upliftment of the disadvantaged.</p>
		<p>Transparency and Account- ability</p>	<p>Gharar (excessive uncertainty) is prohibited in Islamic finance. All terms and conditions of a transaction must be clear, promoting transparency and discouraging hidden clauses and deceitful practices. In a world where stakeholders demand clear reporting and high accountability, Islamic finance was ahead of its time.</p>

Our commitment to finance goes beyond traditional adherence; it reflects our understanding that these principles seamlessly align, with modern sustainability imperatives. As the world moves towards a future DIB stands at the intersection by harnessing the strengths of both worlds and forging a path that combines wisdom from the past with the needs of the future.



OUR JOURNEY AND ASPIRATIONS



Our Past

Through its establishment as an Islamic finance institution, DIB has been on its sustainability journey since its inception in 1975 with key milestones along the way that now fall under the paradigm of sustainability. We highlight above some of these early successes which expanded our footprint in the UAE to communities in other emirates, the introduction of the prevailing technology solutions at the time to enhance accessibility, as well as our pioneering role in the UAE's Emiratisation journey.

Our Present

Our more recent history demonstrates a rapidly growing commitment to sustainability. On our journey we have collaborated and engaged with key institutions including the UAE Banks Federation (UBF), Emirates Institute for Banking and Financial Studies (EIBFS), Dubai Sustainable Finance Working Group (DSFWG) and the Dubai Financial Market (DFM). We have finalised our ESG Strategy 2030 and appointed a dedicated team to achieve its objectives.

Our Future

We have defined our future aspirations in our 2030 ESG vision in a way that sets us on the trajectory to achieve our long-term ambition of being the benchmark for a Sustainable Bank of Future. We aim to:

- Embed ESG at the heart and core of our business strategy
- Outperform our peers in the ESG space
- Become a role model for sustainable finance in the region
- Shape and influence the ESG policy agenda in the markets we operate in.

WHY SUSTAINABILITY MATTERS TO US & STAKEHOLDER ENGAGEMENT

(GRI 2-29)

Why Sustainability Matters to Us

Gain a Competitive Advantage

Embedding sustainability across our business will help us align our sustainability practices with best-in-class standards and industry benchmarks, placing us one step ahead of anticipated government legislation and position us as a market leader in sustainable finance.

Harness new growth opportunities

Embedding sustainability considerations across our catalogue offering and launching new sustainability linked products would allow us to tap into the growing market for sustainable banking products.

Strengthen stakeholder relations

Integrating sustainability at the heart and core of business decision-making would require us to engage our stakeholders on a regular basis to gain a better understanding of their needs and expectations. Reporting on our ESG performance and communicating our key strategic decisions will contribute to the trust of our stakeholders.

Enhance business resilience

Integrating sustainability risks into our risk governance appetite and policy framework would help us improve the overall risk profile and long-term profitability of our portfolio and business.

Achieve operational efficiencies

By setting tangible targets for reduction in energy and resource consumption as well as increasing employee productivity and retention; ingraining sustainability can help drive significant operational efficiencies.

Stakeholder Engagement: At DIB, we value the collective wisdom of our stakeholders. It is their expectations and insights that help shape our approach to sustainability, driving us forward and guiding our actions. Here's a glance into how our engagements have informed our strategies.

Voices of Policy Makers and Regulators:

National and global entities have been steering the conversation towards a sustainable future. Our engagements with the likes of the UAE Ministry of Climate Change and Environment and international bodies like the Global Reporting Initiative underscore the criticality of aligning with the net-zero agenda. Their emphasis on transparency and proactive climate risk management serves as a beacon for our operational directives.

Insights from Investors:

Our shareholders, spearheaded by the Investment Corporation of Dubai, along with feedback from rating agencies like Fitch and Moody's, champion the cause for robust ESG reporting and transparency. Their call for increasing diversity, especially gender diversity, resonates with our commitment to championing inclusive growth. Their trust is our bedrock, and we're constantly refining our practices to maintain and grow this trust.

Learning from Peers:

The financial sector is a collective, and together we innovate. Our continuous dialogues with peers not only help benchmark our efforts but also identify shared challenges and opportunities. The universal emphasis on financial inclusion and employee well-being aligns seamlessly with our vision and values.

Commitment to Society:

The heartbeat of DIB lies in its community. We've heard your calls for a more inclusive banking system, and we're responding. Our emphasis on financial literacy programs, championing community-centric initiatives, and our focus on the broader societal impact of our services is our pledge to you.

How we are ensuring that our actions resonate with stakeholder priorities

Regulatory Alignment:

Guided by local and global directives, we're ensuring our operations meet and exceed upcoming regulations.

Investor Trust:

By enhancing our ESG framework and bolstering diversity, we aim to meet the exacting standards of our investors.

Collaborating with Peers:

By sharing and learning best practices, we seek to uplift the sector's collective sustainability quotient.

Empowering Communities:

Our outreach, tailored services, and commitment to financial inclusion ensure we're an active participant in societal progress.



MATERIALITY

(GRI 3-1, GRI 3-2)

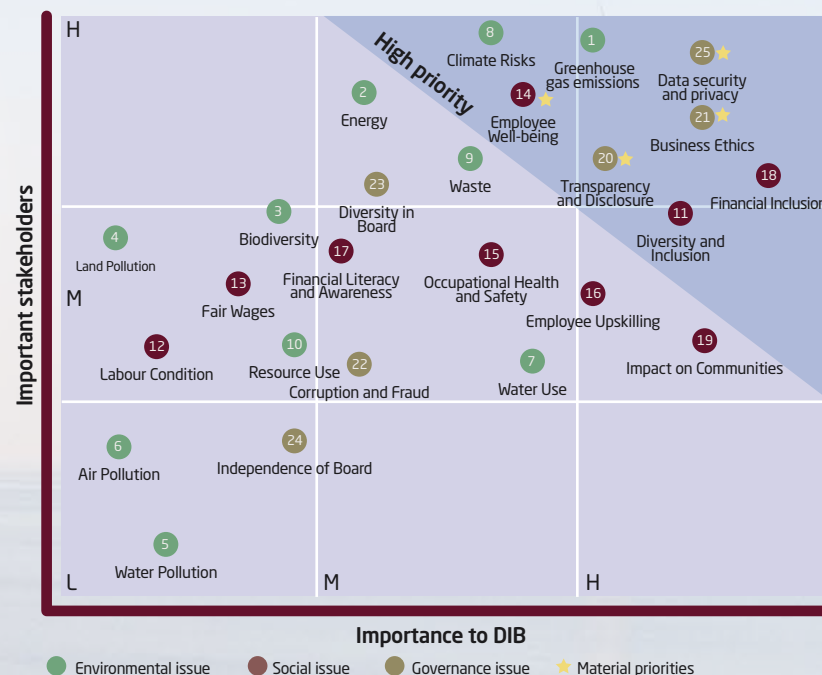
Our materiality matrix remains unchanged from the 2022 report.

Our focus in 2023 was on developing and assigning appropriate initiatives and activities to mitigate the risk stemming from each of these material issues.

Our material issues have guided the development of our strategy and continue to act as a beacon for our path forward.

We are committed to periodic reviews of our materiality to ensure that we are synchronized with both our internal and external stakeholders.

Materiality Matrix



Key Material Issues

- Greenhouse gas emissions
- Energy
- Biodiversity
- Land Pollution
- Water Pollution
- Air Pollution
- Water Use
- Climate Risks
- Waste
- Resource Use
- Diversity and Inclusion (Inc. Emiratization)
- Labour Condition
- Fair Wages
- Employee Well-being
- Occupational Health and Safety
- Employee Upskilling
- Financial Literacy and Awareness
- Financial Inclusion
- Impact on Communities
- Transparency and Disclosure
- Business Ethics
- Corruption and Fraud
- Diversity in Board
- Independence of Board
- Data security and privacy

This exercise identified the following 8 key material topics. We detail their importance and how we plan to address them below:

Key material issues	What we have identified	Addressing these concerns
Greenhouse Gas Emissions	Given its vast interactions with sectors like, real estate, and transport, DIB needs to be acutely aware of the implications of increased regulation surrounding GHG emissions. The potential increase in the price of electricity and carbon-intensive goods could have ripple effects on the bank's portfolio.	DIB plans to intensify its commitment to renewable energy and reduce GHG emissions. Collaborative engagements with policy makers are ongoing to align DIB's business strategies with national and international goals.
Climate Risks	Climate change's physical manifestations may cause business continuity concerns for both DIB and its clientele.	DIB aims to understand its portfolio's exposure better and strategize ways to mitigate potential credit loss stemming from climate risks.
Diversity and Inclusion	DIB recognizes that diverse perspectives improve performance. With the UAE having a diversity policy, there's pressure to further improve, especially on gender diversity and Emiratisation.	DIB is working on programs that encourage a more diverse workforce and has also initiated training sessions on the importance of inclusivity in the workplace.
Employee Well-being	DIB understands that low well-being directly impacts employee productivity. In a tight labor market, well-being becomes a key differentiator in attracting and retaining talent.	The bank is initiating various programs to ensure the mental and physical well-being of its employees, including flexible work hours and wellness programs.
Financial Inclusion	Given DIB's key geographies and customer segments, financial literacy and inclusion for middle to low income groups are crucial.	DIB is looking to expand its reach to underserved segments and is rolling out products designed to cater to them specifically.
Data Security and Privacy	DIB acknowledges the heightened responsibility to protect clients' financial and personal information in the wake of rising cybercrime and data breaches.	DIB is an early-adopter, certified and compliant with the new global standard for Cybersecurity, ISO 27001:2022. We also abide by the UAE Information Assurance (IA) Regulation and comply with industry-specific including Payment Card Industry Data Security Standard (PCI DSS) V.4 and SWIFT's Customer Security Program (CSP). A dedicated team is available 24/7 in our Security Operations Center to monitor security threats. Furthermore, we perform regular vulnerability assessments and penetration testing on our networks and systems to detect any vulnerabilities or gaps in them.
Transparency & Disclosure	With stakeholders expecting greater transparency and increasing mandatory reporting requirements, DIB aims to be at the forefront of transparent ESG reporting.	The bank is working towards a more detailed and transparent annual ESG report, adhering to international standards.
Business Ethics	Upholding high standards of integrity is vital to maintain the trust of stakeholders and align with Islamic principles.	DIB continues to embed its ethical standards across all operations and ensures its employees at all levels understand and adhere to them.



OUR STRATEGY

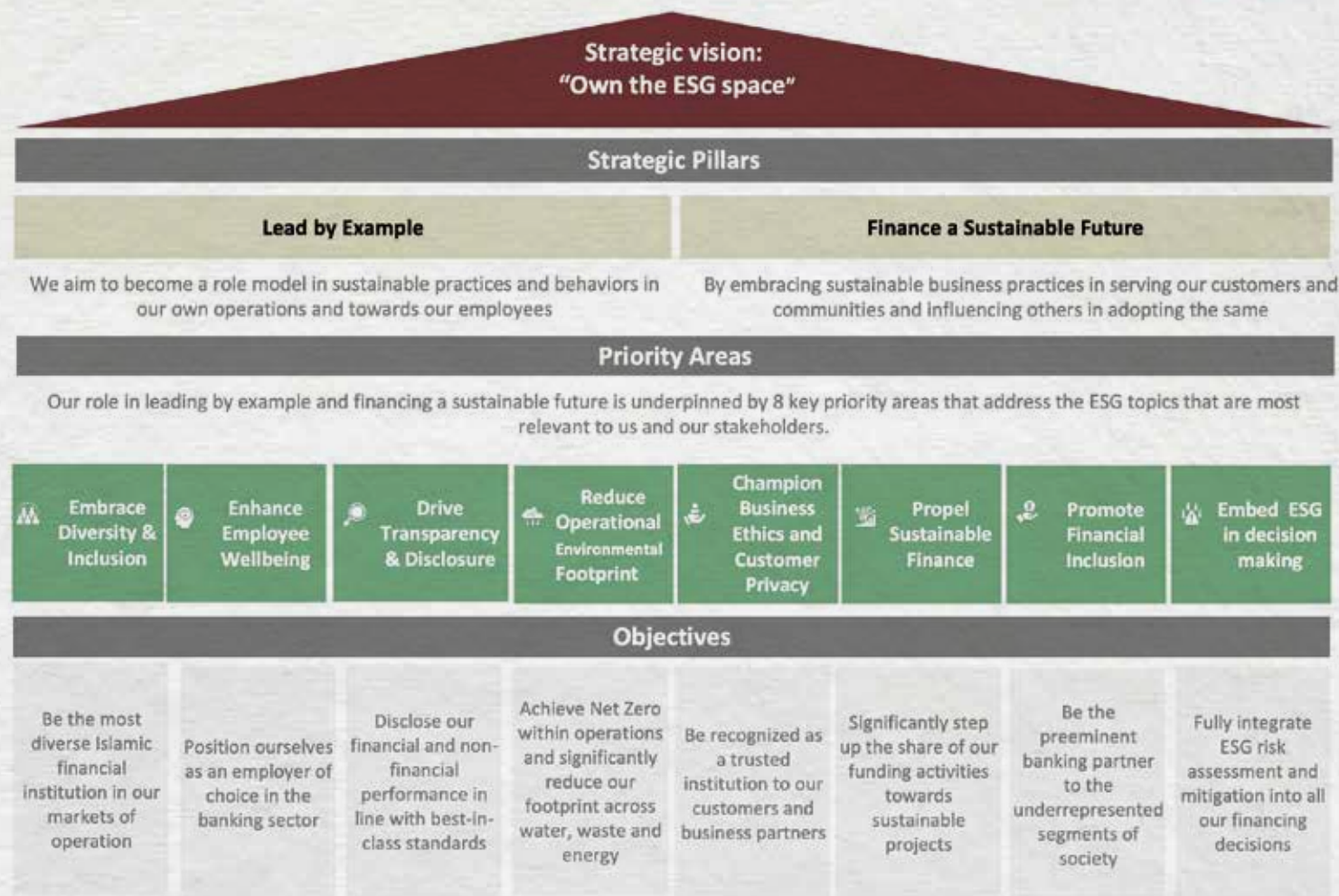
(GRI 2-22)

We have defined our 2030 ESG vision in a way that sets us on the trajectory to achieve our long-term ambition of being the benchmark for a Sustainable Bank of the Future.

Our two strategic pillars being Lead by Example and Finance a Sustainable Future demonstrate that not only do we want to do what’s right, we also want to walk the talk when it comes to influencing our clients to become more sustainable - an area where majority of our ESG impacts life.

The priority areas under our two strategic pillars address the eight material topics identified in the baseline assessment as most critical for both our business and our stakeholders.

Each priority area has an overarching objective or commitment defining our level of ambition for that topic. These are followed by a series of sub-objectives and respective KPIs to measure our progress against our commitments. We have also set phased-out targets across KPIs where we have a clear baseline defined, while for others we propose defining baseline as a precursor to setting targets.



OUR PERFORMANCE

(GRI 3-3)

As we reflect on the year 2023, Dubai Islamic Bank (DIB) takes immense pride in the significant strides we have made in our sustainability journey. This performance summary is a testament to our commitment and achievements in embedding sustainability and responsibility in our operations. Guided by our comprehensive materiality assessment and a robust sustainability strategy, we have not only met but often exceeded our goals, setting a clear path towards continued success and growth in this vital area.

Our strategy, meticulously aligned with both our organisational values and broader sustainability objectives, has been instrumental in shaping our achievements. It is this strategic focus that has enabled us to make impactful contributions across various dimensions of sustainability. As we celebrate our accomplishments, we also acknowledge that these are steps in an ongoing journey—a journey marked by continuous improvement, innovation, and an ever-deepening commitment to sustainability.

Following this strategic pathway, we have structured our efforts into key priority areas, each reflecting a core aspect of our dedication to sustainability and responsible banking. These areas highlight our multifaceted approach to making a positive impact on our stakeholders, the environment, and the broader community. The remainder of our report details our efforts and successes in each area. We present here a summary of how they collectively contribute to our sustainability narrative and success.

Pillar 1: Lead by Example

DIB exemplifies its commitment to sustainability and responsible banking under the following priority areas:

- **Embrace Diversity and Inclusion:** DIB’s workforce, representing over 45 nationalities, epitomises our dynamic work environment. Our commitment to diversity is further demonstrated by active efforts in Emiratisation and significant strides in gender equality, including our support for programs like AccelerateHER, which are integral to fostering an inclusive culture.
- **Enhance Employee Well-being:** At DIB, well-being extends beyond banking, focusing on the health of our employees and the wider community. We have completed initiatives like the Wellness Fair and made contributions to humanitarian support organisations which showcase our dedication to a balanced work-life ethos and nurturing community well-being.
- **Drive Transparency and Disclosure:** Upholding Consumer Protection Regulation, DIB is committed to transparency in its operations. Our continued rigorous adherence to compliance standards, sustainable finance reporting, and tax transparency reflects our dedication to ethical practices and consumer protection.
- **Reduce Operational Environmental Footprint:** DIB is committed to progressively reducing our operational footprint. Ongoing initiatives like digital transformation with DIB ‘alt’, and energy-efficient retrofitting are key steps towards reducing our environmental impact.

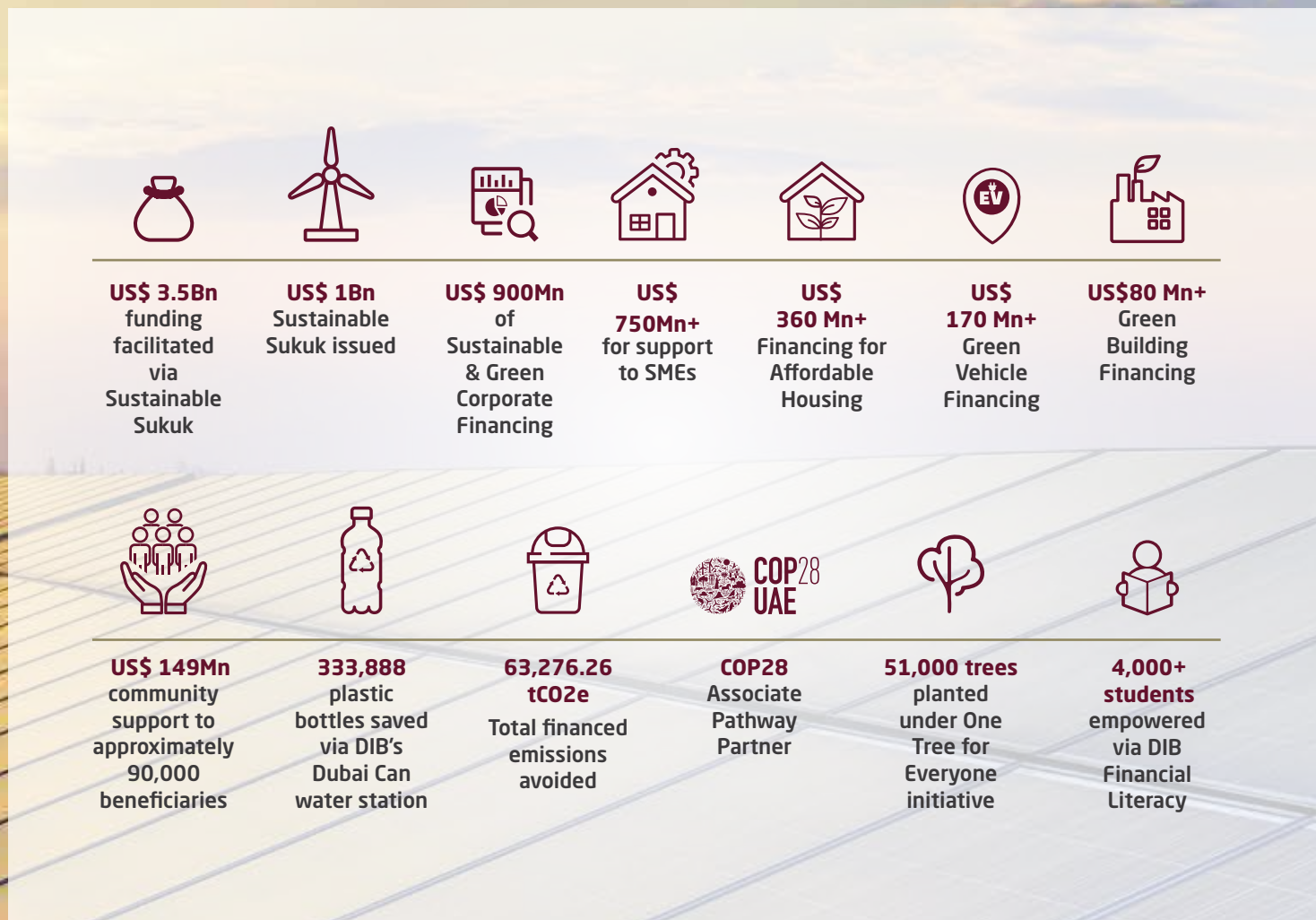
Pillar 2: Finance a Sustainable Future

DIB integrates sustainability into financial products and services through these priority areas:

- **Champion Business Ethics and Customer Privacy:** DIB continues to maintain the highest ethical standards and prioritizes customer privacy. Our extensive training in compliance, Sharia principles, and our rapid response to customer inquiries underscore our commitment to ethical business practices.
- **Propel Sustainable Finance:** 2023 marked our second Sustainable Sukuk issuance, valued at USD 1 billion and demonstrates our continued leadership in Islamic sustainable finance. We also continue to innovate a range of eco-friendly financial products including sustainable options in auto and home finance, as well as responsible wealth management solutions.
- **Promote Financial Inclusion:** DIB’s initiatives in financial literacy and accessible banking services demonstrate our commitment to financial inclusion. Our financial literacy campaign and efforts to make banking services accessible to all play a crucial role in creating a more equitable financial environment.
- **Embed ESG in Decision-making:** Integrating sustainability and ESG principles in decision-making is a fundamental aspect of DIB’s operations. Our comprehensive approach to ESG risk assessment in risk and credit operations, alongside the establishment of sustainability committees and the identification of Sustainability Champions, highlights our commitment to sustainable banking practices.



FOCUS ON: ESG HIGHLIGHTS¹



¹ In select areas the figures included in the graphic, stem from an ESG register as of August 2023.



1. EMBRACE DIVERSITY AND INCLUSION

(GRI 405-1)

A Melting Pot of Cultures

DIB boasts a workforce representing over 45 different countries, making us a microcosm of the global community. This diverse representation underpins our dynamic and inclusive work environment. It encourages a continuous flow of fresh ideas and ensures that our strategies are well-rounded and globally informed.

We are proud to celebrate this diversity through special events and activities, including those organized for Emirati Women’s Day and Youth Day, which garner high-engagement levels from our employees.

Breaking Barriers for Women (GRI 405)

2023 was a landmark year for us in championing gender equality. We recognise women as imperative to our success and will continue to demonstrate our commitment to bringing about tangible change.

Our collaboration with the DIFC on the innovative AccelerateHER² program is also a statement. Through this, we’re nurturing and mentoring future female leaders, providing them with the tools they need to redefine the financial landscape.

At Dubai Islamic Bank (DIB), we see diversity not just as numbers or statistics but as the essence of our collective strength. The incorporation of varied experiences, backgrounds, and perspectives enriches our organization, driving innovative solutions and a holistic approach to challenges.

Commitment to Local Talent (GRI 202-2)

Being part of the UAE, our focus on Emiratisation is both a responsibility and a privilege. We have actively and diligently participated in Emiratisation focused events such as Ru’ya and Careers UAE Redefined with a genuine interest in uplifting and championing local talent.

Our 44% Emiratisation ratio in 2023 is a significant demonstration of our efforts to integrate local talent into our growth story, ensuring that they play pivotal roles in our narrative.

Employee Development (GRI 404-1)

Beyond recruitment, we emphasise the holistic development of our employees through multiple programs. This includes the **Development Program**, which supports our vision to see more local leaders in key roles, as well as the **Higher Education Program** which underscores our belief in continuous learning, supporting our team’s educational pursuits.

Also, worth noting is our graduate focused programs; where young professionals can glean insights from seasoned experts, allowing a seamless transition from academic life to professional roles. Each of these programs exemplifies our belief in nurturing talent at every step, ensuring their growth is aligned with our organizational goals.



Towards a Brighter, Inclusive Future

For DIB, diversity and inclusion are more than just pillars of sustainability; they’re the bedrock of our ethos. As we forge ahead, our commitment to fostering an inclusive culture remains unwavering. Through continued efforts and initiatives, we aim to set industry benchmarks, ensuring that every member of our DIB family has the platform and opportunity to excel.

² DIFC, DIB-backed AccelerateHER returns for 7th edition, registrations open (gulfbusiness.com).

2. ENHANCE EMPLOYEE WELL-BEING

A Commitment to the Future

As we stride forward, we work to not lose sight of our commitment to well-being. We aim to set benchmarks not only in banking but also in nurturing an environment where well-being is at the heart of everything we do.

At DIB, we believe in building a world where well-being and progress go hand in hand.



Championing Well-being: DIB's Holistic Approach to Care

At DIB our philosophy extends beyond conventional banking. We understand that the strength of our institution is deeply intertwined with the well-being of our employees and the communities we touch.

Prioritising Employee Well-being: More Than Just a Workplace GRI 401-2

DIB is a community where each individual is valued. This sentiment underpins our focus on promoting a balanced work-life ethos. We recognise that to serve our customers best, our employees need to be at their best. Our proactive approach to health sees us hosting innovative events such as the Wellness Fair, where we bring experts directly to our team and create avenues for them to discuss, learn, and prioritise their physical and mental health.

Nurturing Community Well-being: Banking with a Heart

Our influence is not confined to the corridors of finance. We see ourselves as an integral part of the broader community, actively seeking opportunities to uplift and support. From supporting health initiatives to providing homes for flood victims in Pakistan, our endeavors extend our care beyond borders.

We've demonstrated this through significant donations to the Al Jalila Foundation, and supporting the A'awen programme, where we are directly aiding individuals facing life-threatening illnesses. Similarly, our alliance with the Mohammed bin Rashid Al Maktoum Global Initiatives and the Ramadan 2023 campaign exemplify our ethos of giving back. These endeavours enable us to be a part of larger missions, supporting hope and relief on global scales.


FOCUS ON: COMMUNITY WELL-BEING AND UN SDGs (GRI 203-2)

In 2023, Dubai Islamic Bank (DIB) continued its robust support of community well-being and towards furthering progress on the UN's Sustainable Development Goals. Our overall contributions and commitments amount to more than AED 549Mn, and comprise a total of AED 264Mn donated and pledged directly to identified humanitarian support organisations, as well as AED 285Mn dedicated to our community support initiatives which have impacted the lives of approximately 90,000 beneficiaries.

The bulk of our community support particularly in education, healthcare and humanitarian aid comes from Zakat contributions, highlighting our adherence to Islamic principles of social responsibility. We highlight here key elements from our community support initiatives.

3

GOOD HEALTH AND WELL-BEING



Medical and Healthcare Support

Our contribution and commitment to medical and healthcare amounted to over AED 34Mn, aiding around 250 beneficiaries. Initiatives like the thalassemia patient support program and the "Hope and Pain" radio broadcast for medical cases underscore our commitment to Good Health and Well-being (SDG 3). These programs have not only provided crucial healthcare support but also raised awareness of significant health issues within the community.

11

SUSTAINABLE CITIES AND COMMUNITIES




Humanitarian Aid and Disaster Relief

With a profound sense of responsibility towards global citizens, DIB contributed and committed approximately AED 79Mn to humanitarian aid and disaster relief. This aid has supported over 48,000 people, including initiatives like supporting the construction of homes in disaster-affected areas of Pakistan and Indonesia and supporting low-income citizens in the UAE. These efforts align with SDG 11, highlighting our commitment to Sustainable Cities and Communities, and demonstrate our responsiveness and compassion in times of crisis.

4

QUALITY EDUCATION




Culture, Education, and Scholarship Initiatives

DIB's contributions and commitments to culture, education, and scholarship exceeded AED 27Mn, touching the lives of more than 3,500 beneficiaries. Our initiatives spanned from supporting academic pursuits in medical sciences to sponsoring cultural and educational events like the Future of Inventors event and the Dubai International Holy Quran Award. This holistic approach in education and culture, including significant support for Sharia students, has been instrumental in providing quality education (SDG 4) and preserving cultural heritage.

16

PEACE, JUSTICE AND STRONG INSTITUTIONS



Social Welfare and Support

In 2023, DIB's social welfare and support contributions and commitments reached approximately AED 144Mn, positively impacting the lives of more than 20,000 individuals. Our support encompassed a diverse range of projects, from the "Furijet" project, releasing indebted individuals, and initiative facilitating the release of prisoners, to supporting struggling families of inmates. Additionally, we provided aid for rental disputes and family support cases. Our focus on community care for widows and divorcees. These initiatives, valued at over AED 1.8 million, emphasize, alongside group weddings, embodied our dedication to social rehabilitation, Peace, Justice, and support. Strong Institutions (SDG 16).

10

REDUCED INEQUALITIES




Disability Support

Our contributions amounting to AED 1Mn for disability support initiatives have profoundly impacted the lives of 15,000 individuals. Collaborating with organisations like the Dubai Club for People of Determination and Saud bin Rashid Al Mualla Charitable and Humanitarian Est, we focused on enhancing mobility for patients and individuals with disabilities. By providing specially adapted vehicles, this program has not only granted greater independence to those with mobility challenges but also fostered a more inclusive community, resonating with the Sustainable Development Goal (SDG) 10 of Reduced Inequalities.

2

ZERO HUNGER



Meal Program

Our social support also extended to the UAE's 1 Billion Meal program, and other foundations that distributed more than 67,500 meals during the Holy month of Ramadan and Eid.

DIB's Community Support Services in 2023 have been a testament to our commitment to making a positive impact in society.

Our contributions have supported a variety of causes, reflecting our holistic approach to community service and our dedication to the principles of Islamic banking. By focusing on key areas like education, healthcare, and humanitarian aid, we are not only contributing to the immediate needs of the community but also investing in the sustainable development of society.



FOCUS ON: EMPLOYEE WELL-BEING

DIB (DIB) is deeply committed to nurturing the overall well-being of our employees. Recognizing that our staff is the cornerstone of our success, we have initiated several programs and benefits aimed at enhancing their health, satisfaction, and work-life balance. Here are some of the key initiatives we've implemented:

Enhancement in Allowances for Staff

Understanding the importance of recognising and rewarding our employees' contributions, we revised several key allowances in June 2023. The updates included an increased airfare allowance, alignment of education allowances with market conditions (including an extension of the age limit to 21 years for dependents), and covering all costs related to Emirates ID, typing, and standardised expenses for employees across all grades. These enhancements are part of our strategy to retain talent and acknowledge their role in DIB's progressive growth.

HIPO Financial Acumen Program

Recognising that well-being encompasses financial health, in June 2023, we initiated a financial acumen program for our high-potential (Hi-Po) employees. In collaboration with Ashridge Hult Business School, we provided a tailored 2-day workshops focused on enhancing financial well-being skills for select delegates covering both personal and professional growth. This program is aimed at equipping our junior and mid-level staff with critical financial knowledge, furthering their development within the bank.

Annual Health Benefits Survey

In March 2023, we conducted a comprehensive Health Benefits Survey to gauge employee satisfaction with our health insurance services. This initiative is part of our continuous efforts to improve the health and well-being of our employees. The survey provided



valuable insights, leading to significant changes such as the standardisation of dependents' coverage across all employee grades and an extension of the children's age limit for coverage to 21 years old. This reflects our dedication to adapting and enhancing our benefits to meet the evolving needs of our workforce.

Parent-Child Care Zone

In June 2023, DIB introduced the AL AMANAH Parent-Child Care Zone at our Al Nahda Building offices. Understanding the challenges of balancing parenting with professional responsibilities, this facility offers a supportive environment for our staff. Available between 7 am and 5 pm, this service is a testament to our commitment to supporting our employees in all aspects of their lives, ensuring a healthy work-life balance.

Employee Physical Well-being

- In June 2023 in collaboration with a sporting events market leader, DIB participated in an all-women corporate sports day promoting recreational activities, and gender equality within sports, as well as boosting greater confidence and self-esteem in female employees' social lives.
- In August 2023, we organized a health awareness session delivered by an experienced corporate fitness coach highlighting the importance of well-being through the physical exercise, body awareness and mobility, which marked the launch of our upcoming Corporate Wellness program.
- In October 2023 we organized an in-person and virtual session

on the importance of regular health screenings, with a particular focus on breast cancer awareness and Executive Health programs for both men and women. The sessions led by a renowned internal medicine doctor from the leading UAE hospital, Sheikh Shakhout Medical City, highlighted our commitment to encouraging and facilitating regular health check-ups for our employees.

- In November 2023, DIB hosted an in-person workshop highlighting the health risks of diabetes, early detection and the importance of qualified nutrition consultations hosted by a medical consultant in residence from a leading UAE healthcare group.
- Recognising the importance of the mental health, we also organised an in-person session with a renowned professor of clinical psychology on stress management at the workplace.

DIB Wellness Fair

October 2023 marked the launch of our inaugural DIB Wellness Fair, a dynamic event where employees had the opportunity to explore innovative health and wellness products and services. This vibrant two-day gathering featured industry leaders and enthusiasts, offering staff a chance to engage with cutting-edge wellness solutions, experience live demonstrations, and receive personalised consultations. It underscored our commitment to promoting a culture of health and wellness within the bank.

Through these initiatives, DIB is steadfast in its commitment to enhancing the well-being of our employees, recognising that their physical and mental health, satisfaction, and overall balance are integral to the success and sustainability of our organisation.



3. DRIVE TRANSPARENCY AND DISCLOSURE

(GRI 2-24)

At Dubai Islamic Bank (DIB), we uphold our legacy as a pioneering Islamic bank by offering a range of innovative, Sharia-compliant products and services, and do so with transparency and all necessary disclosures.

Commitment to Consumer Protection Regulation

Central to our ethos is a deep-seated commitment to consumer protection, ensuring that our customer’s trust and satisfaction are always prioritized. Our dedication to client confidentiality is unwavering, and we complement this with transparent information sharing, aligning with the Consumer Protection Regulation (CPR) mandated by the Central Bank of the UAE. Our adherence to CPR focuses on:

- Rigorous disclosure and transparency standards.
- Strong institutional oversight.
- Adherence to market and business conduct regulations.
- Protection of consumer data and privacy.

In response to the CPR, DIB aims to lead the industry with initiatives such as:

- A dedicated Complaints Management unit for handling consumer inquiries and grievances.
- Implementation and enforcement of a Consumer Protection Policy to safeguard customers.
- Increased transparency in disclosing product features, fees, charges, and risks.
- Offering financial education and awareness programs.
- Upholding fair and ethical marketing and advertising.

- Promoting Financial Inclusion.
- Annual mandatory Consumer Protection Awareness and Regulation learning programs for senior management and staff.

Compliance Management at DIB

The bank’s compliance department ensures strict adherence to relevant laws, regulations, and rules, crucial for maintaining DIB’s integrity and reputation. The Board has endorsed a robust Group Compliance Policy empowering the Compliance function. In 2023, DIB enhanced its compliance management through:

- Updated Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), Know Your Customer (KYC), and Non-Proliferation Framework (NPF) policies.
- Strengthened compliance oversight of subsidiaries and affiliates.
- Regular internal communications and annual mandatory compliance trainings on compliance policies and procedures for all staff.

Sustainable Finance Reporting

Following the issuance of two successful Sustainable Sukuks, we have initiated sustainable finance reporting in line with our Sustainable Finance Framework. This complies with the International Capital Market Association’s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Loan Market Association

Green Loan Principles, and Social Loan Principles. We engage third parties for annual assurance on fund allocation alignment, underscoring our commitment to transparency and accountability. Detailed information on our sustainable finance allocation and impact can be found in Pillar 2 of this report.

Tax Transparency (GRI 207-1,2,3)

Tax transparency and compliance are integral to our values, maintaining a balance between following tax rules, acting ethically, and fostering sustainable development. We take our responsibility seriously, contributing our fair share to support public services and community well-being. Committed to transparency, we actively engage with local and international (tax) government authorities, business partners, and employees. Adhering rigorously to all relevant laws, our tax strategy aligns seamlessly with changing global rules. Upholding the highest standards of integrity in tax compliance and reporting is essential, showcasing our dedication to being open and accountable. Navigating the complex world of taxes, we remain true to our commitment creating a fair, ethical, and sustainable financial system, reflecting our broader ESG principles.

The Tax department manages all tax matters and follows a three-line defence model across the organization, involving data entry and accounting operation teams. The Tax department is responsible for tax compliance and periodic internal monitoring of tax governance.

FOCUS ON: UAE CLIMATE RESPONSIBLE COMPANIES PLEDGE

We, as climate-conscious and responsible private sector companies based in the UAE, commit to stepping up our collective efforts to combat climate change by:

“Measuring and reporting our GHG emissions in a transparent manner, developing measurable plans in line with national sectoral climate targets to reduce our carbon footprint, and sharing these plans with the UAE government to contribute to achieving the national net-zero target by 2050 or earlier.

Factoring in climate change mitigation and adaptation measures as core principles of our businesses and operational models.

Encouraging and engaging stakeholders including suppliers, partners and consumers to actively take part in climate action to help the UAE reach Net Zero by 2050; and

Adopting an all-inclusive approach that engages youth, women, and vulnerable segments of society in developing our net-zero plans. With these commitments, we pledge to support the UAE government in reaching net-zero targets by 2050 through the implementation of a nationwide cross-sectoral process that pursues climate neutrality to fulfil both National and International climate commitments”.



4. REDUCE OPERATIONAL ENVIRONMENTAL FOOTPRINT

(GRI 302, GRI 303, GRI 305, GRI 306)

At Dubai Islamic Bank, we are committed to progressively reducing our operational footprint. We aim to align with the UAE’s ambitious net-zero by 2050 initiative under the Dubai Clean Energy Strategy.

In 2024, DIB will undertake a detailed baseline assessment to understand our current standings in emissions, water use, and waste generation. This comprehensive assessment is crucial for setting achievable yet ambitious interim annual targets. These steps demonstrate our commitment to measurable and impactful sustainability efforts.



In 2023 we achieved some encouraging successes in energy efficiency and renewable energy integration, as well as waste reduction and water conservation:

- **Digitisation with DIB 'alt':** Our strategic move towards digital banking, marked by the launch of DIB 'alt', is a significant step towards reducing our physical footprint. DIB 'alt' is a transformative experience for our customers, consolidating over 135 digital services, including banking apps, online banking, and ATMs. This initiative significantly reduces the need for operational branches, thus cutting down on energy and paper usage. DIB 'alt' is a pioneering step in our digital journey, aligning with the UAE's vision for an advanced digital landscape and reducing our operational footprint.
- **Sustainable Infrastructure:** Our commitment extends to our physical infrastructure. Our new headquarters are a testament to this, with its state-of-the-art Building Management System (BMS) and sensor-equipped faucets and dispensers aimed at reducing energy consumption.
- **Efficient Retrofitting:** Our ongoing retrofit plans for existing offices have successfully decreased energy and water consumption. The fitting of LED bulbs and efficient water valves in washrooms are practical steps in this direction.
- **Sustainable Employee Practices:** We have transitioned away from traditional business cards, introducing QR code-enabled employee cards. This initiative significantly reduces our paper usage.

We have also sought to influence the footprint outside our direct operations, first through a partnership with Dubai Can and then taking the opportunity to engage our customers through our own One Tree for Everyone Campaign:

- Aligning with Dubai's long-term green agenda, DIB's collaboration with the 'Dubai Can' initiative highlights our commitment to sustainability. The initiative focuses on reducing waste and protecting the environment by providing access to free and safe drinking water and reducing single-use plastic. Our participation and installation of water stations in Business Bay contribute to creating a culture of conscious living and supporting the UAE's vision of a sustainable, low-carbon economy.
- Our 'One Tree for Everyone' campaign, launched in alignment with COP28 preparations, demonstrates our environmental commitment. For every new account opened, a tree is planted in partnership with Emirates Environmental Group and The Storey Group. This initiative actively involves our customers in our sustainability journey and reinforces our alignment with the UAE's sustainability and ESG goals.

Addressing Areas for Improvement

In our continuous journey towards sustainability, DIB recognises the importance of not only setting ambitious goals but also providing clear metrics and data to track our progress. To enhance our sustainability reporting and address areas for improvement, we are focusing on the following key aspects:

- **Detailed Data and Benchmarks for Measurable Progress:** We are committed to providing more detailed data in our future reports. This includes specific figures on energy savings from our digital transformation initiatives, waste reduction from our recycling programs, and water conservation efforts. By presenting quantifiable results, we aim to offer a transparent view of our progress.
- **Impact Assessment of Sustainability Initiatives:** Beyond the quantitative measures, we acknowledge the importance of assessing the qualitative impact of our sustainability initiatives. This includes evaluating employee engagement and satisfaction resulting from our green workplace practices, as well as customer responses to our digital banking transformation and community-oriented sustainability campaigns.

FOCUS ON: OUR FOOTPRINT

CATEGORY	UNIT	2021 SCOPE****	2021	2022 SCOPE	2022	2023 SCOPE	2023
Scope 1*	tCO2e	DIB UAE	227.3	DIB UAE	284.4	DIB UAE	228.43
Scope 2**	tCO2e	DIB Dubai	2,845	DIB UAE	5,751.8	DIB UAE	7,762.90
Scope 3***	tCO2e	DIB UAE	20	DIB UAE	61.30	DIB UAE	78.62
Total GHG emissions	tCO2e	DIB UAE	3,092.3	DIB UAE	6,036.2	DIB UAE	8,070

Definitions:

DIB UAE refers to buildings, offices and branches within our operational control in the UAE.
DIB Dubai covers the emirate of Dubai only.

Scope 1* :

Petrol and diesel consumption, which are major contributors for our Scope 1 emissions, have increased as employees travel more for business with Covid-19 restrictions removed. CO₂, CH₄ and N₂O emissions were considered in the calculation of Scope 1 emissions. Scope 1 emissions were calculated using conversion factors published in the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventory.

Scope 2:**

Covers total electricity consumption which includes buildings within our operational control in the UAE. This includes over 85% data coverage across all branches and offices in the UAE. CO₂ emissions were considered in the calculation of Scope 2 emissions. In the absence of the availability of latest emission factors for other emirates, Scope 2 emissions were calculated using the emission factor provided by Dubai Electricity & Water Authority (DEWA) in their Sustainability Report 2022. Data pertaining to electricity consumption was collated based on the municipal bills from respective utility providers. We used the location-based method which uses grid average emission factors to report.

Scope 3*:**

Only includes air travel for DIB UAE. This has increased as more of our employees are travelling after Covid-19. It was calculated using Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions.

****Scopes 1 and 3 cover DIB UAE in 2021, but Scope 2 only covers emissions in the emirate of Dubai (DIB Dubai).

FOCUS ON: DUBAI CAN

An initiative led by the Crown Prince of Dubai, this incredible undertaking focuses on ensuring safe drinking water is available for all residents while encouraging responsible consumer behavior.

DIB is a proud partner of this initiative and has a water station located in Business Bay. In 2023, the DIB water station dispensed an impressive 160,000 litres of filtered water effectively preventing approximately 333,888 (500ml) plastic bottles from being used.



The estimated water consumption from the fountain sponsored by DIB

 **160,000**
LITRES

which translates to
a remarkable conservation of

 **333,888**
(500ML) BOTTLES

 بنك دبي الإسلامي
Dubai Islamic Bank

 **DUBAI CAN**
a sustainability initiative

Since the start of our partnership, the DIB water fountain has dispensed approximately 230,000 litres and conserved more than 450,000 (500ml) plastic bottles.

5. CHAMPION BUSINESS ETHICS AND CUSTOMER PRIVACY

Championing Business Ethics: Upholding the Highest Standards

In a rapidly changing financial landscape, we remain steadfast in our commitment to uphold the highest ethical standards. At DIB, business ethics are at the very core of our operations, dictating how we serve our customers, interact with stakeholders, and nurture our organisational culture.

Our growth in this area can be seen in the improvement of our net promoter score from 37 in 2022 to 45 in 2023. This improvement is a testament to our commitment to striving for the highest customer experience standards and living the Customer Charter #AllAboutU.

Commitment to Continuous Learning

Our dedication to maintaining impeccable ethical standards is reflected in the proactive measures we undertake. A testament to this commitment is that 100% of our employees have completed mandatory compliance courses as outlined by the UAE regulatory bodies.

Central to our operations is the understanding and practice of Sharia principles. We take immense pride in ensuring that all employees undergo a comprehensive Sharia compliance course, emphasising our unwavering commitment to Islamic banking principles.

Prompt Complaint Resolution and Transparency

Our ethical approach is further mirrored in our **Complaint Handling Principles**; accessibility, empathy, transparency, reliability, security and fairness. We are committed to listening to customers and taking their issues seriously - ensuring independent and robust investigation of issues.

In 2023, 88% of consumer complaints were resolved within ten working days, and we strive to address all complaints within the timelines required by the consumer protection regulations.

Our **Key Fact Statements** provide clear information relating to our retail products to support customers in their decision-making.

Upholding the Code of Conduct

As articulated in our employee handbook, we place paramount importance on adherence to our Code of Conduct. This code is an embodiment of our values and the behaviours expected from our employees. Every employee, irrespective of their role, is expected to maintain complete compliance with our policies and guidelines.

In 2023 we conducted 10 workshops for 156 senior colleagues in order to drive a consistent understanding of our values, facilitate two-way engagement and task these managers to bring the values to life in their areas.

Additionally, our Whistleblowing policy ensures that any suspicion of unethical or non-compliant behavior is addressed confidentially and promptly, protecting both our integrity and our whistleblowers.



A Future Defined by Ethics

At DIB, we envision a future where ethics and business go hand in hand. As we advance, we pledge to continually assess, refine, and elevate our ethical standards, ensuring that our legacy is defined not just by our financial achievements but by the ethical benchmarks we set for the industry.



FOCUS ON: CUSTOMER EXPERIENCE EVENTS

Topic	Content	Topic	Content
Alt Digital Ambassadors	<p>As part of the CEA Strategic Goals of bringing Cross Functional Collaboration and Educating Customers on the Digital Channels and Solutions, we launched the ALT DIGITAL AMBASSADORS initiative under a multifunction collaboration. The focus was to empower youth in the context of DIB CSR Strategy, invest in youth skills & energy to promote DIB Digital Channels, educate our customers with a targeted approach, reduce the traffic from Branch Network, especially the most crowded ones & enhance Customer Experience & satisfaction by targeting their specific needs.</p> <p>During the 8 weeks of internship, 18 interns helped an average of 34,000 customers and successfully converted 30% of them to alt Services. Instant support was given to the ambassadors to help solve the customers' problems and initiate them to DIB Digital Services. We received very positive feedback from customers and will look at building on the initiative going forward.</p>	Customer Service Week	<p>Customer Service (CS) Week is an international celebration of the importance of customer service and of the people who serve and support customers on a daily basis. DIB celebrated CS Week this year from 2nd - 6th October 2023.</p> <p>The objectives were to highlight our Customer Charter #AllAboutYou, raise awareness of the value of customer experience, reinforce to customers our commitment to their satisfaction, and reinforce the CX spirit across DIB branches, Service Center and teams.</p> <p>The celebration was kicked off by an opening ceremony with team members being recognised during the ceremony; for receiving the highest number of appreciations from customers in 2023.</p> <p>During the CS opening, a special emphasis was placed on the health and well-being of our customers, an engagement area was set up for customers to interact with Al Jaber Optical and Medcare, both of whom were providing free health checks. Moreover, giveaways, coffee, tea and nutritious snacks were given out to customers. Special offers and partnerships were designed for customers to avail during this week to honour the value DIB places on our customer relationships.</p>
Customer Champions Initiative	<p>The CX Team marked the launch of the 2023 cycle of the 'Customer Champions' program in the presence of the Chief Consumer Banking Officer and other senior leaders. With 88 Customer Champions across 20 teams, the program aims to instil ownership of the CX journey and drive a bank-wide focus on exceptional service. The champions have conducted 240+ Customer Experience Talks, mentored 110+ individuals through the 'CX Influencer' initiative, and collaborated on 220+ customer issues via WhatsApp. Selected champions served as CX catalysts by communicating quarterly themes and leading the 'Info Hub' initiative to enhance staff knowledge. Q3 and Q4 meetings showcased achievements and team building activities, reinforcing the theme of 'Together for better CX.'</p>	'Driving Customer Centricity'- ICARE training	<p>A multifunction team was initiated to design and build the ICARE 'Driving Customer Centricity' program. A total of 108 sessions have been conducted which were attended by 1600+ team members.</p> <p>This program has improved staff knowledge on products, enhanced staff capabilities, behaviours and ability to enact the ICARE values while driving staff ownership across touch points.</p>

6. PROPEL SUSTAINABLE FINANCE

DIB has established a comprehensive Sustainable Finance Framework to serve as the basis for issuing Green, Social or Sustainability Sukuks and other financing instruments. This framework is in line with internationally recognised standards such as the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines by the International Capital Market Association (ICMA), as well as the Green Loan and Social Loan Principles by the Loan Market Association (LMA).

This framework marks an important milestone in our commitment towards sustainable financial practices and can be read in full [here](#).











Allocation of Funds and Alignment with SDGs

The funds generated through Sustainable Financing Instruments within this framework are allocated to finance or refinance Eligible Sustainable Projects.

These projects cover various categories that meet rigorous eligibility criteria while aligning with specific Sustainable Development Goals (SDGs). The different categories covered in the framework include Renewable Energy, Energy Efficiency, Clean Transportation, Green Buildings, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Employment Generation and Affordable Housing.

The Framework ensures a transparent and responsible approach to project financing while actively contributing to global sustainability efforts. The exclusion criteria of the Framework reinforces our dedication to environmental responsibility and compliance with Sharia principles.

We detail below the eligibility criteria:

Renewable Energy	Projects related to the production, transmission and storage of energy from renewable sources.	
Energy Efficiency	Projects that reduce energy consumption by at least 20% compared to the average of national energy consumption of an equivalent project.	
Clean Transportation	Financing related to electric and low-carbon vehicles and associated infrastructure for public, passenger and freight transportation.	
Green Buildings	Projects related to acquisition, development, construction and refurbishment of buildings that belong to the top 15% in terms of energy efficiency of their local market or have received, or expect to receive certification according to third-party verified green building standards.	
Pollution Prevention and Control	Projects related to construction, upgrades and renovation of facilities for collection, sorting, processing and conversion and treatment of waste.	
Sustainable Water and Wastewater Management	Projects related to construction, operation, maintenance, of water collection, recycling, transportation and treatment technologies. Projects that increase water-use efficiency by at least 20%, and water desalination using reverse osmosis technology.	
Employment Generation	Financing and/or refinancing to SMEs and microfinance clients, as well as the provision of support measures to these clients such as offering extension of payment periods during natural disasters and pandemics.	
Affordable Housing	Financing and/or refinancing of government-supported or government-subsidised mortgages for the provision of affordable housing as well as projects related to the homes covered under such programmes.	
Access to Essential Services	Projects related to the construction or expansion of public hospitals and schools for the provision of not-for-profit, free or subsidised healthcare and education.	 

The framework excludes financing towards any expenditures or projects involving activities including: Coal or gas fired power generation and distribution assets, Coal mining and transportation, Fossil fuel-related exploration and distribution, Conflict minerals, Extractive industries and mining, Military contracting and weapons, Nuclear power generation and distribution assets or any activities involving modern slavery or forced labour. We also exclude non-Sharia compliant activities, such as: Payday loans, gambling, adult entertainment, alcohol or tobacco.

DIB's Sukuk Issuance in 2023

In 2023, we achieved a significant milestone in sustainable finance by successfully pricing our second Sustainable Sukuk. This issuance was valued at USD 1 billion for a period of 5.5 years with a profit rate of 4.80%. It represented the largest sustainable issuance by any financial institution from the Middle East till date. The response from international investors was overwhelming, highlighting DIB's leadership in Islamic and Sustainable finance.

The success of this Sukuk issuance followed DIB's first issuance in 2022 and signifies market confidence in DIB as well as our commitment to the UAE's sustainability agenda and the national goal of "Net Zero by 2050." The issuance received three times oversubscription which indicated strong investor trust while setting an example for future sustainable finance initiatives across the region.



Impact and allocation report

In line with our commitment to sustainable finance and transparency, Dubai Islamic Bank (DIB) engaged Carbon Trust to assess the environmental impact of our Eligible Green Asset Portfolio. This evaluation included key areas such as Renewable Energy, Energy Efficiency, Clean Transportation, and Green Buildings. The assessment’s focus was on estimating the impacts achieved through these initiatives, utilising a robust methodology based on standards including PCAF’s The Global GHG Accounting and Reporting Standard for the Financial Industry, ICMA Harmonised Framework for Impact Reporting, Climate Bonds Standard V3.0, and more.

The comprehensive analysis by the Carbon Trust was specific to our Green Asset Portfolio, excluding the Eligible Social Asset Portfolio, which covers Employment Generation, Affordable Housing, and Access to Essential Services. Our reporting framework adheres to key recommendations outlined in various principles and ensures transparent disclosure of assumptions and estimations used in our calculations.

Below, we detail some allocation highlights and provide a breakdown of the eligible green and social portfolios. Tables detailing these portfolios offer a clear view of our sustainable finance activities. For an in-depth understanding of our efforts and impacts, we invite you to view the full impact and allocation report demonstrating DIB’s strong commitment to sustainable finance. This aligns with global best practices and significantly contributes to the UAE’s vision for a sustainable future.

ALLOCATION HIGHLIGHTS	
USD 1.75 bn Sustainable Sukuk Issued	46% Green Asset Portfolio
63,276.26 tCO2e Total Financed Emissions Avoided	54% Social Asset Portfolio
USD 2.1 bn Eligible Sustainable Asset Portfolio	83% Eligible Sustainable Asset Portfolio allocated

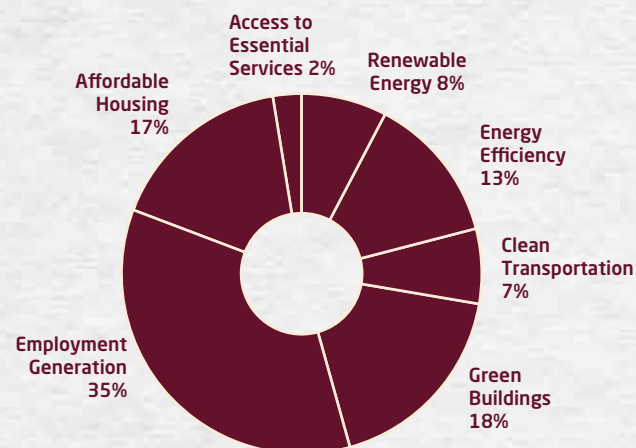
SUSTAINABILITY SUKUK ISSUED		
Issuer	Dubai Islamic Bank	
Date	09-Feb-2023	22-Nov-2022
Rank	Senior Unsecured	Senior Unsecured
Net Proceeds (USDm)	1,000	750
Coupon	4.800	5.493
Tenure	5.5 yr	5 yr
ISIN	ZM9734348 CORP	ZN4974780 CORP

ELIGIBLE GREEN ASSET PORTFOLIO AS AT 31ST AUGUST 2023			
Eligible Green Asset Portfolio by category	Funded (AED m)	Funded (USD m)	%
Renewable Energy	591	161	8
Energy Efficiency	1,051	286	13
Clean Transportation	521	142	7
Green Buildings ⁷	1,357	370	18
Total	3,520	959	46

(1 AED = 0.27 USD)

ELIGIBLE SOCIAL ASSET PORTFOLIO AS AT 31ST AUGUST 2023			
Eligible Social Asset Portfolio by Category	Funded (AED m)	Funded (USD m)	%
Employment Generation	2,641	713	35
Affordable Housing	1,147	310	15
Access to Essential Services	152	41	2
Total	3,940	1,064	52

ELIGIBLE PORTFOLIO AS AT 31ST AUGUST 2023



ELIGIBLE PORTFOLIO AS AT 31ST AUGUST 2023	
Key Metrics	%
Outstanding Sustainable Sukuk Proceeds Allocated	100
Eligible Green and Social Asset Portfolio allocated	83
Eligible Green and Social Asset Portfolio unallocated	17

(1 AED = 0.27 USD)

⁷ Note there is a slight discrepancy in the allocation versus impact data. Allocation data covers the full allocated amounts for the 4 projects, whereas the impact assessment table includes only the 2 projects with complete data.



7. PROMOTE FINANCIAL INCLUSION

At Dubai Islamic Bank (DIB), we believe that financial inclusion is pivotal to sustainable development. By creating accessible financial services and empowering diverse communities with financial literacy, we are committed to building a more inclusive economic environment. Our initiatives in financial literacy, branch accessibility, digital offerings, and sustainable financing are designed not just to meet the diverse needs of our clients but also to forge a path towards a more equitable and financially inclusive future. Here's how we're turning this vision into reality:

Financial Literacy Campaign (GRI 413)

DIB is dedicated to enhancing the financial literacy of the UAE's youth. In a fruitful partnership with KFI GLOBAL, we've launched a youth financial empowerment initiative, positively impacting over 4,000 students from around 50 schools since its inception. As this program continues through 2022 and 2023, we take pride in the evident positive influence it has on our future leaders. This initiative arms the next generation with critical financial knowledge and skills, essential for their future success. DIB's commitment to youth financial empowerment shines through this unique event, notable for its breadth and quality. Our tradition of collaborating with like-minded organizations in youth development is underscored by the success and acclaim of this program. The Youth Financial Empowerment Forum, hosted at Mohammed Bin Rashid Library, brought together 17 schools and approximately 100 students, deans, and academic leaders. This event was a platform to share experiences from the campaigns and to acknowledge the educational institutions pivotal in these financial literacy campaigns, reaffirming our investment in the nation's future generations.

Branch Accessibility

At DIB, we recognise the diverse needs and preferences of our customers and are committed to making our services accessible to all. This commitment is exemplified by the introduction of dedicated 'People of Determination' counters at select branches, ensuring a seamless banking experience for customers with different abilities. Currently, 9 branches and 11 ATMs across the UAE are fully equipped with wheelchair-accessible facilities, including teller counters, bathrooms, ramps, and handrails, reflecting our dedication to inclusivity.

Furthermore, our website has been thoughtfully designed to accommodate various accessibility needs. Features like larger fonts, higher contrast, screen reader support, and keyboard navigation ensure that the DIB website is accessible to a wider audience, including those with differing abilities.

Digitisation of Our Offering

DIB has witnessed significant growth in digital channels, with approximately 10,000 to 12,000 accounts opened monthly, 40% of which originate from digital sources. Additionally, 77% of our Services/Products deliveries are now conducted digitally. This shift underscores our commitment to offering innovative, convenient solutions that cater to the evolving needs of our customers.

Digital Accessibility	Digital only	Branch only	Hybrid
Customers	83%	3%	14%

Digitisation	Digital	Non-digital
Services/Products	77%	23%

The Role of Our Sustainable Financing

A substantial portion of our sustainable asset portfolio falls under the 'social' category, with 35% contributing to employment generation. This is primarily through financing or refinancing of SMEs and microfinance clients. We also extend support to these clients during challenging times, offering payment extensions in the wake of natural disasters and pandemics. Our focus includes SMEs, women-owned businesses, and enterprises impacted by adverse economic conditions, underlining our dedication to supporting diverse segments of society through sustainable financing.

FOCUS ON: COP28

At Dubai Islamic Bank (DIB), we are deeply committed to advancing sustainable finance, a commitment that aligns with the UAE's steadfast approach to sustainability. This dedication reflects our role in a broader global narrative that seeks to address climate change and promote sustainable development. Our involvement at COP28, underlines this commitment.

COP28: A Pivotal Stage for Global and Local Sustainability Initiatives

The UAE's hosting of COP28 served as a significant global platform, reaffirming the nation's dedication to lead climate action. For DIB, COP28 represented a crucial opportunity to align our sustainability goals with those of the international community and to demonstrate our commitment to environmental stewardship.

Strategic Collaborations and Initiatives at COP28

During this pivotal event, DIB embarked on several strategic initiatives that exemplify our commitment to sustainable practices:

- **Proactive Engagement in Climate Finance Hub:** As an Associate Pathway Partner, our active participation in the Green Zone's Climate Finance Hub allowed us to engage in meaningful dialogue around sustainable finance and innovative eco-centric solutions. This engagement provided us with a platform to highlight our commitment to the green transition and to interact with a diverse array of stakeholders.

- **Sustainable Finance Pledge:** Our collaboration with other leading banks, resulting in a combined pledge of 1 billion AED towards sustainable finance, was a testament to our shared responsibility towards fostering a green economy. This initiative showcases our collective efforts to drive sustainable development.

- **Moro Hub Agreement:** The partnership with Moro Hub to utilise their green data centres is a significant stride in sustainable digital transformation. Leveraging the world's largest solar-powered data centre located in the Mohammed bin Rashid Al Maktoum Solar Park, this collaboration aligns with DIB's operational goals and the UAE's sustainability objectives. The data centre use of renewable energy sources not only enhances our efficiency and security but also significantly contributes to reducing the carbon footprint, resonating with the national agenda for environmental responsibility.

Tomorrow Today Campaign: A Reflection of the UAE's Sustainability Vision

Aligned with the UAE's Net Zero 2050 goal, the launch of Season 2 of our 'Tomorrow Today' campaign at COP28 represented an opportunity for us to communicate the importance of collective sustainability efforts. Each episode of the series, focusing on various sustainability initiatives like urban planning, food and water systems, health and well-being, and ecosystem projects, was a narrative interweaving DIB's effort with the broader sustainability objectives of the UAE.

Reflecting on COP28's Achievements

COP28 has bolstered our optimism and reaffirmed the importance of collective efforts in the global fight against climate change. This event has provided a roadmap for substantial progress in sustainability, and DIB remains steadfast in our commitment to support these efforts. Our involvement in COP28 is a testament to our dedication to integrating sustainable practices into our banking operations.

Our Commitment to a Sustainable Future

Our participation in COP28, along with our subsequent sustainability initiatives, underscores DIB's commitment to sustainable finance. As we continue to integrate these practices into all aspects of our operations, we align ourselves not only with the UAE's sustainability vision but also with the global movement towards a more sustainable future. Our journey in sustainable finance is an ongoing commitment, reflective of our role as a leader in Islamic finance and a proactive contributor to a sustainable and resilient global economy.



8. EMBED SUSTAINABILITY IN DECISION-MAKING

Embedding Sustainability and ESG in Our Decision-making at Dubai Islamic Bank

At Dubai Islamic Bank (DIB), embedding sustainability and Environmental, Social, and Governance (ESG) principles into our decision-making processes is an integral component of our path forward. This commitment shapes not only our operations but also our aspirations for the future.

Recognising the Imperative of Sustainable Decision-making

We understand that sustainable decision-making is crucial for long-term success and resilience. To this end, DIB has adopted a comprehensive, bank-wide strategy that embeds sustainability into every facet of our operations. Our approach is characterised by well-defined initiatives tailored to each of our sustainability pillars. These initiatives are structured with specific, time-bound actions, ownership allocation for effective implementation, and Key Performance Indicators (KPIs) to track progress and success. A dedicated team oversees these initiatives, ensuring a comprehensive approach leading up to 2030.

Milestones in Our Sustainability Journey

Our journey in weaving sustainability and ESG considerations into our decision-making has already seen significant progress. It's a journey that touches every aspect of our business, from how we interact with customers and communities to the way we manage risks and opportunities. This holistic integration demonstrates our dedication to responsible banking practices and sets us on a course toward a sustainable future.

Navigating ESG in Risk and Credit

In the realm of risk and credit, our commitment to ESG principles takes on a tangible form. We regularly report on defined ESG metrics that are part of our wider risk appetite.

We have developed an ESG Risk Policy which details our understanding and consideration of ESG risks, including environmental challenges like climate change, social risks related to labour and human rights, and governance risks centered around ethical business conduct. We recognise that assessing these risks involves a nuanced approach, utilising comprehensive ESG data and analytics, which we are steadily building capacity for. Risk measurement must be more than just an evaluative exercise; it's a crucial part of how we plan to approach credit and financing decisions, ensuring that our lending is both responsible and aligned with broader ESG goals.

ESG Governance

Our commitment to sustainability is reinforced by appropriate governance principles and committees, including a Management Sustainability Committee, comprising C-suite executives from across our business verticals. This committee's role is to ensure that sustainability is at the heart of our strategic planning and operational processes. Moreover, at the highest level, we have instituted a Board Sustainability Committee. This committee provides overarching guidance and direction, ensuring that our sustainability efforts are aligned with our corporate goals and the expectations of our stakeholders.

Empowering Sustainability Champions

Recognizing the importance of leadership in sustainability, DIB has taken the initiative to identify Sustainability Champions across our business verticals. These champions will be tasked with driving sustainability initiatives, fostering a culture of environmental responsibility, and ensuring that sustainability principles are ingrained in everyday business operations. They will serve as the front-line representatives and advocates of our sustainability agenda, playing a crucial role in its successful implementation across the bank.

A Collaborative Approach to Sustainability

We acknowledge that achieving sustainability within our operations and the broader system we operate in is a collective effort. It requires a shared commitment to making decisions with sustainability considerations at their core. We understand that every decision, whether it relates to our internal operations or our interactions with the wider community, has an impact. As such, we are dedicated to ensuring that these decisions are made with a nuanced understanding of their environmental and social implications. In embedding sustainability and ESG principles into our decision-making, DIB is not just complying with current expectations but is also proactively preparing for the future. It's a journey that underscores our commitment to being a responsible, forward-thinking institution, ready to meet the challenges of today and tomorrow.



FOCUS ON: ESG IN RISK AND CREDIT

In our concerted efforts to integrate Environmental, Social, and Governance (ESG) principles within Dubai Islamic Bank (DIB), the risk and credit domains stand out as critical areas where sustainability can have a profound impact. Our approach to ESG in these areas is both meticulous and forward-looking, aiming to align our financial practices with our sustainability goals.

ESG Risk Appetite

At DIB, we include ESG Risk in periodic reporting to the BRCCG and RMC in the form of indicators and thresholds, including ones relating to our environmental footprint and consumption of specific materials. We have also identified additions relating to monitoring our ratio of sustainable assets and liabilities, as well as external ESG ratings, and will incorporate these into our operations in 2024.

Challenges in Integrating ESG Risks and Our Strategic Response.

The integration of ESG risks into our management processes is a nuanced endeavour, with several challenges:

- **Level of Uncertainty:** We acknowledge the unpredictable nature of policy and regulatory interventions, as well as the timing and effect of physical risks.
- **Data Insufficiency:** The lack of consistent, reliable, and comprehensive ESG data, especially for SMEs and entities in emerging markets, poses a significant challenge. We are working towards enhancing the availability and quality of such data.

- **Methodological Constraints:** Traditional risk management models often do not reflect ESG factors. We are evolving our methodologies to incorporate ESG risks in estimates like probability of default (PD) and loss given default (LGD).
- **Time-Horizon Mismatch:** The long-term nature of many environmental factors contrasts with the shorter strategic planning horizons traditionally used in financial institutions. We are aligning our strategic planning with long-term ESG goals to address this mismatch.
- **Multi-Point Impact of ESG Risks:** ESG risks can affect different financial risk categories, impacting an institution's financial position in multiple ways. For instance, environmental factors deteriorating certain economic activities can lead to higher credit losses or losses in market value.

Methodology and Integration in Credit Analysis

Our methodology for ESG risk assessment and integration into our credit analysis model is multi-layered. In 2023 we developed and tested an ESG scorecard to leverage expansive ESG data and analytics to assess the credit risk impact of environmental, social and governance factors, helping us understand and mitigate potential risks effectively.

In 2024 we will launch our scorecard and seek to rate a significant portion of our portfolio. We are committed to utilising the emerging portfolio profile to develop further risk appetite metrics.

Action Plan for Robust ESG Risk Management

In order to effectively conduct ESG risk management we recognise the need for appropriate identification of risks, accurate assessment of potential impact and setting appropriate actions based on targets and limits. Our ESG Scorecard will enable us to classify assets based on their ESG characteristics, aiding in the identification of risks across asset classes, sectors, geographies, and maturity profiles; and subsequently the evaluation of the potential impact of ESG risks on the institution's exposures. We are committed to our journey of incorporating ESG risks into our risk management and business strategy, supporting the monitoring and control of these risks, including setting targets and limits.



In summary, our approach to embedding ESG considerations in risk and credit at DIB is evolving and dynamic. We are continually adapting to new challenges and opportunities, ensuring that our practices not only comply with current standards but also propel sustainable banking practices in the region.



GOVERNANCE

Dubai Islamic Bank (DIB) understands that strong governance is not only a regulatory obligation but also a fundamental cornerstone of trust and integrity. Our corporate governance framework is carefully designed to ensure responsibility, accountability, transparency and fairness. Our framework is structured to cover all our operations providing oversight, internal control and strategic guidance while adhering to the highest standards of regulatory compliance and ethics.

For further details please refer to our [Code of Corporate Governance](#).

Oversight by the Board of Directors

The foundation of our governance structure lies in our Board of Directors which consists of esteemed professionals with extensive expertise in various fields. They provide guidance to ensure that the banks' actions align with our vision, purpose and values. Each member brings perspectives contributing to a comprehensive approach to governance. Operating under the Board's umbrella, several specialised committees have been established; including a dedicated Board Sustainability Committee.

Sustainability and Ethical Governance

We integrate sustainability into our governance model by aligning our practices with the evolving environmental, social and governance (ESG) standards.

The Board Sustainability Committee aligns our sustainability efforts with strategic goals reinforcing our dedication to responsible banking.

The Management Sustainability Committee, consisting of senior leadership executives, is responsible for incorporating sustainability into our strategic and operational

decisions. They ensure that our commitment to sustainability is reflected in all aspects of our business.



Risk Management, Compliance and Audit

Risk management, compliance and audit play a central role in ensuring the stability and integrity of our operations.

Our framework covers a wide range of risks, including ESG risks. We utilise tools and methodologies to effectively assess and mitigate these risks, and our teams provide assurance that end-to-end operations are conducted in adherence to policies and procedures.

Promoting Transparency

We are committed to regular disclosure and reporting. We provide comprehensive reports on our financial performance, corporate governance practices and sustainability efforts. We also actively engage in conversations with our shareholders, customers, employees, regulators and the wider community. By doing so we ensure that their perspectives and feedback shape our governance practices.

Commitment to Continuous Improvement

We understand that the banking sector is constantly evolving, which is why we are dedicated to continuously enhancing our governance practices. We regularly review our governance framework and ensure it is aligned with the needs of the organisation and regulatory requirements. This allows us to effectively address emerging challenges and seize opportunities, within the banking industry. Additionally, our focus is on investing in the training and development of our Board members and employees. This ensures that they have the knowledge and skills to effectively carry out their governance responsibilities.

The governance practices at Dubai Islamic Bank are crucial to our identity and success. By adhering to governance standards, we not only meet regulatory requirements but also contribute to the sustainable and ethical growth of the financial sector. Moving forward we remain committed to enhancing our governance structure as it plays a role in supporting our strategic objectives while embodying the overarching principles of responsibility, accountability, transparency and fairness.



BOARD AND MANAGEMENT SUSTAINABILITY COMMITTEE MEMBERSHIPS

BOARD SUSTAINABILITY COMMITTEE		
Title	Name	Role
Mr.	Hamad Abdulla Rashed Al Shamsi	Chair
Mr.	Abdulaziz Ahmed Al Mheiri	Member
Mr.	Ahmad Mohammad Saeed Bin Humaidan	Member

MANAGEMENT SUSTAINABILITY COMMITTEE FORMATION	
Designation	Name
Chair	Group Chief Executive Officer
Vice Chair	Chief Sustainability Officer
Members	Chief Financial Officer
	Chief Operating Officer
	Group Chief Risk Officer
	Chief of International Business & RE Investments
	Chief of Investment Banking
	Chief of Corporate Banking
	Chief Consumer Banking Officer
	Chief of Treasury
	Chief Credit Officer
	Chief Digital Officer
	Head of Human Resources
	Head of Investor Relations & Strategic Communications
Head of Organisational Effectiveness	

2023 ESG DATA TABLES

Economic Performance

(GRI 201-1)

The ESG data table reflects our performance on key environmental, social and governance (ESG) indicators for the period 1 January to 31 December 2023. These data tables are prepared in reference to the Global Reporting Initiative (GRI) standards, the most widely used sustainability reporting framework in the world. We also align our reporting with the Sustainability Accounting Standards Board (SASB) standards, which provide industry-specific guidance on material ESG issues. Our ESG data tables demonstrate our commitment to transparency and accountability, as well as our progress towards achieving our sustainability goals and creating long-term value for our stakeholders. The scope of ESG tables covers our operations in UAE (DIB UAE) only with the exception of our financial performance figures which cover DIB’s Group, subsidiaries, and associates in and outside of the UAE (Group).

CATEGORY	UNIT	SCOPE	2022	2023
Economic value generated				
Total revenue	Million AED	Group	10,467	11,665
Earnings before tax	Million AED	Group	5,631	7,108
Taxes reported	Million AED	Group	79	98
Economic value distributed and retained				
Operating costs	Million AED	Group	3,332	2,931
Total employee-related expenses (salaries and benefits)	Million AED	Group	1,583	1,724
Payments to providers of capital	Million AED	Group	2,210	2,572
Payment to government	Million AED	Group	-	-
Community investments	Million AED	Group	443	514
Economic value retained	Million AED	Group	2,898	3,923

Philanthropic Contributions and Business Ethics (GRI 203-1, GRI 205-2)

CATEGORY	UNIT	SCOPE	2021	2022	2023
CSR expense	Million AED	DIB UAE	243	342	549
Number of employees that the organisation’s anti-corruption policies and procedures have been communicated to	No.	DIB UAE	1,831	1,920	2,040
Number of employees who received training on anti-corruption	No.	DIB UAE	28	117	1,999

Customer Relations and Management

CATEGORY	UNIT	SCOPE	2021	2022	2023
Net Promoter Score (NPS)*	Score	DIB UAE	-**	37	45

*Net Promoter Score is the metric measuring the likelihood that customers would recommend a bank for its overall customer relationships, branches, accounts and cards.

**Voice of the Customer” initiative was only launched in 2022.

2023

Data privacy (GRI 418-1)

CATEGORY	UNIT	SCOPE	2021	2022	2023
Complaints received from outside parties and substantiated by the organisation	No.	DIB UAE	4	3	1
Complaints from regulatory bodies*** and substantiated by the organisation	No.	DIB UAE	0	0	0

*** Regulatory body: i.e., Central Bank of the UAE.

Board of Directors (GRI 2-9)

CATEGORY	UNIT	SCOPE	2021	2022	2023
Number of members	No.	DIB UAE	9	8	9
Number of independent members	No.	DIB UAE	5	5	4
Executive members of the Board of Directors	No.	DIB UAE	1	0	0
Non-executive members of the board of Directors	No.	DIB UAE	8	8	9
Female members on the Board	No.	DIB UAE	0	0	1
Directors Code of Conduct	-	DIB UAE	Yes	Yes	Yes

2023 ESG DATA TABLES

Social Performance

All social indicators have been reported for DIB operations in the UAE, including our Headquarters in Dubai, operational offices and branches.

Workforce (GRI 2-7, GRI 405-1)

CATEGORY	EMPLOYEES	UNIT	2022	2023
Senior Management	Male	No.	18	17
	Female	No.	1	1
	<30	No.	0	0
	30-50	No.	6	6
	>50	No.	13	12
Middle Management	Male	No.	851	940
	Female	No.	167	218
	<30	No.	10	15
	30-50	No.	790	917
	>50	No.	218	226
Non-management	Male	No.	357	338
	Female	No.	527	526
	<30	No.	262	304
	30-50	No.	557	496
	>50	No.	65	64
Employees Total (excluding trainees, students and outsourced staff)	Male	No.	1225	1295
	Female	No.	695	745
	<30	No.	272	319
	30-50	No.	1353	1419
	>50	No.	295	302

Employees on a temporary contract (GRI 2-7)

CATEGORY	TYPE OF WORK	UNIT	2021	2022	2023
Contractual employees	Total	No.	-	-	-

Workers who are not employees (GRI 2-8)

CATEGORY	TYPE OF WORK	UNIT	2022	2023
Workers who are not employees	Temporary	No.	1266	268

People of determination

CATEGORY	EMPLOYEES	UNIT	2021	2022	2023
People of Determination (PoD)	as a % of the total workforce	%	0.54	0.94	0.64

Emiratisation

CATEGORY	EMPLOYEES	UNIT	2021	2022	2023
Emiratisation	% of Emirati Employees	%	45	45	44

Details of performance & career development reviews (GRI 404-3)

CATEGORY	EMPLOYEES	UNIT	2021	2022	2023
Senior Management	Male	No.	1	1	4
	Female	No.	-	-	-
Middle Management	Male	No.	32	32	36
	Female	No.	24	24	16
Non-management	Male	No.	12	12	3
	Female	No.	33	33	12

New employee hires (GRI 401-1)

CATEGORY	EMPLOYEES	UNIT	2021	2022	2023
Employees	Total	No.	72	317	290

CATEGORY	EMPLOYEES	UNIT	2022	2023
Gender - Employees	Male	No.	155	164
	Female	No.	162	126
<30	Male	No.	29	36
	Female	No.	113	86
30-50	Male	No.	117	123
	Female	No.	49	40
>50	Male	No.	9	5
	Female	No.	0	0

Employee Turnover Rate - Gender (GRI 401-1)

CATEGORY	EMPLOYEES	UNIT	2021	2022	2023
Employees	Total	No.	168	232	178
	-	%	9	12	9

Employee Turnover - Age (GRI 401-1)

CATEGORY	EMPLOYEES	UNIT	2022	2023
<30	Male	No.	18	17
	Female	No.	62	41
30-50	Male	No.	82	65
	Female	No.	43	33
>50	Male	No.	26	20
	Female	No.	1	2

Employee Training (GRI 404-1)

CATEGORY	UNIT	2021	2022	2023
Senior Management	Total hours of training	1,885	546	317
Middle Management	Total hours of training	30,570	26,100	31,801
Non-management	Total hours of training	37,397	28,566	38,948
Total no. of Males	Avg. hours of training per employee	28.7	22.4	26.7
Total no. of Females	Avg. hours of training per employee	55.7	40	48

Parental Leave (permanent employees) (GRI 401-3)

CATEGORY	UNIT	2022		2023	
		MALE	FEMALE	MALE	FEMALE
Employees entitled to parental leave	No.	1,083	371	1196	434
Employees that took parental leave	No.	49	39	45	37
Employees that returned to work in the reporting period after parental leave ended	No.	49	39	45	37
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	No.	45	37	43	36
Rate of return to work that took parental leaves	%	100	100	100	100
The retention rate of employees that took parental leave	%	92	95	96	97

Benefits provided to permanent employees (GRI 401-2)

CATEGORY	UNIT	RESPONSE
DAY CARE FACILITIES	Yes/No	Yes
Health insurance	Yes/No	Yes
Disability	Yes/No	Yes
Parental leave (maternity leave or paternity leave)	Yes/No	Yes

Minimum notice period regarding operational changes (GRI 402-1)

CATEGORY	UNIT	2023
Minimum number of weeks notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	No.	4

Proportion of spending on local suppliers (GRI 204-1)

CATEGORY	UNIT	2021	2022	2023
Total no. of suppliers	Nos.	1,728	1,456	1678
Total procurement spend	Million AED	903	964	1,157
Procurement spend on locally-based suppliers	Percentage of total	93	92	93

2023 ESG DATA TABLES

Environmental Performance

Energy consumption (GRI 302-1)

CATEGORY	UNIT	2021 SCOPE	2021	2022 SCOPE	2022	2023 SCOPE	2023
Total Petrol Consumption	Litres	DIB UAE	74,160	DIB UAE	96,980	DIB UAE	75,070
Total Diesel Consumption	Litres	DIB UAE	16,890	DIB UAE	17,400	DIB UAE	8,500
Total Electricity Consumption (from non-renewable sources)*	kWh	DIB Dubai	6,681,584	DIB UAE**	14,233,837	DIB UAE**	19,210,335
Energy from Total Fuel Consumption	GJ	DIB UAE	3,235	DIB UAE	4,056	DIB UAE	2,942
Energy from Total Electricity Consumption*	GJ	DIB Dubai	24,053.7	DIB UAE	51,241.7	DIB UAE	69,157

GHG emissions (GRI 305-1,GRI 305-2, GRI 305-3, GRI 305-4)

CATEGORY	UNIT	2021 SCOPE	2021	2022 SCOPE	2022	2023 SCOPE	2023
Scope 1	tCO2e	DIB UAE	227.3	DIB UAE	284.4	DIB UAE	228.43
Scope 2	tCO2e	DIB Dubai***	2,845	DIB UAE*	5,751.8	DIB UAE	7,762.90
Scope 3**	tCO2e	DIB UAE	20	DIB UAE	61.30	DIB UAE	78.62
Total GHG emissions	tCO2e	DIB UAE	3,092.4	DIB UAE	6,036.2	DIB UAE	8,070
GHG emission intensity	tCO2e/revenue in Million AED	DIB UAE	1.69	DIB UAE	3.14	DIB UAE	3.96

Definitions: DIB UAE refers to buildings, offices and branches within our operational control in the UAE. DIB Dubai covers the emirate of Dubai only.

Scope 1*: Petrol and diesel consumption, which are major contributors for our Scope 1 emissions, have increased as employees travel more for business with Covid-19 restrictions removed. CO₂, CH₄ and N₂O emissions were considered in the calculation of Scope 1 emissions.

Scope 1 emissions were calculated using conversion factors published in the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventory.

Scope 2**: Covers total electricity consumption which includes buildings within our operational control in the UAE. This includes over 85% data coverage across all branches and offices in the UAE. CO₂ emissions were considered in the calculation of Scope 2 emissions.

In the absence of the availability of latest emission factors for other emirates, Scope 2 emissions were calculated using the emission factor provided by Dubai Electricity & Water Authority (DEWA) in their Sustainability report 2022.

Data pertaining to electricity consumption was collated based on the municipal bills from respective utility providers. We used the location-based method which uses grid average emission factors to report.

Scope 3***: Only includes air travel for DIB UAE, this has increased as more of our employees are travelling after Covid-19. It was calculated using Greenhouse Gas Protocol Technical Guidance for Calculating Scope 3 Emissions.

****Scopes 1 and 3 cover DIB UAE in 2021, but Scope 2 only covers emissions in the emirate of Dubai (DIB Dubai).



Water management (GRI 303-5)

CATEGORY	UNIT	2021 SCOPE	2021	2022 SCOPE	2022	2023 SCOPE	2023
Water consumption (municipal)	kL	DIB HQ	5,044	DIB UAE	21,384	DIB UAE Monthly bill generated through Utility portals	27,524.52
Water consumption (third party supplier-drinking water)	kL	DIB UAE	1,163	DIB UAE	1,185	Selected locations in the UAE	1,306.39

Waste management (GRI 306-3,GRI-306-4, GRI 306-5)

CATEGORY	UNIT	2021 SCOPE	2021	2022 SCOPE	2022	2023 SCOPE	2023
Total waste generated	Tonnes	DIB UAE	399.94	DIB UAE	379.8	Selected locations in the UAE	558.58
Total waste recycled*	Tonnes	DIB UAE	2.22	DIB UAE	3.7		19.62
Total waste sent to landfill	Tonnes	DIB UAE	397.72	DIB UAE	376.1		538.96

*Waste is recycled at 4 of our office buildings within the UAE. We only recycle paper at these offices, with 100% of paper waste recycled.

2023 ESG DATA TABLES

GRI Content Index

GRI 1 used	GRI 1: Foundation 2021	
Statement of use	Dubai Islamic Bank has reported the information cited in this GRI content index for the period [1st January 2023 to 31st December 2023] with reference to the GRI Standards.	
GRI STANDARD	DISCLOSURES	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	About DIB
	2-2 Entities included in the organisation 's sustainability reporting	About DIB
	2-3 Reporting period, frequency, and contact point	About this report
	2-4 Restatements of information	There is no restatement of information
	2-5 External assurance	Limited External Assurance Statement Report is available at the end of report.
	2-6 Activities, value chain and other business relationships	About DIB
	2-7 Employees	Appendix- ESG Data Tables- Workforce
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	Appendix- Data Tables- Workforce
	2-9 Governance structure and composition	Governance section & Data Tables
	2-10 Nomination and selection of the highest governance body	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-11 Chair of the highest governance body	Governance section
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance section
	2-13 Delegation of responsibility for managing impacts	Governance Section
	2-14 Role of the highest governance body in sustainability reporting	Governance Section



	2-15 Conflicts of interest	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-16 Communication of critical concerns	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-18 Evaluation of the performance of the highest governance body	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-19 Remuneration policies	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-20 Process to determine remuneration	Code of Corporate Governance https://www.dib.ae/docs/default-source/disclosures/code-of-corporate-governance.pdf?sfvrsn=62b61861_16
	2-21 Annual total compensation ratio	This is confidential information as per our internal policies
	2-22 Statement on sustainable development strategy	Chairman & GCEO Messages
	2-23 Policy commitments	Upholding the Code of Conduct
	2-24 Embedding policy commitments	Drive Transparency and Disclosure
	2-27 Compliance with laws and regulations	Drive Transparency and Disclosure
	2-28 Membership associations	Membership of association
	2-29 Approach to stakeholder engagement	Why Sustainability Matters to Us & Stakeholder Engagement
	2-30 Collective bargaining agreements	Collective bargaining is prohibited as per UAE law and therefore not reported for DIB
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality
	3-2 List of material topics	Materiality
	3-3 Management of material topics	Our Performance

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Appendix- Data Tables- Economic Performance
	201-3 Defined benefit plan obligations and other retirement plans	Appendix- Data Tables- Benefits provided to permanent employees
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Emiratisation
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Focus On: Community Well-being and UN SDGs
	203-2 Significant indirect economic impacts	Focus On: Community Well-being and UN SDGs
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Appendix- Data Tables- Suppliers & Procurement Spend
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance Management at DIB
GRI 207: Tax 2019	207-1 Approach to tax	Tax Transparency
	207-2 Tax governance, control, and risk management	Tax Transparency
	207-3 Stakeholder engagement and management of concerns related to tax	Tax Transparency
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy Appendix- Data Tables- Energy consumption
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water
	303-5 Water consumption	Appendix- Data Tables- Water Management
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Appendix- Data Tables- GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Appendix- Data Tables- GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions	Appendix- Data Tables- GHG emissions
	305-4 GHG emissions intensity	Appendix- Data Tables- GHG emissions

GRI 306: Waste 2020	306-3 Waste generated	Appendix- Data Tables- Waste Management
	306-4 Waste diverted from disposal	Appendix- Data Tables- Waste Management
	306-5 Waste directed to disposal	Appendix- Data Tables- Waste Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix- Data Tables- New employee hires, Employee Turnover Rate - Gender and Age
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix- Data Tables- Benefits provided to permanent employees
	401-3 Parental leave	Appendix- Data Tables- Parental leave (permanent employees)
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Appendix- Data Tables- Minimum notice period regarding operational changes
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Appendix- Data Tables- Employee Training
	404-2 Programs for upgrading employee skills and transition assistance programs	Appendix- Data Tables- Employee Training
	404-3 Percentage of employees receiving regular performance and career development reviews	Appendix- Data Tables- Details of performance & career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Embrace Diversity and Inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Financial Literacy Campaign
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Tables - Data Privacy



2023 ESG DATA TABLES

SASB Content Index

The scope of data covered in the table below covers our business in DIB UAE only and reported for the period 1 January to 31 December 2023, unless stated otherwise.

COMMERCIAL BANKING	Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	Data Security and Privacy has been identified as one of our key material topics and discussed in the report under the Materiality section
	Financial Inclusion & Capacity Building	(2) amount of loans outstanding qualified to programs designed to promote small business and community development ²	Quantitative	FN-CB-240a.1	(2)Employment Generation* AED 2,641 (AED million) as of 31 August 2023 Please refer to our sustainable finance report available on DIB website for more information
		Number of participants in financial literacy initiatives for unbanked, underbanked, or under-served customers	Quantitative	FN-CB-240a.4	1,200 students in 2023. (4,000 students since the inception of program.) Please refer to Financial Literacy Campaign section in report for more detail
	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	Refer to the section, Focus on: ESG in Risk and Credit under the priority area Embed Sustainability in Decision-making



COMMERCIAL BANKING	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	FN-CB-510a.1	In 2023, DIB did not incur any financial losses from judgments related to the breaches outlined in FN-CB-510a.1
	Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	FN-CB-550a.1	The Central Bank of the United Arab Emirates (CBUAE) has classified Dubai Islamic Bank (DIB) as a Domestic Systemically Important Bank (D-SIB). This means that DIB is subject to additional regulatory requirements and supervision by the CBUAE
		Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	Bank has performed a standalone Climate Risk related Stress testing during 2023 and the results for the same were submitted to the regulator. Bank's long strategy pivots on effective risk management and there is robust framework in place
	Activity Metric	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate ⁶	Quantitative	FN-CB-000.B	The value of financing by segments (consumer & corporate) is reported quarterly in our investor presentation. Please refer to page nos 12 & 13 of the FY2023 Investor Presentation available on the Investor Relation (IR) website (link)



CONSUMER FINANCE	Activity Metric	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account ⁷	Quantitative	FN-CF-000.A	Credit Cards Total # Distinct Customers*** 285,274 Debit Cards Total # Distinct Customers 1,025,805
		Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	FN-CF-000.B	Credit Cards Total Accounts/Cards** in force 418,127 Debit Cards Total Accounts/Cards in force 1,124,265
	Data Security	Description of approach to identifying and addressing data security risks (a) residential and (b) commercial	Discussion and Analysis	FN-CF-230a.3	Data Security and Privacy has been identified as one of our key material topics and discussed in the report under the Materiality section.

* Employment generation refers to Financing and/or refinancing to SMEs and microfinance clients, as well as the provision of support measures to these clients such as offering extension of payment periods during natural disasters and pandemics.

SMEs are defined in line with the UAE Central Bank Circular No. 1/2021 dated 26/02/2021 under Article 1 point a. & b.

**Accounts/Cards in force: At month end level the total # of accounts/Cards in force.

*** Distinct Customers: At month end level the total # of distinct customers in force.

MORTGAGE FINANCE	Activity Metric	(1) Number of mortgages originated residential	Quantitative	FN-MF-000.A	20,884
		(2) Value of mortgages originated residential			AED 21,532,534,903
	Activity Metric	(1) Number of mortgages originated commercial	Quantitative	FN-MF-000.A	160
		(2) Value of mortgages originated commercial			AED 149,277,046

ASSURANCE STATEMENT



ASSURANCE STATEMENT

SGS GULF LTD'S REPORT ON SELECTED KPI'S AND REPORTED WITHIN SUSTAINABILITY ACTIVITIES IN THE DUBAI ISLAMIC BANK PJSC'S '2023 SUSTAINABILITY REPORT' FOR THE REVIEW PERIOD OF 1ST JANUARY 2023 to 31ST DECEMBER 2023.

NATURE OF THE ASSURANCE/VERIFICATION

SGS Gulf LTD (hereinafter referred to as SGS) was commissioned by Dubai Islamic Bank PJSC (hereinafter referred to as 'the Bank', 'the Organisation') to conduct an independent assurance of the organisation's selected KPIs included within the '2023 Sustainability Report' (hereinafter referred to as the 'report').

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Dubai Islamic Bank PJSC's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors and the management of The Dubai Islamic Bank PJSC. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs, and statements within the scope of verification with the intention of informing all the Banks' stakeholders.

ASSURANCE STANDARDS, TYPE, AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the ISAE3000 and ISAE3410.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard		Level of Assurance
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	ISAE3000	Limited
C	ISAE3410	Limited

Assurance has been conducted at a 'limited' level of scrutiny for below mentioned scope of the Bank selected KPIs that are included in the report.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included the evaluation of quality, accuracy, and reliability of specified performance information as detailed below and the evaluation of adherence to the following reporting criteria:

Reporting Criteria	
1	GRI (with reference to)

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN THE SCOPE

KPI	Considered Scope
GHG emissions - Scope 1	UAE
GHG emissions - Scope 2	UAE
GHG emissions - Scope 3 Upstream activity (Business Travel)	UAE
Water Consumption - Municipal - General Use Water from Utility Company	UAE
Water Consumption - Drinking bottled water (5L and 2L water)	Selected Locations in UAE
Waste Generated - Paper waste	Selected Locations in UAE
Waste Generated – General - Plastic (tea cups, cutleries), tissues, food	Selected Locations in UAE
Employee count by gender	UAE
New employee hires by age and gender	UAE
Employee turnover by age and gender	UAE
Average training hours per employee	UAE

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, virtually conducted interviews with relevant employees and management; documentation, and record review. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

ENVIRONMENTAL KPI'S:

- Scope 1 & 2 emissions by source (tCO₂e)
- Scope 3 emissions for Business Travel (Category 6)
- Water Consumption
- Waste Generation

Environmental Data

CO₂ emissions from own operations were verified at a limited level of assurance according to assurance standard ISAE3410 specification with guidance for the validation and verification of Greenhouse Gas assertions, to establish conformance with the requirements of the GRI305 (305-1, 305-2, 305-3) Emissions (2016) Standard WRI/WBCSD based on GHG Protocol – A Corporate Accounting and Reporting Standard ('The WRI/WBCSD GHG Protocol'), within the scope of the verification. The materiality required for the verification was considered by SGS to be below 10%, based on the needs of the intended user. The engagement included verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary and meeting the requirements of the GRI305 (305-1, 305-2, 305-3) Emissions (2016) Standard based on WRI/WBCSD GHG Protocol. The organisational boundary was established following the operational control approach.

- Description of activities: Banking services.
- Location/boundary of the activities: United Arab Emirates only.
- Physical infrastructure, activities, technologies, and processes of the organisation: Bank branches and offices.
- GHG sources, sinks, and/or reservoirs included:
 - Scope 1 – mobile and stationary combustion.
 - Scope 2 – purchased electricity.
- Types of GHGs included: CO₂, N₂O, CH₄ (HFC's, PFC's, SF₆ and NF₃ are excluded).
- Directed actions: none.

SGS concludes with limited assurance that there is no evidence to suggest that the presented CO2 equivalent assertion is not materially correct and is not a fair representation of the CO2 equivalent data and information and is not prepared following the requirements of the WRI/WBCSD GHG Protocol. We planned and performed our work to obtain the information, explanations, and evidence that we considered necessary to provide a limited level of assurance that the CO2 equivalent emissions for the calendar year 2023 are fairly stated. This statement shall be interpreted with the CO2 equivalent assertion of the Dubai Islamic Bank PJSC as a whole.

The Dubai Islamic Bank provided the GHG assertion based on the requirements of the GRI305 (305-1, 305-2, 305-3) Emissions (2016) Standard, based on the WRI/WBCSD GHG Protocol, Corporate Accounting & Reporting Standard.

Verified emissions by scope are as follows:

Scope 1 (Direct): 228.43 tCO2e

Scope 2 – Location based (Indirect): 7,762.90 tCO2e

Scope 3 – Business Travel: 78.62 tCO2e

Other verified environmental KPIs.

Water Consumption (GRI303-5) – 28,830.91 kl

Waste Generated (GRI306-1) – 558.58 t

SOCIAL KPI'S

Submitted select Social KPIs were verified at a limited level of assurance according to assurance standard ISAE3000 for reporting in reference to the requirements of the GRI401-1, GRI404-1 & GRI405-1 within the scope of the verification. The materiality required for the verification was considered by SGS to be below 10%, based on the needs of the intended user.

The assurance comprised a combination of:

- Pre-assurance research
- Remote interview with managers with responsibility for reporting
- Review of documentation and evidence for materiality and stakeholder engagement processes
- Remote interviews with the managers responsible for internal data collection for each KPI
- Document review of management systems, policies, and procedures relevant to reporting the KPIs in scope
- Remote interrogation of and testing of relevant data collection systems and procedures, including interviews with relevant data analysts and data accuracy checking
- Final data verification checks to ensure KPI data is accurate and aligns with expectations.

Verification was conducted upon all KPIs within the verification scope as an evaluation of historical data and information to determine whether the reported KPI data is materially correct and conforms to the criteria described above.

Verified Social KPIs

Employee Count by Gender

Category	Employees	Unit	2023
Gender - Employees	Male	No.	1295
	Female	No.	745

New Employee Hires by Age & Gender

Category	Employees	Unit	2023
Gender - Employees	Male	No.	164
	Female	No.	126
<30	Male	No.	36
	Female	No.	86
30-50	Male	No.	123
	Female	No.	40
>50	Male	No.	5
	Female	No.	0

Employee Turnover by Age & Gender

Category	Employees	Unit	2023
Gender - Employees	Male	No.	102
	Female	No.	76
<30	Male	No.	17
	Female	No.	41
30-50	Male	No.	65
	Female	No.	33
>50	Male	No.	20
	Female	No.	2

Average Hours of Training Per Employee

Participants / Gender		71066
Male	No. of participants	1311
	Hours (Total hours throughout FY 2023)	34978
Female	No. of participants	752
	Hours (Total hours throughout FY 2023)	36088
Average Hours of Training per Employee		34.45

LIMITATIONS AND MITIGATION

The scope of this assurance work is limited to the organisation selected and submitted KPIs.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing, and verification, operating in more than 140 countries and providing services including management systems and service certification; quality,

environmental, social, and ethical auditing, and training; environmental, social, and sustainability report assurance. SGS affirms our independence from the Dubai Islamic Bank PJSC, being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders. The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors of relevant qualifications, experience, and approvals.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

Based on the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

The Dubai Islamic Bank PJSC has taken the voluntary initiative of disclosing sustainability-related performance information and obtaining external independent assurance for selected KPIs. Within the scope of this assurance engagement, the bank has demonstrated adequate policies, processes, procedures, and systems in place to ensure mitigation of risks and better control.

Good Practice

- The Bank has reported on its material issues and the process of establishing materiality.
- The Bank operates an adequate data accounting and reporting process and the emission calculator used was found to be robust enough to provide accurate and consistent results when tested.
- The Bank is seeking to minimise its environmental impact by establishing critical baseline data and continuous information on specific metrics as per identified material issues and prioritized topics.

Opportunities for Improvement

- Consider increasing the number of KPIs that are submitted for assurance and also increasing the proportion of the sustainability report being assured.
- Consider obtaining an external assessment of the stakeholder engagement and materiality assessment process.
- Further integration of sustainability objectives within overarching objectives and performance monitoring would drive continuous improvement.
- Consider widening the scope of disclosure to embed an adequate proportion of the bank's overall operation.

Signed:



For and on behalf of **SGS GULF LTD**

Thalaimalai Rajan Palanichamy, Director – Knowledge Solutions, Arabian Peninsula

Dubai, UAE

22nd January, 2024

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