

# FAB REACHES NEW MILESTONE IN NET-ZERO JOURNEY



## FAB reaches new milestone in Net-Zero journey by setting financed emissions reduction targets across highest-emitting sectors

- FAB becomes the first MENA bank to set greenhouse gas financed emission reduction targets for 2030 across Oil & Gas, Aviation, and Power Generation
- Targets published in FAB's 'Pathway to Net-Zero' report were established through a collaborative process involving relevant stakeholders with a purpose to enable the bank's clients to meet their own net-zero ambitions
- FAB is delivering on its NZBA commitment, aligning with the 'UAE's Net Zero by 2050 Initiative', and joining efforts of other leading UAE corporates
- FAB set to expand financing of renewable energy activities as part of its 2030 USD 75 billion sustainable financing target

**Abu Dhabi, 10 March 2023:** First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, becomes the first MENA bank to set financed emissions reduction targets relating to its three highest emitting sectors, as part of the Group's sustainable growth strategy.

'Pathway to Net-Zero', FAB's initial 2050 Net-Zero pathway report, details the methodology used by the Group in setting interim targets to achieve emissions reductions across Oil & Gas, Aviation, and Power Generation by 2030. These sectors account for 80% of the bank's global emissions. FAB's 'Pathway to Net-Zero' plan is not expected to have material financial impact.

Each sector has been analysed individually alongside considerations unique to that industry as well as taking into account regional variations. The 2030 reduction targets by sector are outlined below:

Sector*	Baseline Year	2030 Reduction Target
Oil & Gas	2021	-7% to -15%
Power Generation	2021	-64%
Aviation	2019**	-15%

\*Note: For Oil & Gas Scopes 1.2 & 3 is included while for Power Generation and Aviation Scopes 1& 2 are included

\*\* Note: given the impact of the pandemic on aviation, 2019 is a more meaningful year from which to set a baseline for aviation

# OIL & GAS

In Oil & Gas, FAB is targeting a **7%-15% reduction in scope 1–3 production intensity from 2021 to 2030**. To meet the target, FAB will support its clients in increasing operational efficiency, notably by financing hydrogen and ammonia projects, and leveraging carbon capture utilisation and storage (CCUS) technologies for residual emissions.





# POWER GENERATION

In Power Generation, FAB has committed to a target for power generation activities that involves a **64% reduction in Scope 1 and 2 production carbon intensity by 2030**, from its 2021 baseline. This is in line with the International Energy Agency's (IEA) Net Zero Emissions scenario. To meet the target, FAB will engage with its clients to support their transition, finance clean energy technologies such as solar, wind, and green hydrogen.





# AVIATION

FAB's target for aviation is a **15% intensity reduction in scope 1 and 2 emissions by 2030**, based on a 2019 baseline. To meet the target FAB will finance fleet renewals with funds ringfenced for next-generation aircraft; it will support the widespread adoption of Sustainable Aviation Fuel; and encourage its clients to use high-quality offsets for any residual emissions.



The 2030 targets and the Net-Zero goal are supported by the 21% reduction in FAB's Scope 1, 2 and 3 emissions achieved over the period of 2019 to 2021.

Across the three selected sectors, FAB used a science-based and sector-specific methodological approach to enable the bank's clients to evolve their business models and to meet their own specific Net-Zero objectives. This scientific approach fulfils the requirements of leading standards, such as the Partnership for Carbon Accounting Financials (PCAF), the United Nations convened Net Zero Banking Alliance (NZBA), and the International Energy Agency (IEA).

FAB is working alongside global peer banks and playing a key role in the industry-led UN-convened NZBA. The Group is delivering on its commitment to NZBA after joining the Alliance in October 2021, where all signatory banks must transition all operational and attributable GHG emissions (Scope 1, 2, and 3) from their lending and investment portfolios to align with pathways to net-zero by 2050 or sooner.

The announcement also aligns with the UAE's vision to promote sustainable economic growth through the 'UAE Net Zero by 2050 Strategic Initiative' and the 'Net Zero by 2050 Pathway'. The reduction targets also strongly align with similar steps taken by other UAE corporates, who together with FAB are driving forward the UAE's ambitious sustainability agenda.

The reduction targets represent another significant milestone in FAB's ongoing sustainability journey as well as the bank's overarching ESG strategy. In 2022, FAB committed to facilitate sustainable financing for more than USD 75 billion by 2030 to support the green transition. In 2022, the first year of this target, FAB facilitated sustainable financing for USD 9.1 billion.

**Hana Al Rostamani, Group Chief Executive Officer at FAB**, said: "At FAB, we are proud to be a regional pacesetter on the net-zero transition and we remain committed to doing our part to address the global climate challenge. We are taking decisive steps to ensure we are at the forefront of environmental and societal action. By integrating specific targets across high-emitting industries, we are combining near-term action with a long-term view. We believe that the road towards net-zero is about much more than financing the transition, it's also about collaborating with our clients and partners, helping them leverage the latest and fit-for-purpose solutions, in addition to realigning our portfolio to their new realities and growth objectives. While we acknowledge this journey will be an evolving process, we're built for agility and able to adapt as new practices emerge in the future."

**Shargil Bashir, Chief Sustainability Officer at FAB**, said: "Today's announcement is a regional first that represents tangible action within FAB's ongoing sustainability journey. Within that journey it was decisive to identify clear targets and a transparent mechanism to support our clients in meeting their obligations to their stakeholders as well as their responsibility to the planet. Our reduction targets are based on a scientific methodology that's structured to take into account impact and risks associated with our environment. In the road to net zero, environmental action needs to be coordinated effectively across business decision making processes – at FAB we have the capabilities to inform this path with innovative solutions, strategic advisory, and defined targets."

FAB understands that target setting will be an evolving process and is committed to improving its approach as scenarios are updated by international organisations, as new standards emerge, where available data quality improves, and as its clients disclose new transition plans. The bank has plans to review these targets in 2025 to track progress against economic dynamics such as energy supply and will continue to proactively engage with its clients to support them in their net-zero journey.

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1 Scope 1 and 2 emissions are owned or controlled by an organisation, whereas scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it.

# ABOUT FIRST ABU DHABI BANK (FAB)

FAB is the UAE's largest bank and one of the world's largest and safest financial institutions. FAB's focus is to create value for its employees, customers, shareholders, and communities to grow through differentiation, agility and innovation.

Headquartered in Abu Dhabi, the bank's international network spans five continents, providing global relationships, expertise and financial strength to support local, regional and international businesses seeking to do business at home and abroad. FAB is a trusted adviser and regional partner to major institutions, emerging companies and individuals seeking to do business in the UAE, the MENA region and beyond. As an engine of growth for the region, it helps customers to thrive and grow stronger by managing risk, providing access to capital and facilitating trade flows across developed and emerging markets.

With total assets of over AED 1.1 Trillion (USD 302 Billion) as of December-end 2022, FAB is rated Aa3/AA-/AA- by Moody's, S&P and Fitch, respectively - the strongest combined ratings of any bank in the MENA region. The Bank has been ranked by Global Finance as the Safest Bank in the UAE and the Middle East since 2011, and #31 Safest Bank globally in 2022. The Banker's Top 1000 World Banks 2021 rankings, measured by Tier 1 capital, ranked FAB as #1 in the UAE, #3 in the Middle East and #91 across the globe. FAB is also a regional sustainability leader (MSCI ESG rating of 'A'), and a constituent of MSCI ESG Leaders and FTSE4Good EM indices.

For further information, visit: [www.bankfab.com](http://www.bankfab.com)