

As a leading financial institution in the region, the Commercial Bank of Dubai (“CBD” or “the Bank”) is committed to fostering sustainable development through its financing activities. This policy statement outlines the sustainable finance approach the Bank uses as guidance in its daily work and when making business decisions. The policy outlines how CBD is integrating sustainability principles into its advice, investments and financing services, ensuring that the Bank contributes positively to the environment and society. The sustainable finance policy covers all the relevant clients of the Bank, including but not limited to clients in corporate, retail, and institutional banking.

Sustainable Finance Framework

CBD developed its Sustainable Financing Framework (“SFF”) to mobilize funds towards projects that positively contribute to the United Nations Sustainable Development Goals (“UN SDGs”). The SFF defines the eligibility criteria for any future Green, Social, or Sustainability financing instruments issued by the Bank. Eligible green and social project categories covered by the SFF include:

- Green buildings
- Renewable energy
- Clean transportation
- Pollution prevention and control
- Access to education

For each project category, the SFF outlines the technical criteria that must be met for a project to be included in the eligible green and/or social loan portfolio.

Sustainable Finance Products and Approach

At CBD, sustainable finance is recognised as essential for building a resilient and thriving future. As a financial institution, CBD considers sustainable finance as a primary tool to influence and promote sustainability. Therefore, the Bank’s commitment to sustainability is reflected in its strategic objectives and operational practices.

The Bank’s ambition is to have market-leading sustainable finance products that service the demands of its customers, with an emphasis on providing solutions to clients that deepen relationships and support transition needs.

In line with its commitment to back its customers’ ambitions, CBD has established a proactive outreach program to support the sustainable finance needs of its customers, as well as taking a supportive role when receiving demand from customers for sustainable finance products. CBD conducts regular training programs for all employees on ESG, and for relevant employees it provides mandatory sustainable finance trainings.

CBD engages with a wide range of stakeholders, including customers, investors, regulators, and community organizations, to ensure that the Bank’s financing activities align with their expectations and contribute to sustainable development. Stakeholder engagement efforts include:

- Regular consultations with stakeholders to understand their sustainability priorities and concerns.
- Collaborating with industry groups and networks to promote best practices in sustainable finance.
- Participating in sustainability forums and conferences to stay informed about emerging trends and developments.

- Providing transparent reporting on sustainability performance and progress towards ESG targets.

Sustainable Finance Governance

CBD integrates sustainability considerations into its financing activities through a comprehensive approach that includes appropriate due diligence and risk assessment ahead of a transaction, along with monitoring and reporting of sustainable finance upon transaction completion.

Environmental, Social, and Governance (“ESG”) considerations have been integrated into the decision-making process of sustainable finance at CBD. The Bank is committed to engaging all the relevant stakeholders internally and externally as part of its ESG due diligence and risk assessment, which includes analysing potential reputational risk elements.

CBD uses a range of tools and metrics to measure the impact of sustainable financing activities and to ensure that they align with the Bank’s sustainability objectives. Monitoring and reporting efforts include:

- Conducting regular impact assessments to evaluate the environmental and social outcomes of financing activities.
- Publishing annual sustainability reports, including a green bond report, to provide detailed information on performance and progress towards ESG goals.
- Engaging with external auditors and reviewers to ensure the accuracy and reliability of sustainability data.
- Using feedback from stakeholders to continuously improve sustainable finance practices and initiatives.
- Reporting on sustainable financing to the Bank’s ESG Council, Assets & Liabilities Committee, Risk Management Committee, Board Risk & Compliance Committee, and Board Strategy Committee.