



# SUSTAINABILITY REPORT 2020



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## A Message from the Chairman



Since our inception in 1967, Mashreq has been committed to the progress of the United Arab Emirates. Over the past five decades, we expanded our presence across multiple continents. But it is important to recognise that the past year has been like no other. The widespread lockdown had far reaching implications on the regional and global economy, on the people who live here, and on businesses – large and small.

At the same time, the change in climate – environmental and economic – demands our utmost attention, priority, and collaboration. We must work together – as one global community – to make this world a better place. It will require coordinated action, and this report outlines our commitment as Mashreq to address key Environmental, Social, and Governance (ESG) areas where our contribution can have a meaningful impact.

### Sustainability is a global priority

It is encouraging to see increased awareness and commitment amongst global businesses towards the need for a sustainable future. Far beyond the growth of businesses, success will be best measured by the impact of our collective efforts – a commitment to reversing the trajectory of climate change, enhancing the quality of education, and investing in the health and wellbeing of our people.

### Growing awareness in the UAE

It has been encouraging to see the dialogue around ESG develop, especially in a region where fossil fuels have been so important in our history. Both the business community and individual citizens have joined together to strive for a more sustainable future, guided by the inspirational leaders of the UAE.

### The role of Mashreq

We are focussed on enhancing the communities and improving the societies in which we operate. As a bank founded on the principles of social responsibility, integrity and transparency; adopting strong environmental, social and governance practices across the organisation is a key priority.

The entire Mashreq family joins me in our unwavering commitment towards a responsible and sustainable future.

**Thank you,**

**H.E. Abdul Aziz Abdulla Al Ghurair**

**Chairman**

## A Message from the CEO



The change around the globe underscores the crucial juncture we are at with regards to the planet. As responsible corporate citizens, we have a duty towards the future generations that will follow us, to leave them a better place to grow and rise.

This inaugural Mashreq ESG report highlights our performance on the key indicators of Environmental, Social, and Governance-related activities, policies, and processes between 2018 and 2020, in the UAE.

We have a strong history of governance and social commitment, delivered through targeted and well-crafted policies, processes, and operations. And we are increasingly building a coordinated and meaningful approach to environmental sustainability, with the consistent support of all our stakeholders.

Their leadership has been invaluable, and I thank them for their direction and guidance.

### Financial inclusion

As a leading bank in the region, the financial inclusion of our customers, and the socioeconomic development of our community is our primary responsibility. The pandemic caused issues for many of our customers, and we took care to ensure we supported them with payment holidays to help them focus on recovery instead of the financial burden.

### Enhanced customer engagement

The past year changed the way we engage with our clients, driving us to deliver easy access to services digitally, with an enhanced customer experience. We ensured the highest levels of transparency for our customers and helped people who had never banked digitally to shift online. For our corporate customers, we brought together industry leaders to a series of think tanks, forums, and webinars, to facilitate knowledge-sharing and provide support in what was a tough year for all.

### Employee and community efforts

People have always been at the centre of everything we do at Mashreq. Whether it is the rich talent within the bank or the community we operate in, we have a responsible role to play. We have invested heavily in the training and development of the Mashreq talent pool, and regularly benchmark these efforts against industry best practice.

In the communities in which we operate, we take part in volunteering opportunities and efforts that support gender equality, inspire the younger generation, and people of determination, and support health and wellbeing. Wherever possible, we have formed partnerships and collaborated with others for greater depth of impact.

### Stepping into the future

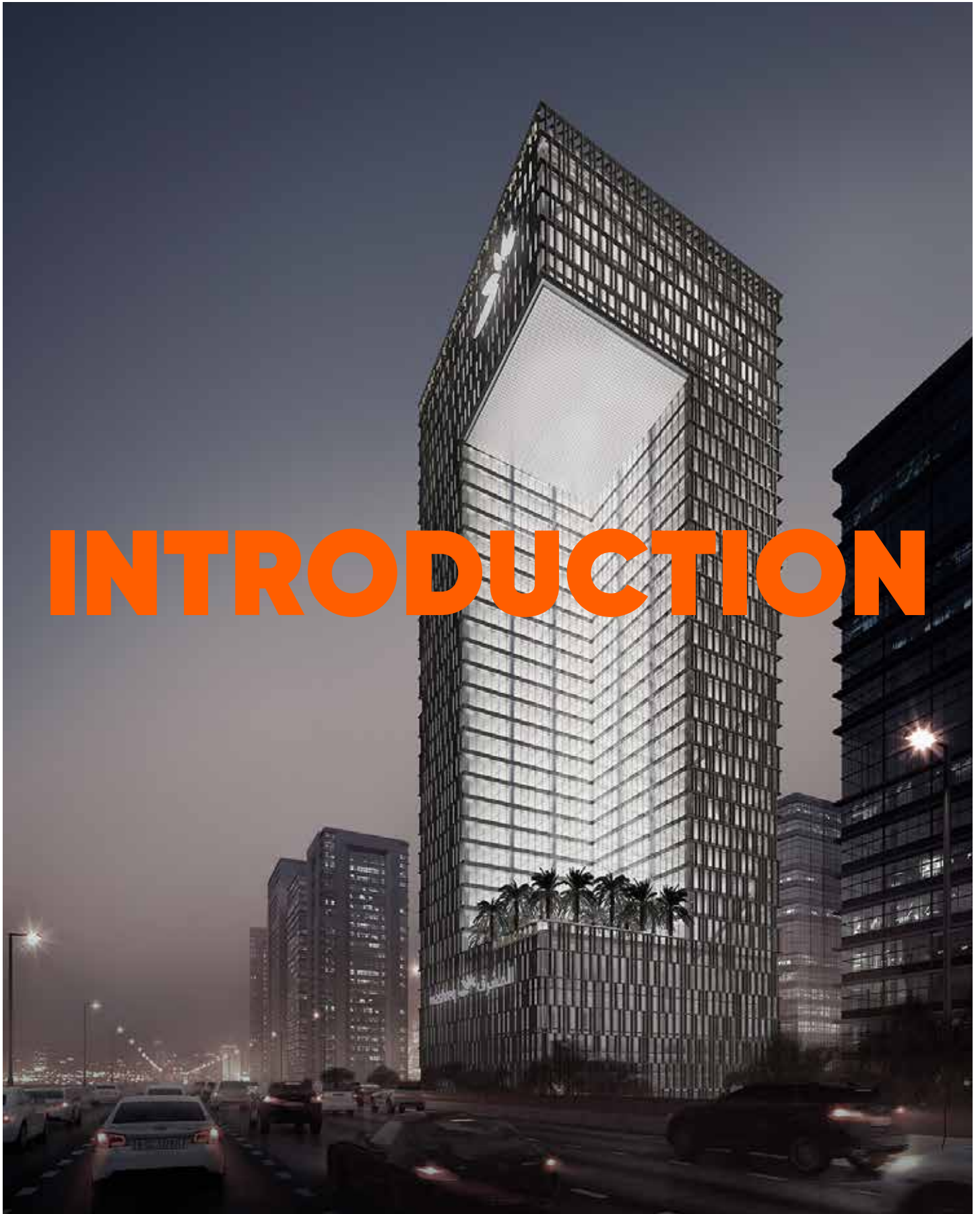
The first Mashreq ESG report is a written pledge that underscores our commitment, responsibility, and reliability as a business. However, it also highlights our increasing motivation towards greater socioeconomic, environmental, and governance-related stewardship to create sustainable change for long-lasting impact in the future.

Thank you,

**Ahmed Abdelaal**

Group CEO

## 1. Introduction



## 1. Introduction | About Mashreq

Founded in 1967 by the Al Ghurair Group, one of the leading business families in the region, Mashreqbank PSC is the oldest privately owned bank in the United Arab Emirates (UAE). It was listed on the Dubai Financial Market (DFM) upon the creation of the local stock exchange. Combining the pioneering spirit of Dubai with the historical trade banking relationships across the Middle East, it offers a comprehensive suite of banking services, including corporate banking, retail banking, international banking, and treasury & capital markets.

### Mashreq's vision, mission, and values are:

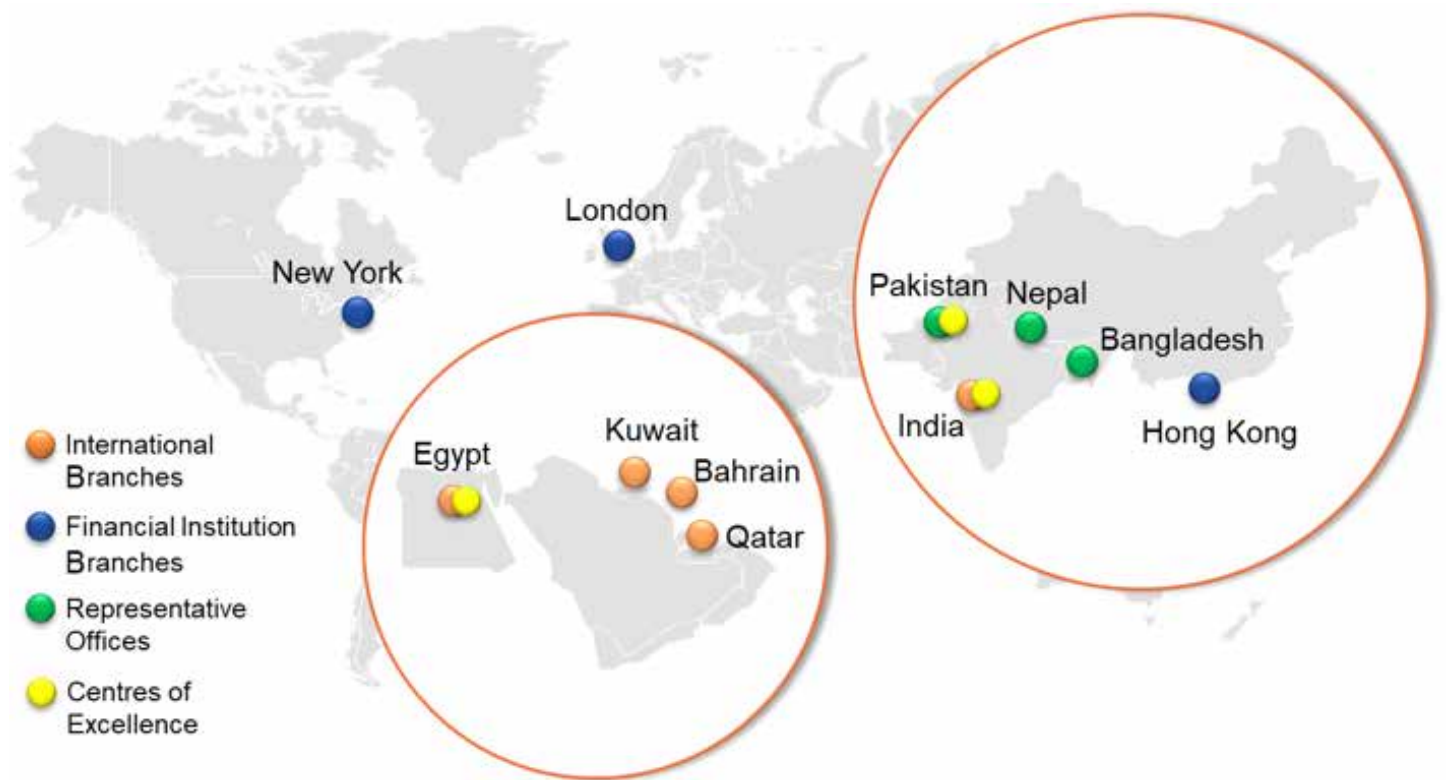
 <b>Vision</b>	To be the region's most progressive bank, enabling innovative possibilities for our clients, colleagues, and communities.
 <b>Mission</b>	<b>We aim to build long-term relationships by:</b> <ul style="list-style-type: none"> <li>• Being the best place to work</li> <li>• Delivering superior client experience</li> <li>• Actively contributing to the community through responsible banking</li> <li>• Leading with innovation</li> <li>• Pursuing opportunities that grow value for shareholders</li> </ul>
 <b>Values</b>	<ul style="list-style-type: none"> <li>• Socially responsible</li> <li>• Passionate about clients</li> <li>• Innovative</li> <li>• Respect for colleagues</li> <li>• Integrity</li> <li>• Transparent</li> </ul>

Mashreq has a stable ownership structure, backed by strong institutional shareholders for whom it has been a flagship business since its inception. Mashreq's shareholders as of 31 December 2020 are:

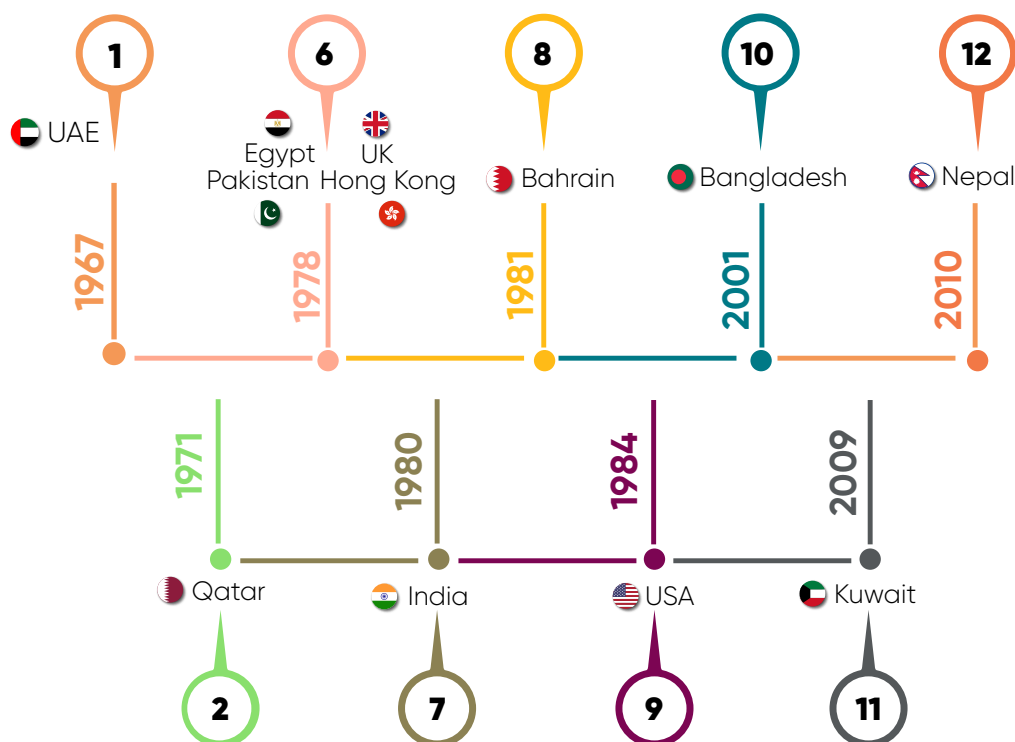


## 1. Introduction | About Mashreq

Over the years, the bank has expanded its global presence, and it now operates in 12 countries across Europe, North America, Africa, and Asia.



The following timeline shows Mashreq's steady growth in the international banking arena, starting in the Middle East and then continuing in Europe and southern and eastern Asia.





## 1. Introduction | About Mashreq

### Credit Ratings

Rating Agency	Long-Term Rating	Short-Term Rating	Outlook
Fitch	A	F1	Stable
Standard & Poor's	A-	A-2	Stable
Moodys	Baa1	P-2	Negative
Capital Intelligence	A	A1	Stable

### 2020 Awards:

<b>Finance Derivative</b>	<ul style="list-style-type: none"> <li>• Best Transactional Bank in the UAE</li> </ul>
<b>EMEA Finance – Middle East Banking Awards</b>	<ul style="list-style-type: none"> <li>• Best Investment Bank</li> <li>• Best Local Investment Bank</li> <li>• Best Loan House</li> </ul>
<b>Bankquality Consumer Survey Awards from the Asian Banker</b>	<ul style="list-style-type: none"> <li>• 5th Most Recommended Bank in the Middle East</li> <li>• Most Recommended Bank in the Middle East for Internet Banking</li> </ul>
<b>Euromoney Cash Management Survey</b>	<ul style="list-style-type: none"> <li>• Market Leader in the UAE</li> </ul>
<b>International Finance Awards</b>	<ul style="list-style-type: none"> <li>• Best Retail Bank in the UAE</li> </ul>
<b>MEA Finance Awards</b>	<ul style="list-style-type: none"> <li>• Best Retail Bank (UAE) in the Financial Services Category</li> <li>• Best Commercial Response in the COVID-19 Responsiveness Special Awards Category</li> <li>• Best Mobile Banking Solution (UAE) in the Technology Category</li> </ul>
<b>GCC Gov HR Awards</b>	<ul style="list-style-type: none"> <li>• Innovation in Employee Engagement in the Private Sector</li> </ul>



## 1. Introduction | About Mashreq



### 2020 Awards:

<b>Global Finance – World's Best Consumer Digital Banks Awards</b>	<ul style="list-style-type: none"> <li>• Best Consumer Digital Bank in the UAE</li> <li>• Best Online Product Offerings in the UAE</li> <li>• Best Online Product Offerings in the Middle East</li> <li>• Most Innovative Digital Bank in the UAE</li> </ul>
<b>Global Finance – World's Best Corporate/Institutional Digital Banks Awards in the Middle East</b>	<ul style="list-style-type: none"> <li>• Best Corporate/Institutional Digital Bank in the UAE</li> <li>• Best Online Portal in the Middle East</li> <li>• Best Online Cash Management Services in the UAE</li> <li>• Best Trade Finance Services</li> <li>• Best Online Portal</li> </ul>
<b>Global Finance – Outstanding Crisis Leadership</b>	<ul style="list-style-type: none"> <li>• Distinguished Crisis Leadership</li> </ul>
<b>Islamic Finance News (IFN)</b>	<ul style="list-style-type: none"> <li>• Real Estate Deal of the Year</li> <li>• Saudi Arabia Deal of the Year</li> </ul>
<b>EMEA Finance – Treasury Services Awards</b>	<ul style="list-style-type: none"> <li>• Best Cash Management Services in the Middle East</li> <li>• Best Factoring Services in the Middle East</li> <li>• Best FX Services in the Middle East</li> <li>• Best Payment Services in the Middle East</li> <li>• Best Treasury Services in the Middle East</li> </ul>
<b>The Banker Investment Banking Awards 2020</b>	<ul style="list-style-type: none"> <li>• Investment Bank of the Year for Syndicated Loans</li> </ul>
<b>Asiamoney Middle East's Best Bank Awards</b>	<ul style="list-style-type: none"> <li>• Best Digital Bank in the Middle East</li> <li>• Best Digital Bank in Dubai</li> </ul>
<b>World Finance</b>	<ul style="list-style-type: none"> <li>• Best Consumer Digital Bank in the UAE</li> <li>• Best Mobile Banking Application 2020 in the UAE</li> </ul>
<b>Euromoney Regional Awards For Excellence</b>	<ul style="list-style-type: none"> <li>• Middle East's Best Digital Bank</li> </ul>
<b>EMEA Finance</b>	<ul style="list-style-type: none"> <li>• Best Structured Finance House in the Middle East</li> <li>• Most Innovative Sukuk Award</li> <li>• Best Structured Finance Deal in Europe: Duferco's US \$ 750 million 5-year Pre-export Advance Facility</li> <li>• Best Structured Finance Deal in the Middle East: Shorouq's Enhanced US \$ 2 billion Pre-export Facility</li> <li>• Best Corporate Sukuk: Arabian Centres Company's US \$ 500 million Debut Sukuk</li> <li>• Best Syndicated Ijara Facility: Arabian Centres Company's US \$ 1.2 billion Asset-backed Dual Currency Ijara Syndicated Facility</li> </ul>

## 1. Introduction | About Mashreq



### 2020 Awards:

<b>EFMI-Capgemini Financial Newtech Challenge 2020 Award By Fintechvisor</b>	<ul style="list-style-type: none"> <li>Bank + Newtech Effective Collaboration – Moengage In Collaboration with Mashreq Neo</li> </ul>
<b>CFI Co: Capital Finance International 2020 Award</b>	<ul style="list-style-type: none"> <li>Best Smart Retail Bank Middle East</li> </ul>
<b>International Banker 2020 Banking Awards, Arranged By Finance Publishing</b>	<ul style="list-style-type: none"> <li>Best Commercial Bank UAE 2020</li> <li>Best Innovation in Retail Banking UAE 2020</li> <li>Best Customer Service Provider Middle East 2020</li> </ul>
<b>2020 Winning Deals – Bonds, Loans &amp; Sukuk Middle East Awards 2020</b>	<ul style="list-style-type: none"> <li>Export Finance Deal of the Year – Emirates Global Aluminium</li> <li>Structured Loan Deal of the Year – National Energy Services Reunited (Nesr)/ NPS Holdings Limited</li> <li>Syndicated Loan Deal of the Year by a Debut Borrower – Alternative Investments LLC/Ittihad International Investment LLC</li> </ul>
<b>Dubai Chamber Of Commerce CSR Label</b>	<ul style="list-style-type: none"> <li>Mashreq is the only UAE Financial Institution to Achieve this Accreditation for Nine Consecutive Years</li> </ul>
<b>Global Finance</b>	<ul style="list-style-type: none"> <li>Best Bank for New Financial Technology in the Middle East</li> </ul>
<b>UAE Ministry Of Human Resources &amp; Emiratization (MOHRE)</b>	<ul style="list-style-type: none"> <li>Emiratization Award in the Category of Large Establishments (1,000+ Employees)</li> <li>Best Emirati in Supervisory Level Across the Country's Private Sector</li> </ul>
<b>Gartner Eye On Innovation Award</b>	

## 1. Introduction | About This Report

Mashreq recognises the increasing importance and necessity of developing and adopting sustainable practices in its business. The bank was founded on values of social responsibility, integrity, and transparency, and it has continued to nurture its philanthropic role in society. This year, Mashreq has formalised this in creating and publishing its first environmental, social, and governance (ESG) report.

This report covers Mashreq's sustainability performance across its environmental, social, and governance-related practices, for the calendar year 2020, in the UAE only. Subsidiaries, partners, and third-party suppliers outside the UAE are not referenced.

All monetary values in this report are shown in UAE dirhams, unless otherwise stated.

External Assurance	Contact Point
<p>Mashreq has opted not to use external assurance for this report and instead followed an internal assurance process in which all internal stakeholders involved reviewed and approved content related to their department.</p>	<p>For any inquiry on this report, kindly contact</p> <p><b><a href="mailto:sustainability@mashreq.com">sustainability@mashreq.com</a></b></p>



## 2. Business Overview



## 2. Business Overview

Mashreq operates as a well-diversified universal bank with a full product and channel suite that meets the ever-varying and evolving needs of its Emirati and expatriate customers.



### Corporate & Investment Banking Group (CIBG)

#### Offers wholesale banking

- Energy, Services & Manufacturing
- Trading
- Contracting Finance
- Real Estate
- NBF/Financial Institutions Globally
- Global Transaction Services
- Corporate Finance
- Islamic Banking products



### Treasury & Capital Markets (TCM)

#### Offers treasury and investment products

- FX and Investments
- Rates & Structured Solutions
- Mashreq Capital
- Islamic Banking Products
- Equity Derivatives & Institutional Sales
- Mashreq Securities
- Investments



### Retail Banking Group (RBG)

#### Offers personal banking

- Personal Banking
- SME
- Mashreq Gold
- Private Banking
- Payments
- Islamic Banking Products
- Distribution
- Alternate Channels
- Direct Sales
- Direct Banking Center
- Mashreq NEO (Digital Banking)



### International Banking Group (IBG)

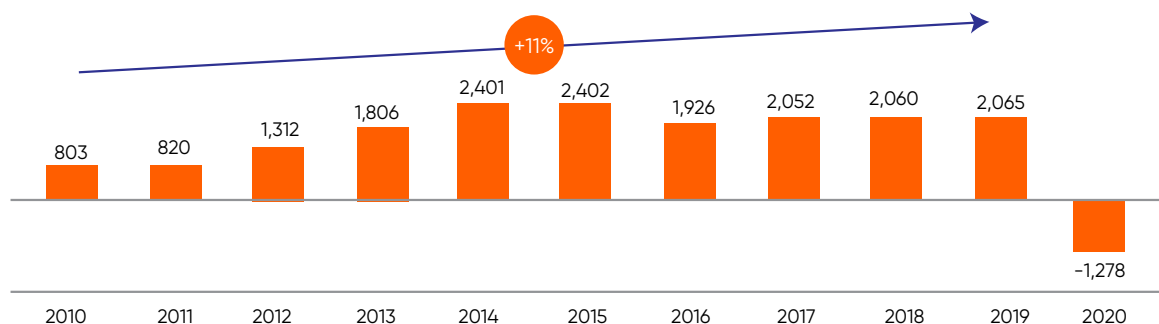
#### Offers banking services outside UAE

- Wholesale and Investment Banking
- Treasury and Investment Products
- Personal Banking
- Islamic Banking Products

## 2.1 Financial Performance

The pandemic and the subsequent global economic and financial crisis caused banking services worldwide, including banks in the Gulf Cooperation Council (GCC) such as Mashreq, to experience business losses.

### Net Profit/Loss (AED million)



However, Mashreq's commitment to serving customer needs meant it could meet the challenges of the pandemic and it continues to take a conservative risk approach in line with prevailing market conditions.

## 2. Business Overview

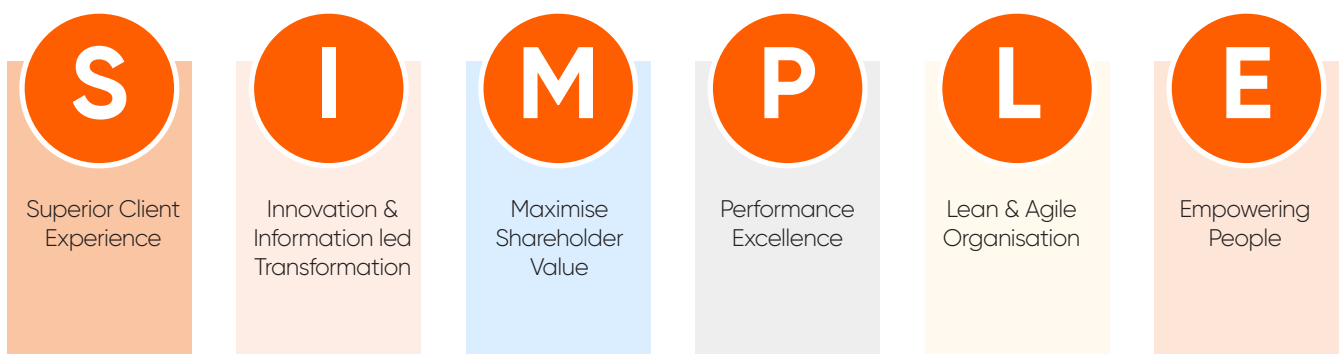
### 2.2 Strategy

Mashreq's business strategy is founded on developing satisfying, empowering, and long-lasting relationships with customers and shareholders. The three key pillars of the bank's strategy are as follows:



Mashreq's strategic priorities are to make banking simple, both by digitisation, but also through the creation of policies, processes, and products that address core customer needs, thereby creating value for all stakeholders.

#### Making Banking





## 2. Business Overview

### Our initiatives for simplification are:








Initiatives	S	Superior Client Experience	<ul style="list-style-type: none"> <li>Be recognized by our customers, competitors, and stakeholders as the best-in-class end to end (E2E) customer experience provider in the sector across the entire region (NPS and IVOC)</li> <li>Increase Straight Through Processing (STP) for all individual customer onboarding, maintenance and transaction processes – Zero Ops</li> <li>Personalize customer experience and ensure customer centric journey digitization</li> </ul>
	I	Innovation & Information led Transformation	<ul style="list-style-type: none"> <li>Use digital technologies to simplify processes, enhance systems and eliminate redundancies</li> <li>Establish appropriate engagement strategies with FinTechs</li> <li>Invest to become a data driven organization, leveraging Artificial Intelligence and Analytics</li> <li>Acquire, engage and transact digitally</li> </ul>
	M	Maximize Shareholder Value	<ul style="list-style-type: none"> <li>Achieve above-market growth in target segments with an aim to increase market share</li> <li>Diversify into new markets/leverage presence to expand business in our target geographies</li> <li>Improve cost discipline and enhance financial returns to our shareholders</li> <li>Pursue deals that enhance RAROC</li> </ul>
	P	Performance Excellence	<ul style="list-style-type: none"> <li>Manage the business in a balanced way across growth and return – take the right level of risk</li> <li>Strengthen the Governance &amp; Control functions and adapt it for Digital age</li> <li>Maintain strong levels of capital to meet the needs of all our stakeholders including regulators</li> <li>Enhance performance and drive efficiencies</li> </ul>
	L	Lean & Agile Organization	<ul style="list-style-type: none"> <li>Promote "One Bank" concept to deliver unified customer experience</li> <li>Drive collaboration by increased adoption of Agile ways of working – Agile 2.0</li> <li>Develop meaningful relationships to participate in beyond banking ecosystem plays</li> <li>Establish strong links with the community and environment we operate in (ESG)</li> </ul>
	E	Empowering People	<ul style="list-style-type: none"> <li>Become the best workplace in the UAE (Employee Engagement) and a top talent house in the banking sector and drive Diversity &amp; Inclusion</li> <li>Promote a customer-centric digital culture supporting creativity and innovation to better serve customers</li> <li>Enhance skills/ reskill and empower our people to drive innovation, deliver new and improved ways of working and be responsive to change</li> <li>Develop Local Talent and groom them for leadership roles</li> </ul>

### 2.3 Mashreq's COVID-19 Strategy

Mashreq rolled out its strong business continuity management framework when the pandemic hit, which had been created aligned with industry best practices, standards and regulatory requirements. The institution also provided relief packages to support individuals and corporate clients. Throughout the year, Mashreq continued to develop various initiatives to support its customers across business segments, including initiatives to help restructure or defer liabilities. In addition to the Zero-Coupon Facility (ZCF) of the UAE Central Bank Targeted Economic Support Scheme (TESS), which was launched in April 2020 as a countermeasure to COVID-19, the bank put its own programme in place to provide relief to those affected by the crisis. Approximately 32,000 customers, who deferred a combined AED 4.3 billion in payments, have benefitted from the schemes offered by Mashreq.

## 2. Business Overview

Mashreq's credit card relief programme, put in place to combat the COVID-19 crisis, includes payment holidays, waived interest fees, cashback rewards, easy payment plans, etc. This can be seen below:

	Customers Benefited
 <b>Payment holiday</b> <b>Payment holiday relief for 2 to 3 months with</b> <ul style="list-style-type: none"> <li>• 100% interest reversal for financially impacted customers &amp; Transactors</li> <li>• 50% interest reversal for Revolvers</li> </ul>	18,573
 <b>50% cashback on loan on card Processing fee</b>	8,700
 <b>6 month Easy Payment Plan for grocery and school fee transaction at no cost</b>	300
 <b>0% APR for new sourcing for 6 months</b>	11,500
 <b>Zero cash withdrawal fee</b>	1,500
 <b>10% Cashback on e-com and supermarket spends</b> <ul style="list-style-type: none"> <li>• Front end professions such as Doctors, Nurses, Paramedics, Law Enforcers, Salesmen, Cashiers, etc.</li> <li>• Mashreq staff</li> </ul>	5,765
 <b>CHILL: Up to 25% cashback on e-com merchants</b>	4,387

### 3. Governance & Compliance



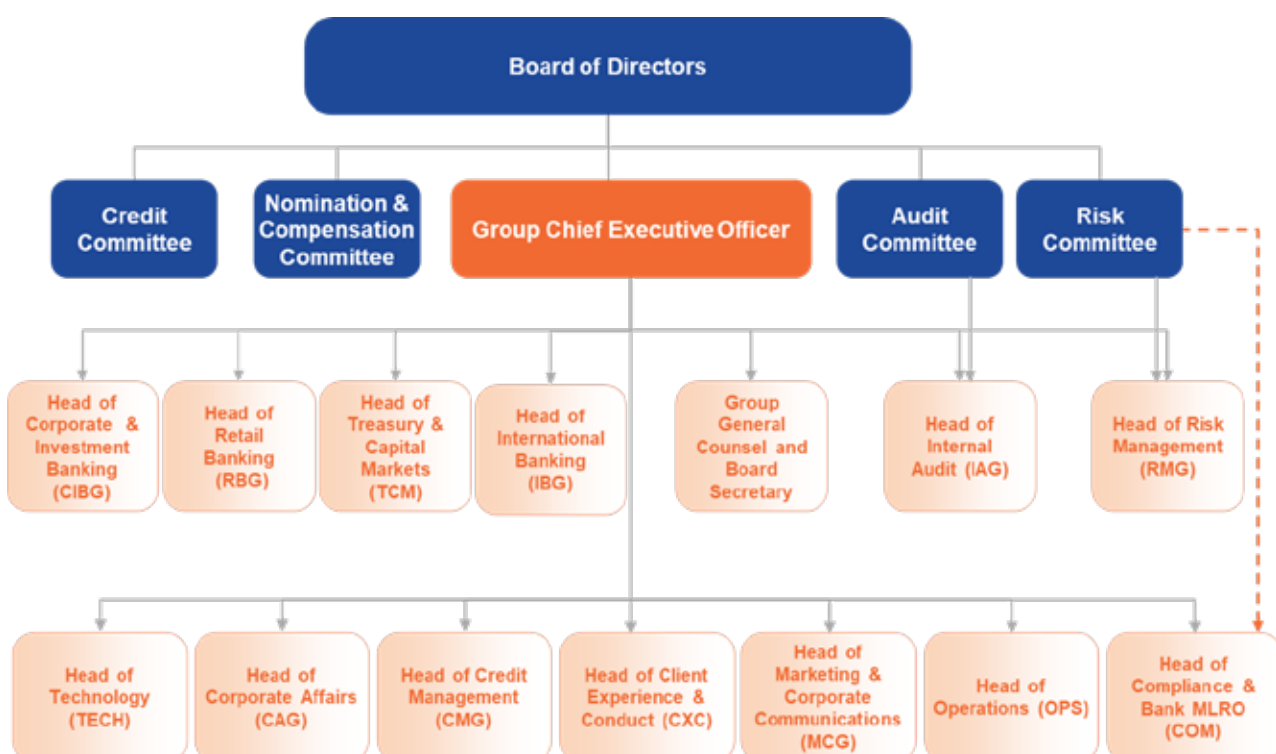


### 3. Governance & Compliance

Corporate governance encompasses the core values of a business, as well as the translation of these values into rules, policies, and processes, and the impacts of these on all internal and external stakeholders. It is the foundation stone for the performance of any enterprise and a highly influential determinant of a company's sustainability. Good corporate governance in the banking sector seeks to maintain and find the equilibrium between securing integrity and ethics, encouraging transparency, and supporting entrepreneurial and innovative ideas. Corporate governance is considered highly important at Mashreq, and we continually aim to ensure that we meet and exceed the highest standards for principled and efficient decision-making.

#### 3.1 Governing Bodies & Committees The Board of Directors

Our corporate governance infrastructure is strengthened by having established roles and giving clear responsibilities to decision-makers at different levels, starting with the Board of Directors. The Board of Directors, which is elected by the shareholders, is responsible for the overall corporate governance of the bank. The responsibility of the Board includes setting the company's strategic ambitions, enabling the leadership to carry out these aims, supervising business management, reporting to shareholders on their stewardship, and protecting the rights and interests of the minority shareholders. The Board's performance is subject to laws, regulations, and shareholder decisions made in general assembly meetings.



### 3. Governance & Compliance

CEO Pay Ratio	Comments
Ratio: CEO total compensation to median FTE total compensation	<b>13:1</b>

The CEO is not permitted to serve as the Board chair. Currently, the bank's Board consists of seven directors, of which all are male. Two directors are independent. All directors, who are highly qualified and experienced professionals with valuable and prudent management capability, are elected by the shareholders for three-year terms. All of them are required to disclose their interests and directorships, as well as their dealings in the shares of the bank, when joining the Board. The Board has a minimum of one meeting in each quarter, and it met six times in 2020. Board members are usually paid annual fees which are fixed for the year. In 2020, however, there were no fees paid in light of the loss incurred by the bank.

The Board is the guiding force for the bank's senior management, and it delegates administrative, financial and operational matters based on appropriate policies and manuals. Circumstances such as experience, performance, track record, and the position of individuals are considered when determining the delegation of authority.

#### Board Committees

There are four Board committees established to assist the Board in executing its various functions. The delegates of these committees and their roles are described in their respective charters, which are reviewed and updated regularly.

Committee	Responsibility
<b>Audit Committee</b>	This committee meets four times a year and reviews the financial reporting process, reviews the quarterly and annual financial reports of the bank, and oversees the activities and effectiveness of the bank's internal and external auditors. It meets with external auditors during the year to provide them with details of audit processes and findings, discuss auditors' management letters and responses, and explain any corrective actions taken. The Audit Committee also meets with the head of Internal Audit to review their charter, organisational structure, and scope of work; it also reviews inspection reports from regulators.
<b>Nomination and Compensation Committee</b>	This committee meets when required and at least once a year. Its main duty is to review and revise, if needed, the reward strategy, annual increments, and bonuses recommended by management.
<b>Risk Committee</b>	This committee assists the Board in overseeing its risk-management-related responsibilities, which include the identification, analysis, assessment, treatment, monitoring, and communication of risks associated with the performance and all practices and processes of the bank.
<b>Credit Committee</b>	This committee meets when required and its main duty is to assist the Board in approving credit above the designated threshold.

### 3. Governance & Compliance

#### Management Committees

Mashreq's Executive Management Committee consists of the CEO and his direct reports, and they meet monthly to address the key topical issues concerning the bank. Executive management is responsible for supervising the operations of the bank. To oversee functions across departments and processes, and for the purpose of delegation of authority to manage the day-to-day affairs of the bank, six management sub-committees have been established. These are:

Committee	Responsibility
<b>Asset and Liability Committee (ALCO)</b>	ALCO meets on a monthly basis and monitors and manages the bank's assets and liabilities, for the purpose of managing liquidity while simultaneously ensuring regulatory compliance and mitigating interest-rate risks.
<b>Compliance Risk Management Committee (CRMC)</b>	CRMC generally meets every other month to assist in fulfilling the oversight required by the bank's senior management, for monitoring of regulatory compliance, including anti-money laundering matters, terrorism finance issues, sanction matters and anti-bribery and corruption considerations (excluding fraud risk).
<b>Information Security Committee (ISC)</b>	ISC meets on a bimonthly basis to review and administer the information security infrastructure of the bank.
<b>Enterprise Risk Committee (ERC)</b>	ERC meets on a quarterly basis and functions as the apex organisation, addressing every aspect of the bank's risk-taking activities and creating risk-management strategies consistent with the bank's risk appetite.
<b>Investment Committee (IC)</b>	IC meets on a quarterly basis to approve the bank's investment in securities. It also reviews the bank's performance on established benchmarks.
<b>Human Resource Committee (HRC)</b>	HRC meets on a quarterly basis to review and recommend HR policies and practices related to remuneration, Emiratisation, learning and development, manpower planning, succession planning, talent management, engagement, and performance management.



### 3. Governance & Compliance

#### Ethics & Policies Code of Conduct

The bank has adopted a written code of conduct and ethics document, which is signed by all employees. It is founded on the bank's core values, as well as the general virtues of fairness, responsibility, and respect. Adherence to this code is monitored closely.

#### Ethics & Policies Compliance Policies

As a financial institution, Mashreq has an enhanced sense of responsibility towards adopting and following good business practices that can benefit its customers and the UAE. The bank does this by observing the following policies:

- Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Policy
- Anti-Bribery & Anti-Corruption (ABC) Policy
- Cash Policy (for management of physical cash at the bank's locations)
- Know Your Customer (KYC) Policy
- Sanctions Policy
- Policy on Contact/Communication with Regulatory Authorities/Agencies

#### Ethics & Policies Insider Trading Policy

No insider of the bank is allowed to trade in Mashreq securities or have rights over Mashreq securities while in the possession of inside information. No insider is permitted to communicate, provide, or allow access to any unpublished price-sensitive information, relating to the bank or securities listed or proposed to be listed, to any person, including other insiders, except where such communication is in furtherance of legitimate purposes for performance of duties or discharge of legal obligation.

### 3. Governance & Compliance

#### **Ethics & Policies** **Information Security Policy**

Information, regardless of its source, is a valuable asset for Mashreq. Its accuracy, availability and confidentiality are vital for confidence in decisions based upon it and good relationships with associates, company representatives, and customers. Given the critical and competitive nature of the business of Mashreq, the protection of its information assets must be commensurate with their business-defined value and risk. Information security is a business risk-management issue. It must be ensured that business information, inclusive of the computing systems utilised, is protected from inappropriate access, disclosure, or modification. Information, as an asset, should be protected just as any other company asset, and, therefore, in order to safeguard its value, Mashreq has mandated information security policies and guidelines to manage how employees and all users of the bank's network receive, store, share, and dispose of information.

#### **Ethics & Policies** **Procurement Policy & Supplier Charter**

The bank, through its procurement practices, endeavours to integrate socially responsible vendors, goods, and services into its supply chain where possible. Goods and services that promote corporate environmental sustainability will be procured whenever practical and cost-effective for the bank. In partnership with stakeholders and in line with the bank's corporate social responsibility efforts, Mashreq also intends to develop standards for the use of environmentally sustainable products, and it will promote the inclusion of these standards into the relevant contracts.

Mashreq also requires its suppliers to be ethical and morally responsible. Its supplier charter expects suppliers to comply with all laws and regulations, both legal and moral; adhere to local health and safety standards; promote diversity and inclusion and discourage discrimination; support and promote environmental protection and responsibility; and contribute to the development and distribution of environmentally friendly technologies.

#### **Ethics & Policies** **Whistle-blowing Policy**

The bank treats all disclosures made by whistle-blowers as strictly confidential and privileged to the greatest extent practicable and to the extent permitted by law, and exercises due care to keep the identity of the whistle-blower confidential. Any whistle-blower may also make an anonymous complaint. In responding to an anonymous complaint, the bank will pay due regard to fairness to any individual named in the complaint, the seriousness of the issue raised, the credibility of the information or allegations in the complaint, and the prospects of an effective investigation and discovery of evidence.

## 3. Governance & Compliance

### Compliance

For compliance, Mashreq follows the 'Three Lines of Defence' model, as explained alongside. Each level has a crucial role to play and should be supported by appropriate policies and role definitions. Control functions operating at the different levels should share knowledge and information in an appropriate way so that all functions can accomplish their roles efficiently.



Also, to achieve high standards of Shari'ah compliance, we have an internal Shari'ah supervision committee that oversees every step of Islamic product development and its related contracts.

### Risk Management

The importance of managing business risks came into the spotlight due to the pandemic, which created a plethora of socio-economic risks and challenges threatening business continuity. At Mashreq, the risk-management function operates independently, but in partnership with all businesses: corporate, retail, international, and treasury. The key attributes of our risk-management differentiators are listed below:

### Key Attributes

Articulation of a pan-bank and overarching Risk Appetite statement to guide business strategy and risk management

Focus on application of technology to risk processes and risk solution to generate greater accuracy and efficiencies

Portfolio management through guidelines for application of differentiated limits by obligor, sector and country

Credit analytics capabilities that enable use of data and analytics credit and business decision making

Best in class cyber risk and fraud management capabilities

Detailed program-based approval system for each retail product, supplemented by application and behavioral scoring models. A strong collection and recovery function supports all retail originations

### 3. Governance & Compliance

#### Auditing

Mashreq's auditing function is bolstered by its Board Audit Committee. Any misuse of authority or acts of negligence are identified and addressed through regular audits and reviews, which are escalated up to this board level, depending on their severity. An important part of audits and their reviews are the reporting lines, which support good governance through segregation of responsibilities and clarity of investigative authority in the following way:



In addition to its internal auditing service, Mashreq has appointed external auditors to ensure that an appropriate governance structure is in place. The bank's shareholders re-appointed PricewaterhouseCoopers (PwC) for this role, in their meeting held on 9 March 2020. During the financial year of the audit mandate, PwC has not provided any non-audit related services which could impair its objectivity and independence.

#### Compensation Practices

Our compensation strategy is a mix between fixed and discretionary variable compensation, based on the principles of pay for performance, competitiveness, and equitability. Our compensation practice aims to support the achievement of our strategic and business objectives by ensuring that our remuneration is consistent and fair, that it promotes effective risk management, and that it is a key driver in motivating employees and promoting superior performance.

On the other hand, our rewards governance framework aims to discourage excessive risk through claw-back mechanisms, encourages ethical selling, rewards employees for embracing Mashreq corporate values, and ensures that the interests of the bank and its customers, shareholders, and employees are aligned. We participate in various benchmarking surveys annually and partner frequently with global consultants to use their expertise in redesigning these practices in line with the best market standards, thereby testing and monitoring the effectiveness of our remuneration policy.



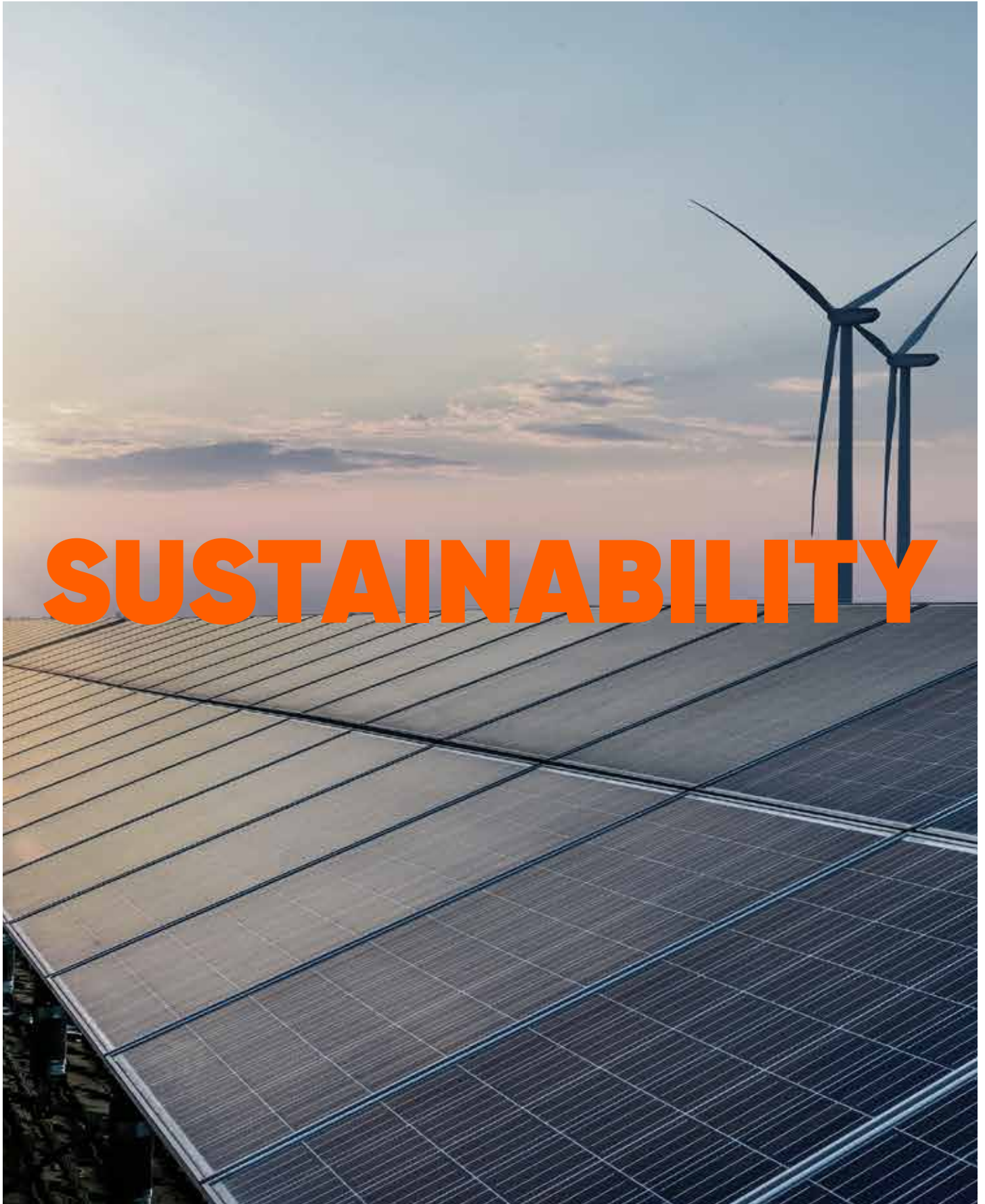
### 3. Governance & Compliance

#### Consequence Management Policy

In the normal course of our operations, accounts may be negatively influenced by different factors, including stressful market conditions, incorrect customer behaviour, poor management, fraudulent behaviour, etc. The relationship managers who identify, book, and manage the facilities on a day-to-day basis are primarily responsible for identifying any early warning signs of stress in the accounts. The credit risk managers, who work as a second line of defence, are responsible for portfolio oversight and share accountability with the relationship managers. Both the Business and Credit Risk teams are collectively expected to be alert to market developments and carry out due diligence when monitoring credit, in order to protect the bank's interests.

The objective of the Consequence Management Policy is to have robust, transparent, and consistent practices for managing the consequences of both deliberate and accidental non-compliance with Mashreq's policies, where non-compliance results in financial and/or reputation loss, and legal and/or regulatory repercussions for the bank. The Fundamental Credit Review team (FCR) is responsible for evaluating incidences of non-compliance and issuing formal investigation reports to the Consequence Management Committee. On receipt of an investigation report, the committee will review and discuss it with relevant stakeholders (Group Heads), then decide on an appropriate response, which depends on the severity and impact of the credit loss. When examining the severity and impact of credit loss, the committee looks at the financial loss to the bank, reputational damage, credit strategy, etc. In determining consequence management actions, it considers the employee's intentions and whether they carried out their responsibilities to the best of their ability. Negligence and oversight resulting in financial loss to the bank results in appropriate consequence management.

## 4. Sustainability



## 4. Sustainability

Mashreq has grown and expanded by virtue of its responsible stewardship of society and the environment. We have always looked to establish, develop, and maintain long-lasting and healthy relationships with the people we impact, including our employees and customers, and to serve our communities and the environment. The bank further understands that to keep these relationships sustainable, we need to meet the needs of our stakeholders, and we can do this through initiatives that are carefully structured, and aligned with the needs of our local community, country, and the global community. With this in mind, we have worked hard to make sure our socially responsible and charitable initiatives are aligned with the objectives of the UAE Vision 2021, as well as the Sustainable Development Goals.

### Alignment with the UAE Vision 2021

The UAE Vision 2021 is an ambition for the institutions of the UAE to progress based on the foundations of quality education, engaged citizenship, spirited entrepreneurship, and a research-driven, innovative, technologically advanced and knowledge-based economy that can drive higher socio-economic statuses and better quality of life for people in the UAE.

UAE Vision Pillar	Specific Component	Alignment
United in Knowledge	Sustainable and Diversified Economy	Providing support to SMEs and entrepreneurs in driving the technological advancement of the UAE
	Knowledge-based and Highly Productive	Building a comprehensive suite of training and upskilling opportunities for employees
United in Responsibility	Cohesive Society and Preserved Identity	Contributing to community development and cohesion

## 4. Sustainability

### Alignment with the Sustainable Development Goals

The 17 Sustainable Development Goals are an interrelated set of global targets to be achieved by all countries together, across the areas of social justice, environmental protection, and good government, in order to rehabilitate our planet and ensure its longevity.

Sustainable Development Goals	Alignment in 2020
	Sponsored meals and welfare support for labourers during Ramadan
	Blood donation drives
	Deep investment in employees' learning and development Services and CSR initiatives for youth education
	Training and learning programmes dedicated to women employees
	Employment opportunities for Emiratis
	Relationships with socially and environmentally responsible suppliers
	Wide network of partners in order to provide financially inclusive services as well as philanthropic initiatives

## 5. Human Resources





## 5. Human Resources

An organisation's employees are a reflection of its values and drivers of its success and growth. Mashreq's rich history of expansion and progress, and its vision of further development, have always been steered and propelled by our valuable human resources. The bank has undertaken various initiatives in order to attract and retain employees, promote diversity and inclusion in the workplace, support employees in their learning and development journey, keep them engaged across hierarchies and departments, nurture their health and wellbeing, and provide them with rewards and recognition.

### Talent Attraction & Retention Mashreq is fortunate to have a stable workforce.

Workforce Overview	2018	2019	2020
Total workforce (excluding trainees, students, and outsourced staff)	3,057	3,076	2,788
Full-time employees	3,047	3,072	2,785
Part-time employees	10	4	3
Workforce by contract type:			
Employees on an indefinite or permanent contract	3,057	3,076	2,788
Employees on a fixed-term or temporary contract	0	0	0
Workforce by job category:			
Senior management employees	48	48	54
Middle management employees	1,029	1,129	1,183
Non-management employees	1,980	1,899	1,551
Workforce by age:			
Employees age 18–30	686	560	400
Employees age 31–50	2,251	2,384	2,237
Employees age 51+	120	132	151

## 5. Human Resources

Workforce by Gender	2018	2019	2020
Number of Male Employee in the Workforce	2,109	2,141	1,935
Percentage of Male Employee in the Workforce	69%	70%	70%
Number of Female Employee in the Workforce	948	935	853
Percentage of Female Employee in the Workforce	31%	30%	30%

### Diversity & Inclusion

Mashreq has a diverse workforce with 60 nationalities. Its workforce diversity encompasses differences in ethnicity, gender, language, age, religion, citizenship, thinking style, experience, physical and mental ability, and education. We believe that the wide array of perspectives that results from such diversity promotes innovation and business success. Managing diversity makes us more creative, flexible, productive, and competitive.

**As a company founded in the UAE by Emiratis, Mashreq is wholeheartedly committed to increasing the number of job opportunities for Emirati citizens. Our ratio of Emirati nationals to non-nationals in the total workforce has increased in the last three years.**

Emirati Nationals in Workforce	2018	2019	2020
Senior management	9%	10%	9%
Total workforce	34%	35%	40%

However, we also have a diverse range of nationalities among our employees.

	2018	2019	2020
Number of nationalities	59	64	60

## 5. Human Resources

**Mashreq is also committed to empowering women and providing them with opportunities to develop and become independent. The number of female employees in senior and middle management roles has been steadily increasing over the last three years.**

<b>Female Representation in Managerial Positions</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Senior management:</b>			
Total employees in senior management positions	48	48	54
Female employees in senior management positions	4	5	6
Percentage of female employees in senior management positions	8%	10%	11%
<b>Middle management:</b>			
Total employees in middle management positions	1,029	1,129	1,183
Female employees in middle management positions	220	248	249
Percentage of female employees in middle management positions	21%	22%	21%

We are focused on gender balance and the empowerment of women. Mashreq aims to attain a 50:50 gender ratio and to double the number of women in senior management roles over a three-year period. To make our workplace more inclusive, we have set up a 'New Mothers' room for female employees and introduced flexible working hours and working-from-home arrangements.

**Better inclusion of People of Determination (PwD) is another focus. We have made our offices PwD friendly and provided flexible working arrangements. Our target is to onboard 50 PwDs at a global level over a three-year period.**

## 5. Human Resources

### Learning & Development

There are several role-based induction programmes for new joiners. These induction programmes are supplemented by on-the-job training programmes and buddy-system programmes to help new joiners settle into their role and become productive quickly. There are a host of development programmes on technical topics (for example, Digital Skills, Credit Certification, Compliance Certification) and non-technical topics (for example, First Time Manager's Development Programme, Mid-level Manager's Development Programme, Emotional Intelligence, etc.) to help employees learn skills and behaviours that will help them succeed in their roles. Separate programmes are conducted for high-performing and high-potential employees (both expatriates and UAE nationals) to help them prepare for their next career role. In addition, employees are provided access to online content repositories such as LinkedIn Learning, Intuition, IBM Digital Nation, and Microsoft Learn to help them acquire new knowledge and skills at their own pace and in their own time.

#### We track and report the KPIs below to evaluate the effectiveness of employee-development activities:



Average training days per employee



Average training spend per employee



Training spend as a percentage of operating expense (OPEX)



Training spend as a percentage of wage bill



Average training effectiveness score



Percentage of International Development Programme (IDP) completion for High-potential Development Programme participants

## 5. Human Resources

Hours invested in training for the years 2018–2020, by various employee groups, are shown in the table below:

Training	2018	2019	2020
<b>Total training hours delivered</b>	<b>43,874</b>	<b>57,790</b>	<b>28,711</b>
Senior management employees	77	188	195
Middle management employees	12,216	15,668	14,310
Non-management employees	31,581	41,934	14,206
Male employees	27,014	28,119	17,605
Female employees	16,860	29,671	11,106
Number of e-learning training hours delivered	16,475	18,442	11,061
Average training hours per employee	37	51	31

	2018	2019	2020
<b>Number of attendees who completed at least one e-learning course</b>	<b>1,144</b>	<b>1,106</b>	<b>884</b>

	Unit	2018	2019	2020
<b>Amount invested in training</b>	AED million	12.21	14.65	17.53



## 5. Human Resources

### Employee Engagement

According to Gallup, Mashreq has world-class engagement levels, and it consistently operates in the top decile of Gallup's global engagement database. Mashreq has been awarded the Gallup award for six consecutive years for being one of the great workplaces in the world. Its focus on wellbeing and happiness has contributed significantly to this. Measurements are continually reviewed and actions are put in place by the Mashreq leadership team. *In 2019, Mashreq moved to a new model of assessing staff engagement, which is why the engagement metric shown for 2019 and 2020 looks different from the 2018 metric.*

Employee Engagement	2018	2019	2020
Employee Engagement	4.38/5	81/100	80/100

### Health & Wellbeing

The importance of our employees' health and wellbeing was highlighted by the pandemic. It also raised complications and concerns regarding physical, mental, and emotional safety. Mashreq recognises that there is no single reliable measure of the health and safety of individuals. What is required is a 'basket' of measures or a 'balanced scorecard', which can provide information on a range of health and safety activities.

**The health and safety management system at Mashreq is as below:**



## 5. Human Resources

**During the COVID-19 pandemic, we supported our employees by putting the following safeguards in place:**



Preventive and reactive sanitisation of premises



Installation of thermographic cameras to monitor building attendees' body temperature during the peak of the pandemic



Social distancing and capacity management for closed areas, mask-wearing monitoring by the security team



Antibacterial packs, face masks, and sanitisers provided to the employees



Technology enablement for remote working



Return-to-office handbook with safety guidelines



Internal communication and updates on regulations issued by the government regarding COVID-19



WorkForce Vaccination Drive arranged for all employees and their families in the office /on bank premises



Continuous care for positive and first-contact cases

## Benefits & Recognition

We have one of the strongest benefits packages within our peer group. Benefits include an education allowance, club membership allowance, medical insurance, life insurance, accident insurance, pension, gratuity, airfare allowance, house rent advance, preferential interest rates on loans, and free credit card memberships. Our leave benefits include Hajj leave, 60 days of maternity leave for female employees, a daily one-hour nursing break for employees with a child 18 months or younger, and five days of parental leave for all male and female employees. We also have an option for employees to gift up to five days of leave to their colleagues from their privilege leave entitlement.

## 5. Human Resources

Details on parental leave are shown in the table below:

Parental Leave	2018	2019	2020
Number of female employees that took parental leave	59	48	33
Female employees who returned to work after maternity leave (%)	100%	100%	100%
Number of female employees who returned from parental leave and were still employed twelve months after returning to work (retention)	39	36	21
Retention rate (%)	66%	75%	64%

We have some recognition schemes, with monetary awards, which can be used by managers at any time. The schemes recognise and reward team members who make outstanding achievements and contributions, or for a display of exemplary effort.

We also have two recognition clubs where employees can be nominated to become members and get recognised and awarded based on their annual performance appraisal:

### CEO's Club:

Top performers can be nominated to become a member based on their exemplary performance and contribution to the unit and the bank during the year

### Al Safwa Club:

Employees can be nominated to become a member when they have embodied and displayed Mashreq corporate values by virtue of their exemplary behaviour

Employees who become a member of both clubs are recognised by getting a thank-you letter from the CEO, special trophies and certificates, special learning and development opportunities, and enhanced collaboration opportunities with senior management.

## 6. Products & Customers



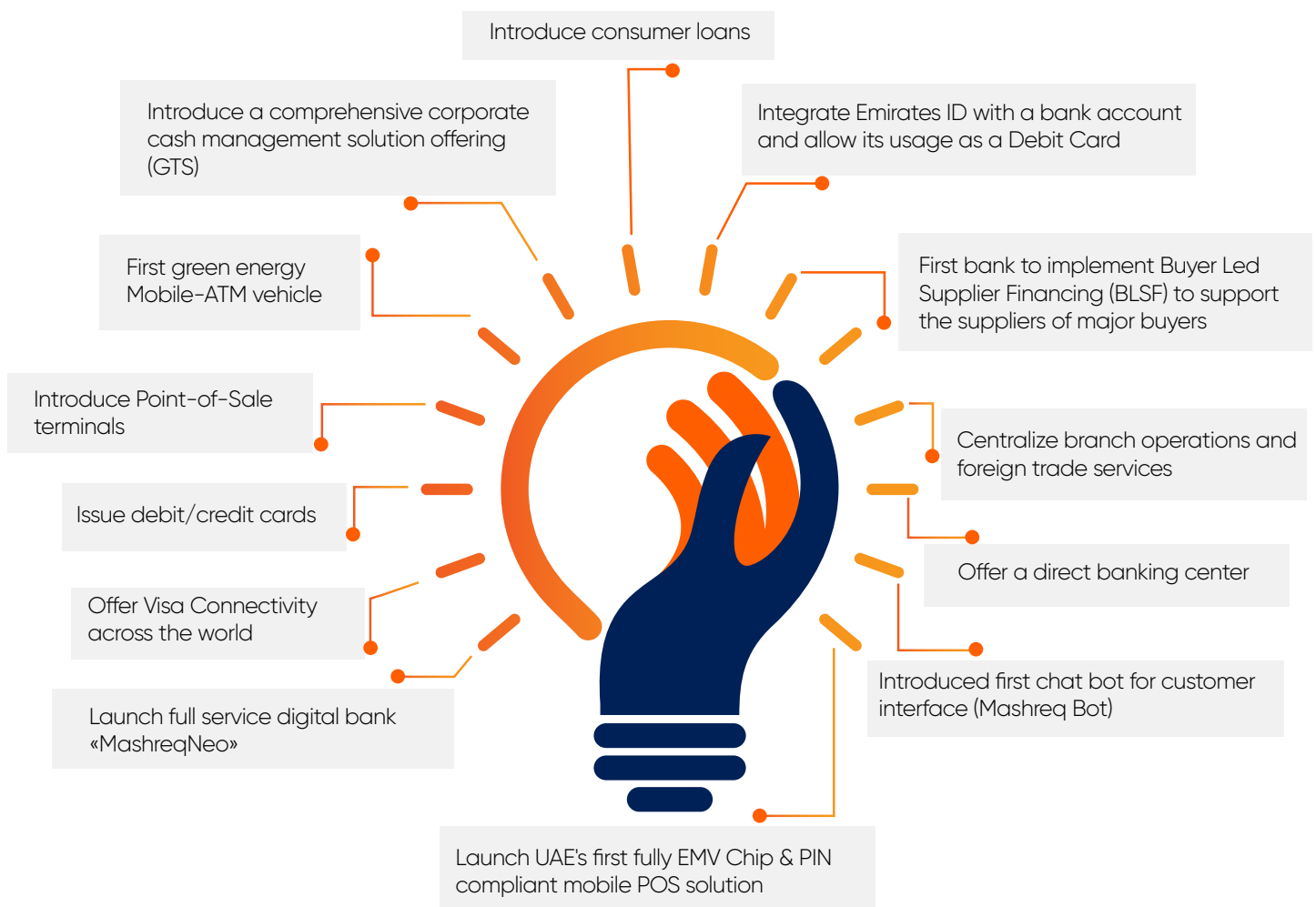
## 6. Products & Customers

### Products & Customers

From its inception, Mashreq has pioneered the development of customer-centric, innovative and socially relevant products and services, including foreign trade services, direct banking, and comprehensive mortgage products. The bank has consolidated its market leadership by being the first UAE bank to install ATM cash dispensers, the first to issue debit and credit cards, and the first to introduce consumer loans – all driven by insights from our customers about what would make their lives easier.

### Mashreq's innovation history:

#### Mashreq was the first bank in the UAE to:

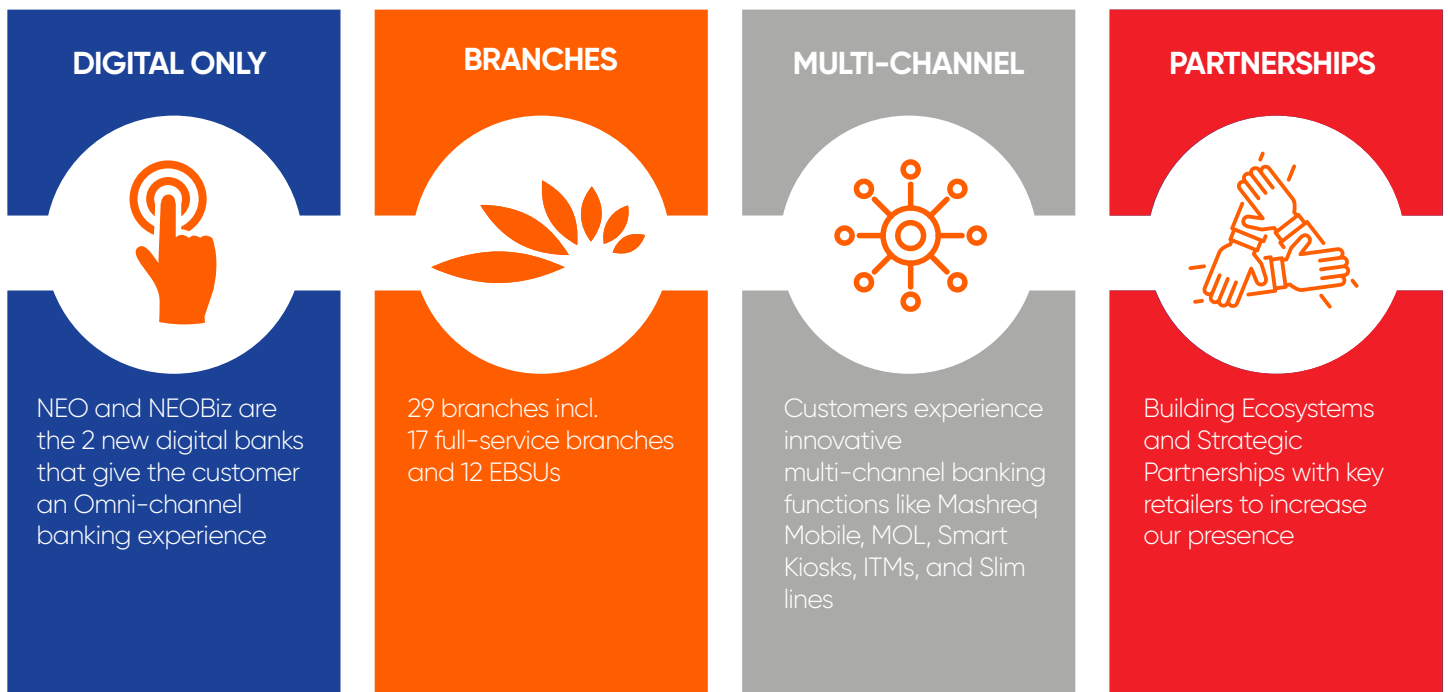




## 6. Products & Customers

At the core of these product and service developments is an unwavering commitment towards customer-centricity. Mashreq values the needs and requirements of customers, especially in a world that's becoming more and more digital. Whether customers require more investment in transforming ideas into solutions or the power of digitalisation to provide a seamless banking experience, the bank is prepared and enthusiastic to develop and deliver products and services that are of value to its customers, enriching their lives. Through Mashreq's digital-first approach, customers can benefit from a banking experience that is convenient, tailored to their needs, and meets their evolving demands.

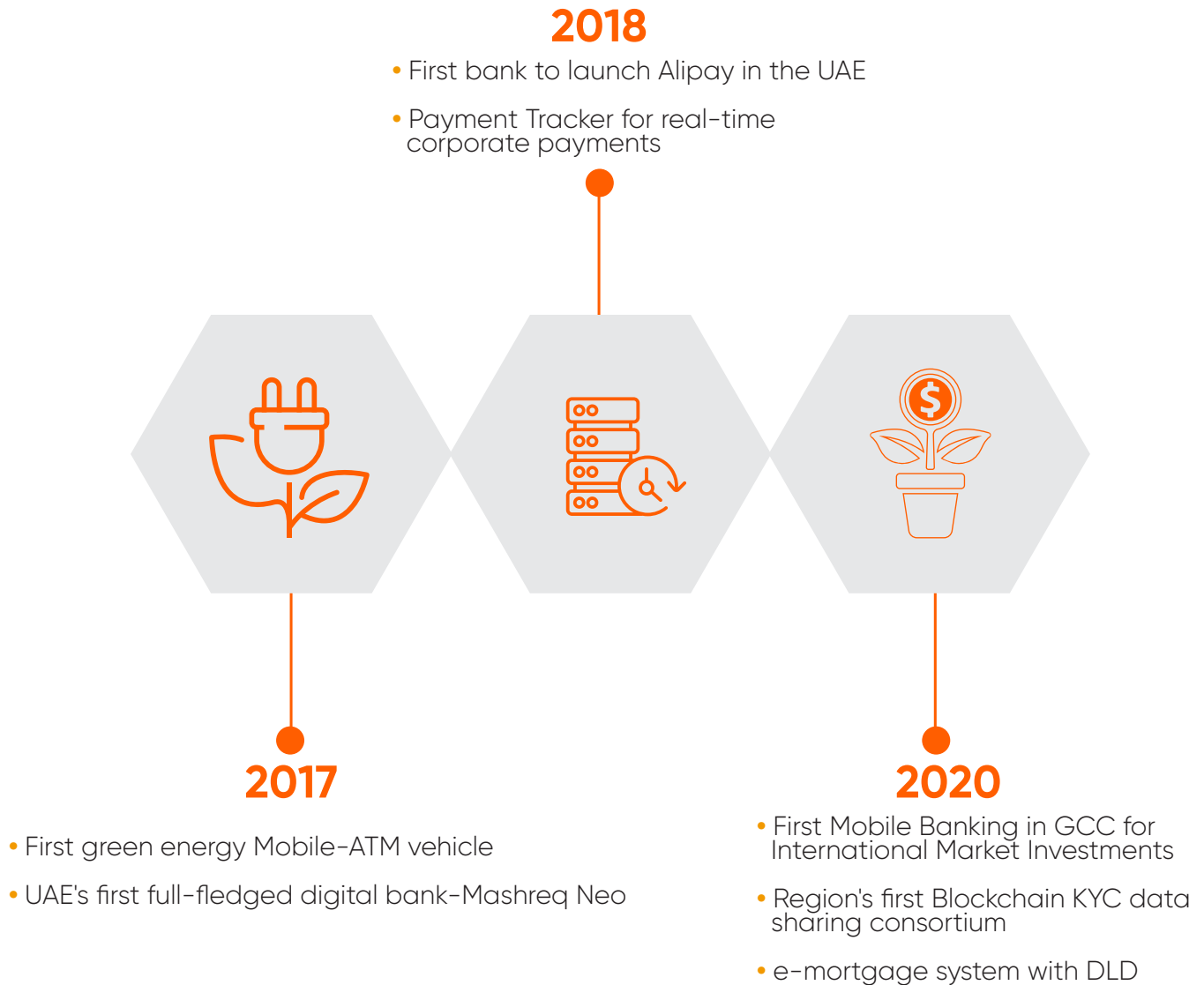
### Digital first approach: Digital banks, Branch rationalization, Multi-channel offering, Strategic partnerships



## 6. Products & Customers

### Product Development, Digitalisation, & Innovation

We have a history of innovating – note how our products have grown in the past three years:



In addition to product innovations, 2020 saw Mashreq launch a number of partnerships for product and service development, and research-based contributions.

## 6. Products & Customers



### Partnerships Dubai Road and Transport Authority



In July 2020, Mashreq was granted the naming rights to what was formerly known as Sharaf DG metro station, by the Dubai Roads and Transport Authority (RTA), and launched the Mashreq Metro Station. This location is a key transport hub for many Mashreq customers located nearby, who can now enjoy an enhanced travelling experience with Mashreq's digital banking service which is available at the station. Furthermore, Mashreq has installed interactive digital LED signage and digital kiosks at the station and is exploring more digital assets powered by touch technology, to offer a more modern and interactive experience for commuters.



### Partnerships NIUM



In February 2020, Mashreq signed an agreement with NIUM, a leading company in cross-border digital payments, and has become the only bank in the UAE to offer instant or same-day credit to more than 30 countries. Available 24/7, this QuickRemit service, along with its transparency, flat fees, no correspondent bank charges, and speed of transfer brings unprecedented benefits, cost-savings, and convenience to its customers. Through this partnership, Mashreq and NIUM are aiming to capitalise on the growing remittance market in the UAE. It is also a part of Mashreq's overarching strategy to introduce innovative products and services that offer seamless digital banking to its customers.



### Partnerships Dubai International Financial Centre



The Dubai International Financial Centre (DIFC) and Mashreq introduced in March 2020 the region's first blockchain data-sharing platform, to support licensed businesses and corporates to open digital bank accounts instantly. This initiative is called Know Your Customer (KYC), and it is supported by digital account-opening, customer identification and registration technology that was unveiled as a market-first in the Middle East. The quality and integrity of corporate KYC information, as well as the quality of the customer experience when opening a bank account with the assistance of a KYC process, complements the ease of doing business in the DIFC. DIFC and Mashreq also collaborated to define the business and operating framework, technical architecture, customer data protection schedules, Business Continuity and Disaster Recovery plan, and set up the blockchain connectivity. Norbloc provided the blockchain platform (Fides), Gowling WLG assisted in drafting the legal agreements, and Deloitte supported Mashreq with overall governance and programme management.

## 6. Products & Customers

Additionally, Mashreq is one of the few banks opening escrow accounts for owners' associations under DIFC's jurisdiction, and it also offers advisory services to real estate developers and owners' associations based in the DIFC. Due to this agreement, owners' association companies will be provided with a range of innovative, relevant, and reliable payment solutions as well as online access, which ensure independent management of their accounts, collection of service charge contributions, and monitor of spend based on approved budgets. Mashreq will act as a trustee between DIFC and owner association companies, and it will also provide a dedicated Real Estate Trust team, to assist these companies with expansive and holistic advisory services.



### Partnerships Startupbootcamp FinTech Dubai

Mashreq bank joined the Startupbootcamp FinTech programme in Dubai to develop the regional FinTech ecosystem. This programme was designed to identify and nurture some of the best start-ups in the FinTech industry. Across three selection processes, Startupbootcamp FinTech Dubai helped a total of thirty start-ups, each chosen from a panel of more than a thousand of the most promising FinTech companies around the world. Startupbootcamp FinTech Dubai was launched in October 2018 and the first acceleration programme started in February 2019, welcoming ten teams from seven countries, out of which three start-ups were sourced from the UAE. The platform enabled a deeper connection between the corporate world and the best-of-breed start-ups, with the goal of designing and introducing innovative financial products to the market that will make a difference in our lives.



### SME Partnerships Sharjah Media City

In June 2020, Sharjah Media City (Shams) and Mashreq announced a strategic partnership to support SMEs in the region. Mashreq will support Sharjah Media City's SMEs in opening new business accounts and kickstarting their businesses. It will also give advice on how to grow a profitable and sustainable business. Mashreq will also be providing Sharjah Media City's customers with a unique point of contact in order to make communication and customer journeys seamless and to further nurture both organisations' goal of supporting the SME ecosystem. Moreover, these customers will benefit from Mashreq's recently announced relief package for all its SME customers in view of the COVID-19 pandemic.

## 6. Products & Customers



### SME Partnerships Dubai Multi Commodities Centre



Mashreq Bank and the Dubai Multi Commodities Centre (DMCC), the world's flagship Free Zone, and Government of Dubai Authority on commodities trade and enterprise, signed a Memorandum of Understanding (MoU) to strengthen support for SMEs and start-ups in Dubai in November 2020. Under the terms of the MoU, Mashreq and DMCC will collaborate to provide businesses with simplified access to banking services. DMCC members, which include startups, SMEs and entrepreneurs, will benefit from comprehensive support in opening a Mashreq NEOBiz digital bank account, enabling them to enjoy convenient, secure and cost-effective banking services and focus fully on their core business.



### Research

Mashreq has partnered with leading consultancies MEED, Gulf Intelligence, and Frost Sullivan to develop leading industry insights for the benefit of the community. A number of Think Tanks across sectors such as Technology, Retail, Hospitality, Energy, and Construction was established which brought together key industry representatives, consultancy and advisory firms, and financial services companies to provide strategic recommendations for a more sustainable growth in the UAE.



### Research UAE Technology Think Tank – Enabling Future Generations



The UAE Technology Think Tank consisted of senior executives, academics and other representatives from the UAE technology and telecoms sector to examine what steps could be taken to support the UAE's ambition to become a centre of excellence for technology research and innovation. The first white paper from this think tank encouraged the UAE's technology and telecommunications industry to make next-generation broadband telecoms (5G) available to as many people as possible. The report provided 18 recommendations, which if implemented, would create an environment to support a strong tech sector in the UAE to enable success for future generations.

## 6. Products & Customers

### **Research** **UAE Retail and Malls Think Tank –** **Actions to Support the Retail Sector**

UAE Retail and Malls Think Tank was a focus group comprising senior industry players from across the UAE retail and malls sector brought together to highlight the issues facing the UAE retail industry. The first white paper from the Think Tank, Resilience in Retail and Malls, assessed the problems introduced by Covid-19 and provided 25 recommendations that can help overcome these challenges. The report sought to understand how the retailers, mall owners, and operations could develop resiliency in their business models and operations.

### **Research** **Healthcare in the GCC**

Research from Mashreq and Frost & Sullivan projected the revenue of the healthcare industry in the GCC to remain resilient in 2020, with some sub-sectors even showing trajectories of growth. The research further found that to overcome physical challenges imposed by COVID-19, the GCC healthcare sector will need to accelerate investments in telehealth and local manufacturing. Furthermore, hospitals in the GCC were predicted to increase digital infrastructure investments, in accordance with the expectation of an increase in virtual patient visits.

### **Customer Satisfaction, Engagement, & Rights** ★★★★

Mashreq's strong focus on community involvement in product and service-related ideation, ability to give support and feedback, and efficient complaint resolution process has allowed our Net Promoters Score (NPS) to increase dramatically between 2019 and 2020. The NPS is a measure of customers' loyalty towards a brand. Even though the pandemic caused business disruptions and customer-related challenges worldwide, Mashreq's customer-centric approach ensured that we continued to grow in our journey to meet our customers' needs. Our NPS score for 2020 in the UAE more than doubled as compared to 2019.



## 6. Products & Customers

### **Customer Satisfaction, Engagement, & Rights** ★★★★ **Engagement Through Online Research/Insights**

Understanding customers' needs and garnering insights from the larger community drives Mashreq's product and service development. On an ongoing basis, Mashreq runs online research and customer insight programmes as, in this age of constant market disruption, business leaders have found that their greatest competitive advantage is to have a direct relationship with their most valuable audiences. An online research/insights programme engages individuals who have willingly opted to engage in research activities, including quantitative and qualitative studies, on an ongoing basis.

### **Customer Satisfaction, Engagement, & Rights** ★★★★ **Customer Rights**

Currently, product and service terms & conditions are available to customers via the Mashreq website and application material. On certain products, pre-processing checks in the form of callbacks, quality checks and confirmation are available in order to confirm product dynamics. This will be supported by marketing wording, disclosures and transparency that starts at product onboarding. It will also be supported throughout campaigns while the customer is in a relationship with Mashreq.

### **Customer Satisfaction, Engagement, & Rights** ★★★★ **Customer Satisfaction & Complaint Resolution**

Mashreq has a dedicated independent unit in place to investigate and take corrective action when dealing with customer complaints. If the customer needs more information about a product or service, they can reach out to the call centre or raise an inquiry on the website or through Mobile Banking.

## 6. Products & Customers



### Financial Inclusion

Financial inclusion, which refers to the availability, accessibility, and affordability of financial services for all segments of a population, is a critical responsibility of any financial institution. It is one of the drivers behind the Sustainable Development Goals and is critical in alleviating and eradicating poverty.

In terms of financial literacy and awareness, Mashreq's targeted fraud awareness campaigns have focused on teaching customers how to make safe, secure, and smart financial decisions and transactions online. Moreover, Mashreq has seen an increase in its proportion of Emirati customers participating in formal banking services.

Financial Literacy and Inclusion	2018	2019	2020
Mashreq wallet holders	952	1,813	3,147
Percentage of new accounts held by first-time account holders	70%	78%	81%

Some population segments have historically found it difficult to access financial services, so it is doubly important to ensure that they are able to use the services they need. These population groups include women, people of determination, and entrepreneurs. As a result, Mashreq has focused on services for:



### Financial Inclusion SMEs



Mashreq NeoBiz is a full-service digital bank, available through a mobile app, exclusively for SMEs, start-ups and young entrepreneurs in the UAE. It provides entrepreneurs with the services they need in order to conduct their business activities, along with educational and supportive resources.

## 6. Products & Customers



### Financial Inclusion People of Determination



Mashreq has Braille keypads; lowered machines that can be accessed by people in wheelchairs; and self-serve ATMs designed to meet height and reach requirements in accordance with standards in wheelchair accessibility. For wheelchair users, the ATM offers an excellent alternative to our desk service. From the current Branch and Electronic Banking Service Units (EBSU) locations, 11 facilities are physically accessible for our Customers of Determination.



### Marketing & Labelling

Mashreq ensures that marketing campaigns to promote our products and services are appropriate and clear to customers. If a customer finds any marketing material misleading or unclear, they can raise their concerns through a number of channels and the relevant team will take responsibility for addressing the issue. Also, as per the UAE Dubai Economic Department guidance, every marketing promotion is required to have a valid DED review and approval of the offer and final redemption of any sweepstakes communicated by Mashreq to the UAE customers.

## 6. Products & Customers



### Data Protection & Privacy

As a financial institution, Mashreq is privy to our customers' most private and sensitive data, and is committed to reassuring them regarding the protection of this data. The 'privacy principles' guide how Mashreq handles and protects the personal information of its employees, customers, and other individuals:

Responsibility	Established roles and responsibilities throughout Mashreq to promote and maintain the privacy of personal information, and reasonable steps taken to verify that personal information is relevant, correct, complete, and current for the purposes for which it is used.
Transparency	Provide clear, readily accessible, and reasonable notices and policies describing how personal information is collected, used, accessed, disclosed, and protected.
Security	Maintain reasonable physical, administrative, and technical safeguards and other measures to protect personal information from loss, misuse, unauthorised access, disclosure, alteration, or destruction.
Focus on Processes	Processes and procedures to limit the collection, use, and storage of personal information to the business purposes defined in the privacy policies, and to respond to inquiries or complaints related to the processing of personal information.
Access	Where required by law, provide individuals with the ability to correct, amend or delete their personal information. In the event of a data security incident involving personal information, notify affected individuals, consistent with applicable law.
Choice	Provide individuals appropriate choices over whether and how personal information is collected, used, and disclosed. Obtain consent to process personal information consistent with applicable law.
Transfer	Transfer personal information to third parties and across country borders consistent with the privacy policies and applicable law.
Reassessment and Monitoring	Monitor applicable privacy laws and periodically reassess our privacy practices to confirm that privacy policies, procedures, and processes are effective, complete, and correct.

## 7. Corporate Social Responsibility



## 7. Corporate Social Responsibility

Mashreq's CSR policy defines it as the integration of stakeholders and the customer's society, community and environment into a company's business operations.

For Mashreq, the goal of corporate social responsibility is to create a positive impact for its customers, communities, employees, and the environment. Our CSR programme was officially launched in June 2011, and it is managed by the CSR & Internal Communications Unit, with support from the Emiratization HR Unit and the UAE National Learning & Development Unit.

Since its inception, the bank has promoted charitable activities that are dedicated to young people, art and culture, the underprivileged, and health and wellbeing. These activities are bolstered by a strong commitment to volunteerism, and partnerships with other organisations to widen the scope of our impact.

In 2020, Mashreq further refined its CSR activity to support two key pillars of its overall strategy- those of gender equality through female empowerment, and the inclusion of People of Determination.

### Our CSR objectives are:



Reiterate and reinforce our **corporate values** through our actions and communications, including but not limited to **Respect, Cooperation, Inclusion, Diversity, and Unity**



Align ourselves closely with the UAE's national observance of **Year of Tolerance** and extend unstinting support and **solidarity** with our events and activities



Direct our **enthusiasm** and efforts towards achieving **greater good** in **Communications** through the pillars of **Year of Tolerance, Education, Environment, and Communities**



**Educate** and **engage** with all our **employees, customers, and partners** to achieve higher levels of **involvement, participation, and contribution** in all our ongoing **CSR activities**

### Our community investment has been:

Community Investment	2018	2019	2020
Total Community Investment (in AED millions)	0.80	1.00	1.00

AED 1 million was paid to Dar Al Ber Society as part of the Mashreq CSR Ramadan Campaign.

We have also created Ahsen Charity, which is Mashreq's digital charity programme to help people in need. It works in association with the UAE's oldest charities, Beit Al Kheir Society and Dar Al Ber Society. One of Ahsen Charity's projects, Support 50 Orphans, is now complete, and it has raised AED 300,000 that will go towards providing orphans with food, clothing, and shelter.



## 7. Corporate Social Responsibility

### Volunteering

Mashreq takes community empowerment and giving back to the community very seriously. Our volunteering programme encourages employees to take part in good causes, and we were able to achieve high numbers of volunteers dedicating their valuable time, even during the pandemic, to support their fellow citizens. *In 2018, we celebrated our 50th Anniversary and committed to give 5,000 hours of volunteering service to the community.*

Volunteering	2018	2019	2020
Total number of employee volunteering hours	16,200	3,215	3,000
Total number of Mashreq volunteers	578	372	300

### Partnerships for Social Change

	Mashreq partnered with the Emirates Red Crescent, which is the UAE affiliate of the International Federation of Red Cross and Red Crescent Societies.
	Mashreq organised two day-long exhibitions that display the craftsmanship of the inmates from a correctional facility. Revenue from all handmade items that are sold offer future financial stability for the inmates.
	Mashreq collaborated with Fujairah Police for a very unique event that celebrated the unity and diversity of the UAE, in its Year of Tolerance. Organised at the Fujairah Police Headquarters, under the banner of Zayed Forum of Tolerance, the event awarded certificates and gifts to longtime residents of Fujairah, to recognise their contributions and commitment to serve the country.

## 7. Corporate Social Responsibility



### **For Young People Mashreq Future Generations**

Aligned with the values of the Year of Zayed, Mashreq Future Generations is a new initiative set up to complement our goal of educating children. This initiative will provide scholarships to cover the education costs of 300 children coming from underprivileged families.



### **For Young People Toys for Refugees**

Toys for Refugees is a social and community initiative to provide comfort, solace, and enjoyment to children who have lived in refugee camps. Our volunteers spend time playing games and conducting creative activities with these children in order to enliven their circumstances.



### **For Health and Wellbeing Blood Donation Drive**

Mashreq regularly holds a blood donation drive to demonstrate its spirit of volunteerism, fraternity, and community support.



### **For Art and Culture Make Art – Make a Difference**


Mashreq's volunteers created works of art in collaboration with the special needs students of Mawaheb From Beautiful People. This programme also raised awareness and donations for this studio in Dubai, which is dedicated to people of determination.




### **For the Underprivileged The Orange Envelope**

The Orange Envelope was a bank-wide CSR initiative, in collaboration with the Dar Al Ber Society, to donate AED 1 million to benefit blue-collar workers in the UAE who have become unemployed.

## 7. Corporate Social Responsibility





جمعية دار البر  
Dar Al Ber Society  
تأسست عام 1978 م



April,  
2020

**YOU TRANSACT  
WE DONATE AED 1**







The Mashreq Orange Envelope Initiative took a small step one month back to make a difference in the lives of people in need.

**A month later, we are happy that AED 1 million has been donated and distributed to over 50,000 people, all thanks to the support from Dar Al Ber Society & our customers.**



**HERE'S A SUCCESS SUMMARY OF OUR CAMPAIGN**

**SOCIAL MEDIA**

Impressions	3,125,745
Reach	426,177
Video Views	311,342
Engagement	317,734

**NEWS PORTAL**

Channel	Impressions	Reach	Clicks
UAE 24	250,600	83,533	464
Gulf News	277,628	92,543	429

## 7. Corporate Social Responsibility



### Corporate and Investment Banking Group (CIBG) Donation Drive Cash gifts for office helpers across the UAE

For the sixth year running, members of Mashreq's Corporate and Investment Banking Group (CIBG) raised donations for CIBG's 'silent soldiers' (cleaners, office boys, and security guards) working at Mashreq's Dubai Internet City, Abu Dhabi, and Sharjah offices.



### CIBG Ramadan Drive



Dear Colleagues,

CIBG ran an amazing Ramadan Drive during the holy month. The Drive concluded on May 19th 2020 with a great response.

Mashreq staff joined forces to contribute a combined total of **AED 51,430/-** in just 6 days! The contributions were directed to our CIBG's silent soldiers (Cleaners, office boys and security guards) in DIC, Abu Dhabi and Sharjah offices.

Although this is, the sixth consecutive year that CIBG did the Ramadan Drive, 2020 happens to be the most certainly unique year:

- The entire Drive was successfully completed during the current **WFH environment!**
- From start to finish, the Drive took 6 days to complete, making it our fastest Drive to date - the **6<sup>th</sup> Drive** concluded in **6 days!**
- All the contributions and payments were made digitally - in line with our new slogan "**Digitally Yours!**"! Great "Cardless Cash" Solution!
- The need is so much greater given the current conditions, which has made the drive even much more meaningful!

For the first time, the contribution collection and payments was single handedly managed by our colleague, **Mohamed Mounir El Agoze**, The Engagement Champ

The Ramadan spirit of sharing and giving is was very much alive and well within Mashreq, regardless of our backgrounds - **Simply One Mashreq Family!**

A big Thank You to all of you who contributed to this great cause and an equally big Thank You to Divisions' Engagement Champions, HR and Compliance for supporting this Drive.

Bring in the **GOOD VIBES**  
Stay Safe. Stay Connected.

## 7. Corporate Social Responsibility

### **Dibba Iftar Initiative** **Free meals for the underprivileged in Fujairah**

For many decades, Mashreq has commemorated Ramadan by organising charity and community outreach programmes to collect and distribute food, clothing, and essentials for the underprivileged; raising and donating to worthy causes; and sponsoring the financial debts of prisoners in rehabilitation.

Even though 2020 imposed many restrictions and financial constraints on businesses, Mashreq stayed true to its commitment under the purview of its philanthropic values. It developed a special Iftar initiative in association with Fujairah Police Station, giving out iftar meal boxes for people residing in local labour camps.

### **Saadati – Eid Drive**

Saadati – Eid Drive was held during the pandemic, with social distancing in place, and we managed to collect and donate 2.3 tones of non-perishable food items and hygiene products.





## 7. Corporate Social Responsibility

### Food Collection Drive

المشرق  
mashreq CSR 

mashreq  المشرق  
TOGETHER WE MAKE POSSIBLE



# MASHREQ FOOD COLLECTION DRIVE



## 8. Environment



## 8. Environment

Mashreq's long history and years of experience have given it a clear view of the UAE's changing landscape, and the bank is not a stranger to topics of environmental concern. We recognise that, as an institution for the people, we must help to safeguard the planet and conserve its resources, and we have always striven to incorporate green practices and policies into our operations. One example of our commitment to sustainable environmental operations is our new Mashreq Headquarters, which is a green building that incorporates various energy and sustainability measures.

### Procurement

We seek input from our suppliers through our supplier information questionnaire. This enables us to determine whether the organisation has an environmental policy and their general outlook on the environment.

Procurement	Unit	Scope	2018	2019	2020
Procurement spending on local suppliers	Million AED	UAE	532	618	589
Percentage of spending on local suppliers	%	UAE	82%	84%	73%

### Energy Efficiency

Mashreq's energy and electricity consumption have both decreased since 2018. We have replaced lights with LEDs as part of an energy and sustainability initiative project. Measures are taken where possible to upgrade assets that reduce our impact on the environment, for example, the replacement of chillers in Blue Tower, negating the need for R12 refrigerant and reducing energy consumption. Physical assets identified as being reusable are stored and re-entered into service wherever possible. Mashreq also participates annually in the global Earth Hour event by various initiatives like switching off energy-consuming equipment in agreed areas like external lighting, reduced cooling etc.

Energy	Unit	2018	2019	2020
Total electricity consumption	kWh	17,855,248.00	17,935,959.00	15,981,085.00
Total energy consumption from electricity	GJ	64,227.51	64,517.54	57,485.92

## 8. Environment

### GHG Emissions

As can be seen below, our indirect GHG emissions have reduced drastically since 2018.

GHG Emissions	Unit	2018	2019	2020
Indirect GHG emissions (SCOPE 2)	tCO <sub>2</sub> e	8,237.73	7,948.25	7,085.08
Indirect CO <sub>2</sub> from waste	Tonnes	30.05	29.03	24.41
Indirect CO <sub>2</sub> from paper recycled	Tonnes	0.15	0.15	0.13

### Water Management

Water consumption reduced considerably in 2020 due to remote working. Additionally, water outlets were fitted with flow reducers to save water, and water emptied prior to tank cleaning was re-used wherever possible for irrigation. Planting and landscaped areas are replaced where practicable with artificial items, reducing water consumption. Moreover, during 2020, Mashreq replaced traditional drinking water machines with units that tap and purify water from the source, significantly reducing the need for plastic bottles and therefore positively impacting the environment.

Water Consumption	Unit	2018	2019	2020
Total water consumption (non-drinking water)	Litre	40,134.56	40,556.38	29,294.00

We have also eliminated water bottles through the installation of filters on the main line in DIC and DOZ. Details are provided in the table below.

Description	Water Litres Consumption	Bottles Eliminated	Project Saving in One Year (AED)	Project Saving in Five Years (AED)
Annual Consumption of water at DIC and DOZ	642,220	32,111	8,896	106,881

## 8. Environment

### Waste Management

As a bank, much of the waste is paper, due to the regulations supporting hard copies of important financial documents, and customer and partner reliance on the same.

Materials Consumption and Waste	Unit	2018	2019	2020
Total paper consumption	Kg	12.40	14.20	9.20
Total paper recycled	Kg	7,680.00	7,750.00	6,670.00
Waste produced	Kg	300,564.00	290,360.90	244,123.00

As paper consumption had increased in 2019, several initiatives like paperless invoice and internal documents processing were initiated in 2020 to decrease the amount of paper consumed.

### Green Report (2018–2020)

Year	Trees Consumed	CO <sub>2</sub> Kg	Power Kwh
2018	1,484.99	75,685.93	56,468.58
2019	1,705.75	100,285.55	78,014.17
2020	1,084.88	74,409.63	71,345.79

