ESG REPORT

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INTRODUCTION

About this Report

SIB strategic roadmap is focused on building new capabilities while consistently reinforcing its commitment to Environmental, Social, and Governance (ESG) principles. These efforts have delivered positive outcomes and support the Bank's objective to remain responsive to global economic developments while contributing to a knowledge-based and competitive economy. This resilience has been demonstrated despite the challenges arising from volatility in profit rates and inflationary pressures.

SIB remains firmly committed to conducting its activities in full compliance with Shari'ah principles, ensuring that its actions serve the interests of its customers and generate positive outcomes across environmental stewardship, social impact, and corporate governance. The Bank continues to embed these principles into its day-to-day operations to remain aligned with evolving societal expectations, leveraging its business model to support a healthy environment and promote equitable economic outcomes.

SIB also aims to lead by example by advancing its sustainability agenda not only through internal initiatives, but also by actively engaging key stakeholders including customers, partners, investors, and the wider community. While recognizing the importance of economic activity in today's dynamic and entrepreneurial environment, the Bank remains mindful of its broader responsibility to promote responsible investment practices and adopt best-in-class standards that contribute to the long-term wellbeing of society and the ecosystem.

Reporting Criteria and Scope

The aim of this report is to provide a summary of the Bank's performance during 2025 in terms of ESG, in compliance with applicable federal laws, the guidelines of the Securities and Commodities Authority, and the requirements of the Central Bank of the United Arab Emirates (CBUAE). All the monetary values in this report are given in Dirhams (AED), unless specified otherwise.

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Feedback and Comments

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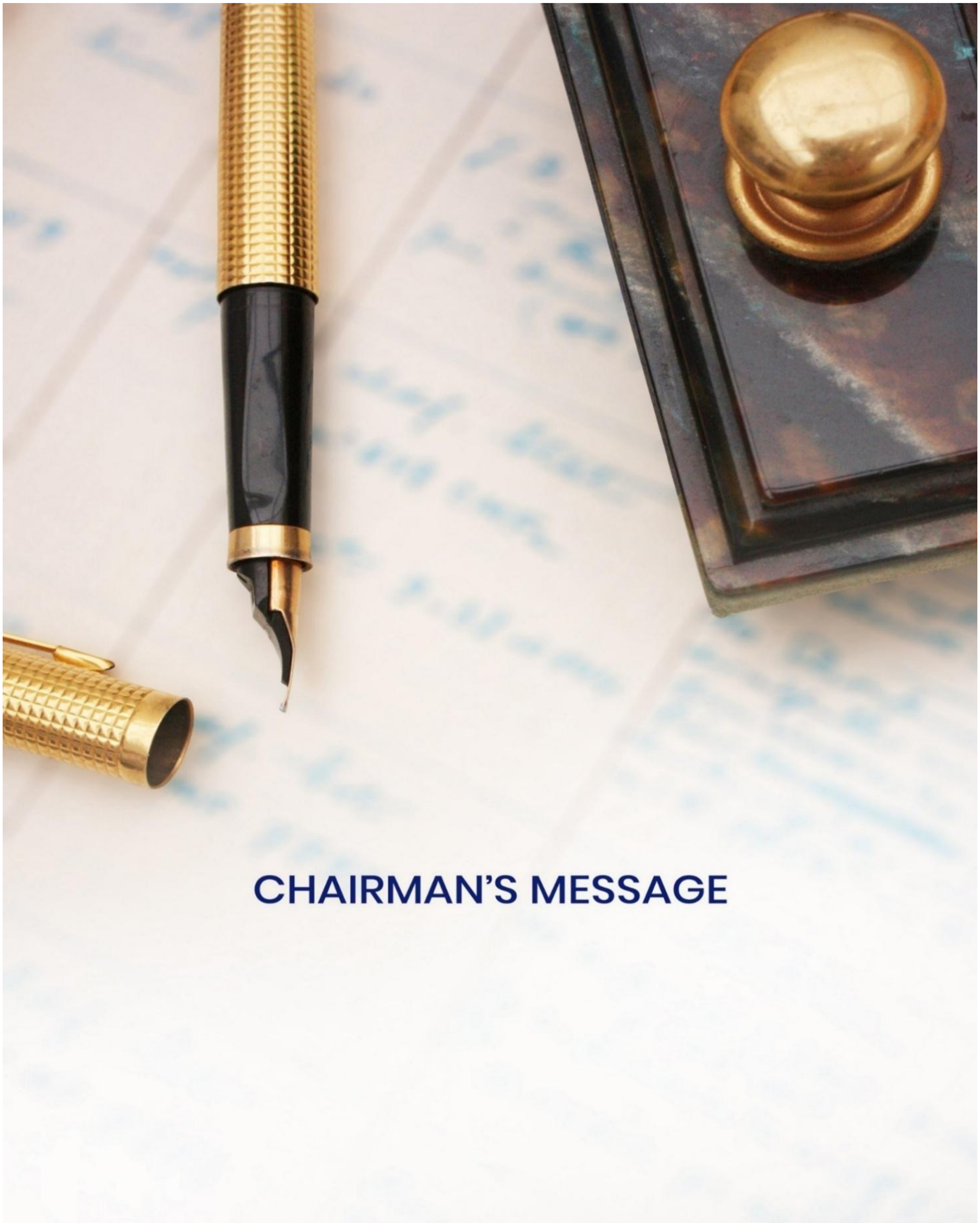

CHAIRMAN'S MESSAGE

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Statement by the Chairman of Sharjah Islamic Bank:

On behalf of the board of Directors I am pleased to present the 2025 ESG report. Sharjah Islamic Bank continues to strengthen its position as a responsible financial institution committed to balanced development that integrates sustainability, strong governance, and prudent growth. In 2025, the Bank further progressed its long-term strategy, underpinned by agility and adaptability in response to global economic developments, including rate movements, inflationary pressures, and heightened sector competition. This strategic resilience has reinforced the Bank's financial strength, enhanced its financing portfolio, and strengthened its capital base, supporting sustainable growth aligned with stakeholder expectations.

Amid accelerating global momentum towards the green transition, the Bank maintained its commitment to sustainable practices and aligned its initiatives with the UAE's vision for sustainable development and climate neutrality. SIB continues to foster an inclusive environment that supports all segments of society, strengthens customer confidence, and enhances service quality across all customer touchpoints.

Reflecting its long-standing commitment to social responsibility, the Bank made solid contribution in support of national initiatives and key community sectors, including education, sports, healthcare, government services, and charitable programmes. These contributions demonstrate the Bank's belief that success extends beyond financial performance and is reflected in the positive and lasting impact created for customers, employees, and the wider community.

During the year, the Bank also continued to invest in high-impact, long-term initiatives and to develop policies and operational frameworks that promote efficient resource utilization, support sustainable transformation, and strengthen human capital, an essential driver of institutional sustainability and progress. The Board of Directors and its Committees remain committed to the highest standards of corporate governance, providing effective oversight and supporting executive management in delivering strategic objectives with discipline and accountability.

I extend my sincere appreciation to all stakeholders for their continued trust and support. I also express my gratitude to our dedicated employees, whose commitment and resilience have been instrumental in navigating the challenges of 2025 and advancing our shared vision for a sustainable future that combines institutional excellence with meaningful community contribution.

H.E. Abdulrahman Mohamed Nassir Salem Al Owais
Chairman of the Board of Directors

ABOUT SIB

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1. ABOUT SIB

SIB was founded in 1975 to provide financial services to retail and corporate clients. Originally established as the National Bank of Sharjah, SIB achieved a significant milestone in 2002 by becoming the first bank globally to convert to Shari'ah-compliant Islamic banking.

This comprehensive transformation involved not only developing specialized products tailored to customer needs but also ensuring the entire organizational structure and operations adhered strictly to Islamic principles. Today, the Bank operates an extensive network across the UAE, offering a diverse array of Shari'ah-compliant services spanning to retail, corporate, liabilities and investment banking sectors.

1.1 Markets, Offerings and Customers

SIB delivers a comprehensive range of Shari'ah-compliant products and services through four core business divisions:

Retail Banking

Retail Banking delivers a full spectrum of products and services to Retail, and Business Banking customers. This service is supported by extensive physical coverage across the UAE, including 34 branches, 152 Automated Teller Machines (ATMs), 80 Cash and Cheque Deposit Machines (CCDMs), and 7 Smart Banking Kiosks (SBKs). These physical channels are significantly augmented by robust online and mobile banking platforms. Retail Banking focuses on facilitating easy customer access to essential financing products and Islamic Covered Cards tailored to various lifestyle needs, along with utilizing client segmentation to provide bespoke service delivery and customer experience.

Corporate Banking

Corporate Banking caters to a diverse clientele ranging from small and mid-sized corporate entities to large public sector organizations and government-related entities. The Bank provides highly customized solutions related to financing, investments, risk management and working capital. Products and services include short, mid, and long-term financing, as well as comprehensive trade and cash management solutions. The division also leverages advanced digital solutions to offer corporate online services, enabling businesses to conduct core activities digitally, including access to Trade Finance, Remittances, Remote Cheque Deposits, and other essential banking services.

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Investment Banking

Investment Banking's primary objective is to remain client-focused and agile in responding to evolving customer needs by offering a comprehensive suite of investment, treasury, and financing solutions. Investment Banking undertakes term financing activities for financial institutions both within and outside the UAE, encompassing a range of structured transactions. In addition, it participates in syndicated and joint transactions alongside other banks. It actively invests in sukuk, listed equities, equity funds, private equity, and venture capital opportunities. The team provides advisory support to government and corporate clients, delivering tailored solutions designed to meet specific requirements and maximize value. The Financial Institutions focuses on establishing and maintaining correspondent banking relationships with reputable institutions globally, enabling clients to access high-quality payment and trade services. Treasury offers a broad range of products and services, including foreign exchange (FX), commodities, and related transactions.

Liabilities Banking

Liabilities Banking focuses on offering specialized transaction banking and deposit products specifically designed for strategic clients. A customer-centric approach is central to its business efforts, leading to the development of innovative products tailored to meet evolving customer needs. The division collaborates seamlessly with other business units across the bank to deliver integrated financial solutions.

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1.2 SIB Subsidiaries

SIB operates three wholly owned subsidiaries that extend its expertise into real estate, financial brokerage, and hospitality, contributing to its diversified business model:

ASAS Real Estate: Established in 2007 as the real estate arm of SIB, ASAS Real Estate specializes in property and asset management, facilities management, construction, and infrastructure development, as well as real estate investment and valuation services. Having commenced operations by managing the Bank’s core real estate assets, the company has since developed a robust and diversified portfolio. ASAS serves a significant and growing customer base, delivering comprehensive development and management solutions across the UAE.

Sharjah Islamic Securities LLCSP: Sharjah Islamic Securities serves as SIB’s dedicated brokerage arm. Licensed by the Securities and Commodities Authority (SCA), it provides Shari’ah-compliant trading services on the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM). Since its launch in 2005, the company has empowered investors through a secure, high-performance online trading platform, enabling seamless global access to local equity markets and ensuring efficient transaction execution.

Sharjah National Hotels (SNH): Sharjah National Hotels represents SIB’s presence in the hospitality sector, owning and operating a premier portfolio of hotels and luxury resorts within the Emirate of Sharjah. The portfolio includes the Hotel Holiday International and the Marbella Resort, both situated prominently on the shores of Khalid Lagoon. Additionally, the Oceanic Khorfakkan Resort & Spa offers a flagship destination on Sharjah’s eastern coast, featuring a private beach and unique natural landscapes. Through SNH, the Bank supports the region’s tourism infrastructure while maintaining high standards of service excellence.

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1.3 Vision, Mission and Values

Vision: To be the bank of choice for creative customer solutions based on excellence and Islamic principles of partnership, trust and equality for all.

Mission: We are committed to the development of our community by serving customers with socially responsible solutions, and providing world-class employment opportunities based on knowledge, teamwork, respect and leadership, while creating sustainable value for our shareholders.

Values: As everyone's bank, we believe in people, first and foremost. Our bank promotes a harmonious environment of fairness, trust and respect. We offer our customers an innovative banking experience via customized solutions, and empower our staff with abundant opportunity for career development.

1.4 Presence

Head Office

- Head Office, Al Khan, Sharjah
- Operations Centre, Maleha Road, Sharjah

ATMs, CCDMs and SBKs

- ATM - 152
- CCDM - 80
- SBK - 7

Branch Network (Locations and Numbers of Branches) - 34

- Sharjah City - 17
- Sharjah East Coast - 3
- Abu Dhabi & Al Ain - 5
- Dubai - 7
- Fujairah - 1
- Ras Al Khaimah - 1

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1.5 Awards

SIB earns numerous awards, highlighting our commitment to implementing top-notch professional practices across various banking sectors. The following are a few awards attained during the last five years:

2021

- ◊ Infosys Finacle Innovation Award.
- ◊ Forbes 100 Most Powerful Companies in Middle East.

2022

- ◊ Dubai Service Excellence Program Award.
- ◊ Top 100 CEOs in the Gulf Cooperation Council (GCC) countries in Islamic Banking.
- ◊ Best Service Performance Brand Award (Dubai Service Excellence Scheme-2021) (Service Sector).
- ◊ Dubai Quality Gold Award in the Banking Sector, Dubai Department of Economy and Tourism.

2023

- ◊ Culture of the Year Award, Human Resources & Learning Platform, Middle East & Africa.
- ◊ Impact Seal in the fields of Sustainability and Corporate Social Responsibility (CSR), National CSR Fund (MAJRA).

2024

- ◊ Wells Fargo Award for Excellence in Straight Through Processing (STP) Payments.
- ◊ The “Elite Quality Recognition Award” from J.P Morgan for achieving 99.58% Straight Through Processing rate.
- ◊ The “Client Excellence Award” from Deutsche Bank.
- ◊ Nafis Award – Gold Category (Exceptional Efforts in Emiratization).

2025

- ◊ The "Sharjah Gulf Excellence Award" from the Sharjah Chamber of Commerce and Industry.
- ◊ The “Elite Quality Recognition Award” from J.P Morgan for achieving 99.77% Straight Through Processing rate.
- ◊ The “Client Excellence Award” from Deutsche Bank.

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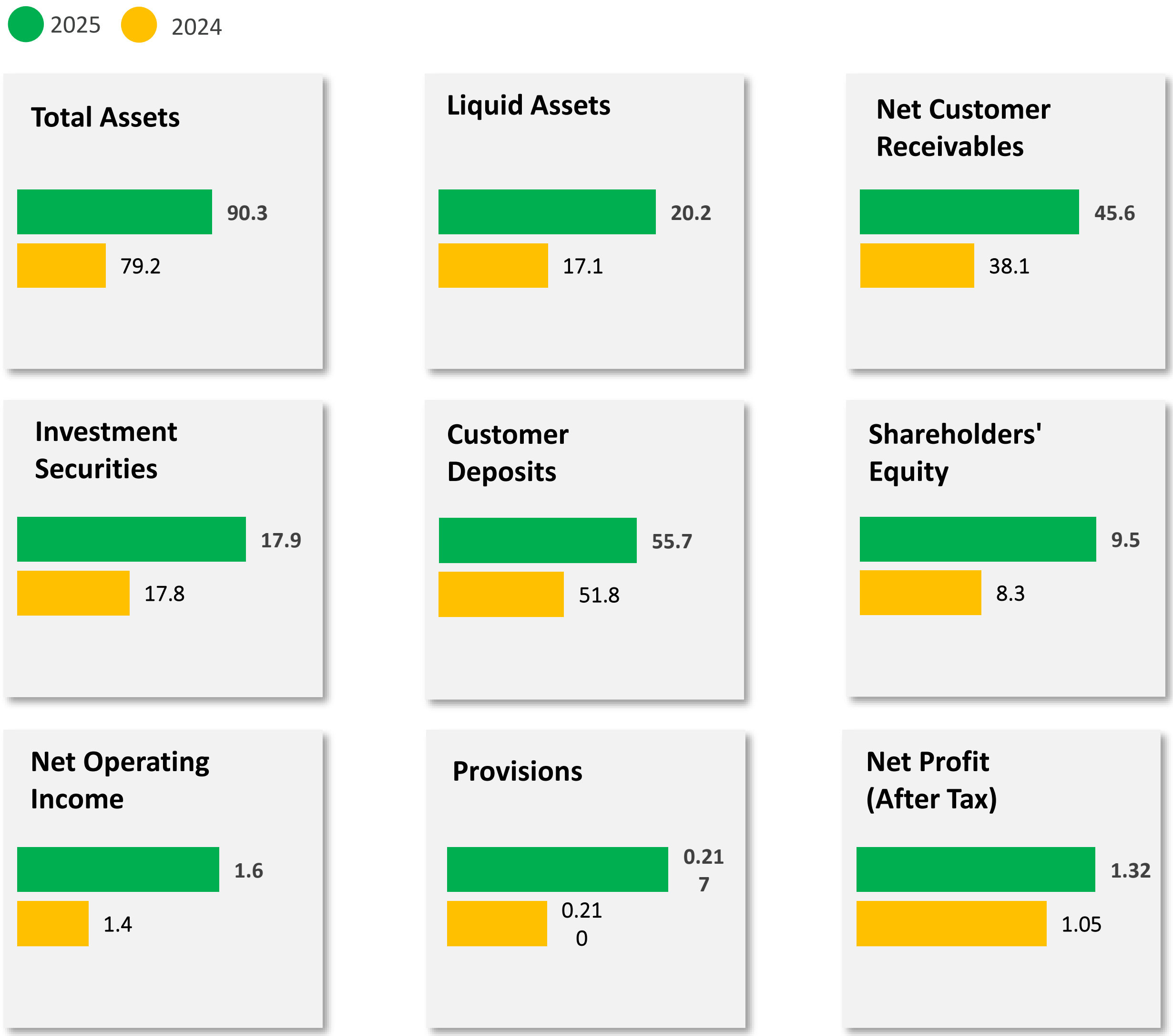
1.6 Financial Performance

Key Financial Metrics (AED-Bn)



For the year ending 31st December 2025, SIB demonstrated impressive financial performance, where the net profit after tax surged by 25.7%, reaching an impressive AED 1,317.4 million. This notable growth is in comparison to the net profit after tax of AED 1047.8 million recorded for the year ended 31st December 2024, with a Capital Adequacy Ratio of 16.17% as of 31st December 2025.

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1.7 Key Highlights for the Year

25.7%
Net Profit Growth Year on Year

25.3%
Share Price Increase Year on Year

AED 6.8Bn
SME Financing Portfolio

22.2%
Female Board Representation

37.77%
Female Entry & Mid-Level Positions

35.98%
Women in the Workforce

38.57%
Local Emirati Talent

38
Nationalities in the Workforce

AED 115.8 Mn
Social Contributions

110%
Growth in Digital Onboarding

93%
Customer Satisfaction Score

37.68 Tonnes
Waste Recycled

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2. OUR APPROACH TO SUSTAINABILITY

We believe that sustainability and economic growth are intrinsically interconnected, and that we are well positioned to play a meaningful role in advancing both. Our clients are navigating an increasingly complex operating environment, characterized by rising climate-related risks, evolving stakeholder expectations, and a continuing transition in the energy landscape.

Accordingly, we are working to embed sustainable finance across our business through our financing and investment platforms. We continue to strengthen our approach to identifying and assessing environmental risks and opportunities within our financing portfolio, while supporting our clients in understanding their economic contributions and navigating the evolving ESG landscape.

SIB manages its operations through sustainable business practices, supported by ongoing reviews of operational processes to streamline workflows, enhance efficiency, optimize resource utilization, manage operating costs, and uphold its social responsibility by ensuring that decisions are made in the best interests of the community.

Looking ahead, SIB intends to further assess its ESG performance through an impact-oriented lens. The Bank's ESG strategy is defined through a holistic framework built on two pillars of impact: (i) operational impact arising from the Bank's own activities, and (ii) financed impact resulting from the Bank's financing and investing activities across specific sectors and customer segments.

2.1 SIB ESG Strategy

The Bank strives to make a positive and long-lasting impact on the world. To help in achieving this goal, SIB's strategic ESG initiatives focus on the following five (5) pillars:

1. Sustaining the Environment
2. Supporting our Customers
3. Supporting our Communities
4. Supporting our Employees
5. Stabilizing Governance

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Components of the Strategic Pillars

Sustaining the Environment

- Establish targets for decarbonization operations
- Move towards a Low-Carbon future and decarbonizing operations
- Establish targets to attain net-zero operations and develop strategy with levers for material areas
- Measure direct and indirect emissions, commitments, and progress towards net zero

Supporting our Customers

- Introduce Sustainable Products
- Become a signatory of global standards for disclosure
- Enhance ESG disclosures
- Report in line with industry best practices

Supporting our Communities

- Engage with government entities to support net zero projects

Supporting our Employees

- Develop a sustainability skills and competency framework
- Design specialized training programs for employees and stakeholders to roll out the sustainability strategy

Stabilizing Governance

- Diversity of governance bodies and employees
- Establish Dedicated ESG Business Line
- Integrate climate risk into the existing risk management
- Conduct climate scenario analysis and transition risk assessments
- Conduct ESG risk Assessment
- Stress credit portfolios
- Integrate Climate related Financial risks into Capital planning
- Develop ESG risk appetites
- Develop Socially Responsible Procurement Framework

Mapping to SDG Goals

2.1.1 Sustaining the Environment

The Bank's goal is to "support the transition to a net zero economy and manage climate change risk". To help in achieving this goal, SIB's strategic commitments focus on:

- **Sustainable Finance:** The Bank shall develop innovative financial products and services to help corporate, SME and retail Customers reduce their emissions and tackle climate change and will endeavor to measure and disclose the financed emissions (Scope 1, 2 and 3 Emissions, as applicable) associated with its most carbon intense portfolios.

- **Adopting Environmental Risk Management in Financing:** The Bank aims to integrate climate risk management within the credit and risk due diligence approval process and be guided by the Equator Principles to ensure the Bank does not cause harm to the environment and communities where it operates.

- **Net Zero Operations:** The Bank aims to comply with all relevant environmental laws and regulations, and is in the process of establishing a plan to set sustainability targets to minimize carbon emissions associated with operations and improve resource efficiency (e.g., energy, water, paper, and waste).

- **Green Procurement and Supply Chain:** The Bank aims to integrate ESG criteria within its procurement policies and processes, ensuring that third-parties it engages with adhere to SIB's ESG principles and that the associated risks are managed accordingly.

Highlights:

a. Environmental Metrics

To advance environmental sustainability, SIB has implemented a range of initiatives to monitor and reduce energy and water consumption, enhance recycling practices, and ensure the safe and secure disposal of assets. The Bank also aims to establish clear targets for decarbonization initiatives and for the management of direct and indirect emissions, supporting its progress towards a Net Zero future.

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During 2025, SIB aligned its energy and water consumption metrics with its newly developed ESG strategy. This process included establishing baselines and standardizing data monitoring and reporting practices to ensure accuracy, consistency, and transparency in performance reporting.

The disclosures on these metrics reflect our commitment to transparency and sustainability.

Greenhouse Gas (GHG) Emissions:

Direct Emissions (*Scope 1) (tons of CO2eq)	Indirect Emissions (*Scope 2) (tons of CO2eq)	Total Emissions (Scope 1 & 2) (tons of CO2eq)	Emissions Intensity (tons of CO2eq / employee)
51.08	5,037.51	5,088.59	3.54

*Scope 1 Emissions Factor data sourced from Department for Energy Security and Net Zero (DESNZ) UK, formerly DEFRA.

*Scope 2 Emissions factor data sourced from the recent grid factors provided by DEWA, reflecting the UAE grid emission factor.

*Scope 2 data for the month of December 2025 has been extrapolated as per the run rate for the remaining months of 2025, due to billing not available for multiple locations as of the preparation of this report.

Energy Consumption:

*Total Electricity Consumption (Kwh)	Electricity consumption intensity (Kwh / employee)
12,453,662.73	8,654.39

*Energy Consumption data for the month of December 2025 has been extrapolated as per the run rate for the remaining months of 2025, due to billing not available for multiple locations as of the preparation of this report.

Water Consumption:

*Total Water Consumption (m^3)	Water consumption intensity (m^3 / employee)
13,280.89	9.23

*Water Consumption data for the month of December 2025 has been extrapolated as per the run rate for the remaining months of 2025, due to billing not available for multiple locations as of the preparation of this report.

b. Environmental Operations

SIB uses services of organizations specializing in the environmentally friendly disposal and recycling of waste, across all its locations.

Waste Recycling 2025:

Documents	Office Equipment	E-Waste
5.684 Tons	2 Tons	30 Tons

Equivalent Environmental savings generated through Documents Recycling:

96.6	Trees
9.8	Cubic Meters of Oil
180.8	Cubic Meters of Water
13.1	Cubic Meters of Landfill Space
154.6	Kgs of CO2 Emissions
22,736.0	Kilowatts of Energy

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Total Waste Recycled:

Total Waste Recycled (Tons)	Waste Recycling Intensity (Tons / employee)
37.684 Tons	0.0262 Tons

During the year, a total of 37.68 tons of waste was recycled in collaboration with our recycling partners, representing a waste recycling intensity of 0.0262 tons per employee. Monitoring such metrics enables us to better understand and quantify our resource consumption, identify opportunities for improvement, and strengthen our efforts to minimize the depletion of natural resources

Paper Consumption & Resource Management:

SIB is committed to reducing its environmental footprint through responsible resource management and sustainable operating practices. A key focus area is the reduction of paper consumption across our operations.

We closely monitor paper usage to identify opportunities for efficiency gains and further reductions, in alignment with our broader environmental objectives. The data below presents the Bank's total paper consumption for the year 2025.

Paper Consumption Metrics:

2025	
Total Sheets of A4 equivalent Paper Consumed	10,321,250

This reflects an approximate **8.8%** increase in total paper consumption in 2025 across all categories of office-use paper (A3, A4, A5, etc.), converted to an A4-equivalent metric. While this increase is noted and attributable to higher levels of business activity, it underscores the ongoing need to accelerate our digital transformation initiatives and further promote paperless operations across the Bank.

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In response to this trend, SIB will implement the following measures in the upcoming years:

- **Accelerated Digitization:** Prioritize the conversion of internal and external processes to digital formats, reducing reliance on physical documentation.
- **Employee Awareness Programs:** Introduce targeted awareness initiatives to promote responsible printing practices and encourage the use of recycled paper where printing is unavoidable.
- **Optimization of Printing Infrastructure:** Review and optimize the configuration, placement, and default settings of printing devices to improve efficiency and minimize waste.

SIB remains committed to achieving a meaningful reduction in paper consumption over the coming years, supporting environmental conservation and the Bank's broader sustainability objectives.

c. Sustainable Finance Framework

As part of our commitment to sustainable financing and ESG practices, we plan to establish green finance products including sustainable Auto Finance, Real Estate Finance and Covered Cards. SIB envisions playing a key role for the financing of landmark projects that are necessary for pursuing economic growth in line with ESG criteria. The Bank is adopting the CBUAE and international standards for sustainable financing in classifying sustainable financing solutions offered to customers, specifying the classification approach and the activities defined as eligible to access sustainable financing (eligible green and social assets). This shall encompass a wide range of sustainable financing products covering wholesale and retail banking portfolios of SIB.

The Sustainable Finance Framework encompasses the below sections, which shall be integrated with the Bank's Credit and Credit Risk Management processes thereby covering the entire credit lifecycle of Green Finance products.

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d. Participation in Green and Sustainable Sukuks

In alignment with its commitment to advancing sustainability and ethical finance, SIB actively participates in green and sustainable Sukuk issuances by leading institutions. These investments reflect the Bank's commitment to environmental stewardship, social well-being, and strong governance, and support projects with demonstrable positive impacts.

As of the end of 2025, SIB's participation in green and sustainable Sukuk totaled AED 1.88 billion, with new investments during the year exceeding AED 350 million.

Total Green & Sustainable Sukuk participation Portfolio As of 31st Dec 2025	Green & Sustainable Sukuk participation in 2025
AED 1.88 Bn	**AED 350 Mn +**

- **Supporting Green Projects:** Through its participation in green Sukuk issuances, SIB has contributed to the financing of renewable energy projects, energy-efficient infrastructure, and other initiatives aimed at reducing carbon emissions.

- **Contributing to the SDGs:** These investments support projects aligned with the United Nations Sustainable Development Goals (SDGs), including Affordable and Clean Energy and Climate Action.

- **Collaborative Impact:** By partnering with other institutions to advance sustainable financing, SIB strengthens its contribution to the global sustainability agenda and demonstrates the effectiveness of Shari'ah-compliant instruments in addressing environmental and climate-related challenges.

Sustainability remains a strategic priority for SIB, and the Bank aims to increase its participation in future green and sustainable Sukuk issuances.

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e. **Partnership with Environment and Protected Areas Authority (EPAA)**

During 2025, SIB announced the launch of a strategic partnership with the Sharjah Environment and Protected Areas Authority (EPAA), marking an important step in advancing environmental sustainability. This partnership forms part of the Bank's broader efforts to support sustainable development goals and reinforce its role in environmental preservation.

Key Details of the Partnership include:

- **Objective**: The partnership aims to enhance environmental awareness, embed sustainability within SIB's corporate culture, reduce carbon footprints, and support biodiversity conservation in the UAE.

- **Afforestation Initiative**: Building on this collaboration, SIB and EPAA launched an afforestation initiative involving the planting of 50 local trees in Al Muntather Reserve. The initiative was inaugurated with the participation of SIB officials, who actively contributed to the tree-planting activities, reflecting the Bank's practical commitment to environmental action and the promotion of sustainability.

- **Community Participation**: The initiative includes an incentive mechanism designed to encourage broader community engagement and participation.

- **Tree Species Selection**: The program focuses on planting native tree species, including Al Ghaf and Sidr, which are well adapted to the UAE's desert environment and play an important role in supporting local ecosystems.

- **Alignment with National Priorities**: The initiative aligns with the UAE's national strategy for planting Al Ghaf trees and contributes to the country's wider environmental objectives.

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2.1.2 Supporting Our Customers

SIB's goal is to "become the customer's first choice, providing socially responsible solutions based on excellence and trust". To help in achieving this goal, SIB's strategic commitments focus on:

- **Customer Satisfaction:** The Bank aims to provide transparent and responsible banking services and communication to customers to enable better financial decisions and aims to act on customer feedback immediately to continuously improve services.

- **Digital and Innovative Propositions:** The Bank aims to offer digital and innovative propositions to equip customers with access to online banking and digital payment solutions.

- **Disclosure and Reporting:** The Bank is committed to adequate transparency in relation to the actual or potential impact of ESG to inform investors and protect consumers, foster efficient functioning of financial markets, and promote financial stability, while driving the values of sustainability and social responsibility.

<u>Highlights</u>

a. Digitization

SIB continued to advance its digital transformation agenda in 2025 through the execution of strategic digitization initiatives. The expansion of digital products and services has contributed to a significant enhancement in the Bank's operating model, delivering measurable benefits for both SIB and its customers. Key outcomes of these initiatives include:

- **Enhanced Customer Experience:** Digital solutions have improved the way customers engage with the Bank, enabling smoother, more convenient, and increasingly personalized interactions.

- **Increased Security:** SIB strengthened its security capabilities through the implementation of advanced technologies and controls to protect customer data and transactions. This includes biometric authentication for financial transactions through mobile and online banking, as well as enhanced privacy features recently deployed within the mobile banking application.

- **Stronger Compliance Standards:** Digitization has supported the Bank's ongoing efforts to enhance compliance with regulatory requirements and industry best practices, including adherence to Consumer Protection and Market Conduct standards.

As part of this commitment, SIB implemented the following initiatives during the year:

- **Mobile Banking Application:** Multiple enhancements were introduced to improve speed, reliability, and convenience, enabling customers to access banking services seamlessly at their preferred time and location.

- **Enhanced Donation and Charity Network:** Customers can donate easily through the Bank's platform to a wide range of charitable organizations. During the year, SIB expanded this network by adding Al Jalila Foundation as a charity partner.

جمعية الشارقة الخيرية Sharjah Charity International	مؤسسة القلب الكبير The Big Heart Foundation	دبي الصحية DUBAI HEALTH مؤسسة الجليلة Al Jalila Foundation	صندوق الزكاة ZAKAT FUND
مؤسسة الشارقة للتمكين الاجتماعي Sharjah Social Empowerment Foundation	حكومة الشارقة دائرة الأوقاف GOVERNMENT OF SHARJAH DEPARTMENT OF AWQAF	مدينة الشارقة للخدمات الإنسانية Sharjah City for Humanitarian Services	أصدقاء مرضى السرطان Friends Of Cancer Patients We're With You نحن معكم United Arab Emirates الامارات العربية المتحدة

- **Strategic Partnerships with FinTechs:** SIB collaborated with SWIFT GPI to enable customers to track international transfers more effectively, enhancing transparency and customer convenience.

- **Simplified Payments:** To strengthen the digital banking experience, SIB introduced instant transfer services with Egypt and Jordan, supporting customers with faster and more efficient cross-border payments.

- **Access for All:** Through its nationwide branch network, SIB aims to provide accessible banking services for all customers. The Bank operates ATMs and CCDMs across the country, including assisted ATMs designed to support people of determination and visually impaired customers. In addition, cheque deposit services have been redirected to CCDMs to improve convenience and service efficiency.

- **Digital E-Certificates:** SIB launched digital e-certificates during the year, enabling customers to access key certificates and letters instantly through digital channels.

- **Authenticated E-Statements:** SIB introduced authenticated and digitally stamped e-statements for both Retail and Corporate customers through its digital banking platform, reducing the need for customers to visit branches to request printed statements.

- **Digital Branches:** SIB's Digital Branches support the reduction of the Bank's carbon footprint by minimizing paper consumption through digitized processes such as account opening, fund transfers, and other services. These branches contribute to:

    - **Paperless Banking:** Fully digital documentation and e-signatures.
    - **Inclusive Banking:** 24/7 service availability, supporting underserved communities in UAE.
    - **Customer Empowerment:** Intuitive platforms that encourage financial literacy and self-service.
    - **Accessibility Features:** Designed to meet the needs of people of determination and diverse language requirements.
    - **Customer Satisfaction:** Digital adoption reflecting customer trust and convenience.
    - **Sustainable Growth:** Leveraging technology to deliver ethical, efficient, and environmentally responsible banking.

- **SBK:** SIB expanded its omni-channel branch capabilities by deploying SBKs across multiple branches. These kiosks provide instant access to key services, including:

    - Account opening
    - Card issuance and replacement
    - Cheque book requests and printing
    - Certificate issuance and printing
    - Statement printing

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Key Digital Banking Metrics:

110%	Year on Year Growth in Digital Account Opening.
37%	Year on Year Growth in Digital Transactions.
230+	ATMs and CCDMs are currently placed to ensure all regions have access to financial services.
7	SBKs strategically placed in select branches, offering smart services to augment the move to digitization, and provide customer convenience.

Partnered with **Jordan and Egypt** correspondents for instant remittance services.

Integration with **ADX and DFM** for strategic partnership for **IPO** subscriptions.

b. Market Conduct and Consumer Protection

At SIB, customers remain at the centre of our business. As part of our ESG strategy, we are committed to delivering high-quality customer experiences that reflect our values of transparency, inclusivity, and innovation.

In response to the evolving regulatory landscape and the growing emphasis on consumer protection within the banking sector, SIB has taken decisive action by establishing a dedicated **Market Conduct and Consumer Protection (MCCP)** function. This function strengthens the Bank's ability to promote responsible banking practices, reinforce ethical conduct, and ensure consistent adherence to consumer protection requirements.

Measuring Customer Satisfaction

SIB monitors customer satisfaction through key performance indicators, including **Net Promoter Score (NPS)**, customer retention levels, and complaint resolution effectiveness. To promote transparency and continuous improvement, insights from customer satisfaction reporting are circulated internally to support timely corrective actions and are also shared with the **Central Bank of the UAE**.

In 2025, SIB launched several initiatives aimed at strengthening customer satisfaction and loyalty. Looking ahead, the Bank remains focused on further improving accessibility, adopting advanced digital tools, and fostering deeper customer relationships in alignment with its ESG commitments.

Quality Monitoring

SIB introduced a structured quality monitoring approach to reinforce compliance with the **Consumer Protection Regulation (CPR)** across all customer-facing activities. This initiative supports fair treatment, responsible selling practices, and consistent service delivery standards across the Bank, safeguarding consumer interests while reinforcing strong governance and ethical conduct.

Sanaa Service Standards

SIB's **Service Excellence Standards (Sanaa)** provide a unified framework for expected behaviors, service principles, and performance benchmarks across all customer-facing teams and partners. These standards aim to ensure that every customer interaction reflects professionalism, empathy, and fairness, in line with the Bank's strategic vision and regulatory obligations. By setting clear expectations, the standards enhance consistency, accountability, and customer trust across the organization.

Journey Design and Customer Effort

Journey design supports SIB's ESG agenda by identifying opportunities to deliver services in a more efficient, inclusive, and responsible manner. During the year, an end-to-end branch journey review was conducted to assess the customer experience across key touchpoints, focusing on customer effort, service clarity, process efficiency, and consistency of delivery. The review identified opportunities to reduce repeat visits, optimize queue management, and minimize paper-based processes, while enabling the responsible migration of suitable services to digital channels.

Fair Treatment of Customers

SIB formalized a **Code of Fair Treatment** to reinforce consistent and ethical conduct across all customer-facing teams. This initiative ensures that employees understand and adhere to fair treatment principles, consumer protection requirements, and internal policies and procedures. Periodic acknowledgements of adherence further strengthen accountability and support a culture of fairness, transparency, and responsible customer engagement, aligned with the Central Bank's consumer protection standards and regulations.

Conduct Culture Strategy

SIB's conduct culture strategy defines the Bank's institutional approach to building and sustaining a strong culture of integrity, fairness, transparency, and consumer protection. It is designed to embed ethical behavior, accountability, sound decision-making, and constructive workplace practices across all levels of the organization, supported by leadership communication, robust governance, and employee ownership.

Customer Complaints Management

SIB incorporates ESG principles into its complaints management and **First Contact Resolution (FCR)** framework to ensure customer concerns are addressed promptly, fairly, and responsibly. The Bank applies structured governance controls to protect customer rights, prevent financial detriment, and ensure equitable access to resolution for all customer segments, including vulnerable customers and People of Determination.

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Customer Complaints	
Total Complaints Received	19,323
Complaint Resolution within TAT	88%
Complaint Resolution Customer Satisfaction	96%

First Call Resolution: SIB prioritizes first contact resolution to reduce customer effort, minimize repeat complaints, and prevent prolonged customer harm. Digital and paperless complaint handling channels also support environmental sustainability. The Bank conducts root cause analysis, implements systemic remediation, and maintains transparent escalation mechanisms to prevent recurrence and reinforce accountability, ethical conduct, and long-term customer trust.

Customer Satisfaction (CSAT):

SIB measures CSAT score to evaluate customers' overall satisfaction with its products, services, and service interactions. CSAT provides insights into service quality, responsiveness, and consistency across channels. The results support SIB's ongoing efforts to enhance customer-centricity and service excellence.

Customer Satisfaction	
2024	88%
2025	93%

Customer Effort Score (CES):

SIB monitors CES as a key indicator of service efficiency and ease of access across customer touchpoints. Reducing customer effort remains central to SIB's commitment to responsible service delivery and enhanced customer experience. In 2025 85% of our customers were satisfied with the level of effort required from them to avail our products and services. These CES insights are used to streamline processes and remove friction in customer journeys.

Customer Effort Score	
2024	81%
2025	85%

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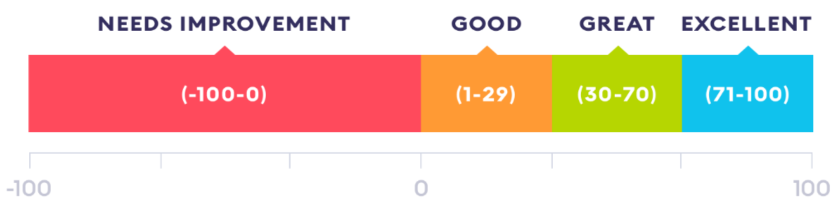
Net Promoter Score (NPS):

NPS is used by SIB to assess customer loyalty, trust, and advocacy for the Bank's products and services. The metric reflects customers' overall perception of service quality and relationship strength. NPS outcomes inform continuous improvement initiatives aimed at strengthening long-term stakeholder relationships.

Net Promoter Score	
2024	63
2025	81

Net Promoter Score Guide:



c. Debt Counselling Services

At SIB, our commitment to customers extends beyond the provision of financial products and services. We are dedicated to supporting their long-term financial wellbeing and stability. Recognizing that unexpected economic conditions may place customers under financial pressure, SIB provides proactive support to customers experiencing financial difficulty through its dedicated **Debt Counselling** services.

Empowering Customers in Financial Distress

SIB adopts a "People First" approach by offering customers a safe and confidential channel to discuss financial challenges and explore practical, sustainable solutions. Customers who are finding it difficult to meet their debt obligations are supported by a dedicated team of professional Debt Counsellors.

Key features of SIB's Debt Counselling initiative include:

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- **Dedicated Assistance:** A specialized unit accessible through a direct helpline (**06 5999887**) and a dedicated email channel (**Credit.Counselling@sib.ae**) to provide timely support to customers experiencing financial stress.

- **Tailored Support:** Debt Counsellors work closely with customers to assess their financial position and identify appropriate options to help manage obligations and improve budgeting and expense planning.

- **Financial Literacy and Awareness:** Through the Bank's **Consumer Education and Awareness (CEA)** unit, SIB supports customers with guidance on responsible debt management and financial planning, enabling informed decision-making.

2.1.3 Supporting Our Communities

The Bank's goal is to "provide inclusive and innovative financial services to drive sustainable economic growth". To help in achieving this goal, SIB's strategic commitments focus on:

- **Financial Inclusion and Empowerment:** The Bank aims to support the growth of SMEs, micro-businesses, entrepreneurs and vulnerable groups with access to financing and aims to improve financial education and inclusion in the community.

- **Community Investment:** The Bank is committed to delivering targeted activities, initiatives and sponsorships that progress socioeconomic development within the communities in which the Bank operates such as educational awards and community sponsorships.

- **Philanthropic Initiatives:** The Bank is committed to philanthropic efforts that contribute to the betterment of communities, such as charitable donations from bank's fund, volunteer programs, and community outreach events.

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Highlights

a. Financial Inclusion and Sustainability

SIB is committed to advancing financial inclusion and supporting vulnerable customer segments, including People of Determination (POD). In 2025, the Bank made meaningful progress in this area by providing tailored financial products and services, including minimum balance waivers, specialized prepaid cards, and personalized financial support.

To enhance accessibility, SIB implemented a range of physical and digital improvements across its service channels. These included low-height counters, wheelchair ramps, accessible ATMs, and advanced digital capabilities such as Voice-Over compatibility to support visually impaired customers.

SIB also strengthened customer communication and service experience through multilingual support, the use of visual aids, and specialized staff training, including sign language and best-practice guidance for engaging with customers with diverse needs.

Looking ahead, the Bank aims to build on these achievements through the continued development of innovative products, enhanced digital tools, and personalized support solutions that empower underserved segments. These efforts reinforce SIB's commitment to inclusivity, sustainability, and delivering positive community impact.

Supporting Vulnerable Customers: SIB has implemented a Vulnerable Customers Policy designed to enhance accessibility across products, services, premises, and processes, and to remove barriers for People of Determination. This initiative promotes equitable access to financial services. The policy also emphasizes inclusive design, awareness, and support mechanisms that advance financial inclusion and improve customer experience.

Supporting Low Income Groups: To support low-income customer segments, SIB offers **Payroll Prepaid Cards**, a dedicated account solution designed to meet the needs of this segment. In 2025, the Bank achieved a **42% increase** in the onboarding of Payroll Prepaid Card accounts, reflecting growing uptake and strengthened outreach to underserved communities.

Customers	Year on Year Growth
Payroll Prepaid Card Account Customers	42%

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b. Supporting SMEs: Empowering Growth

At SIB, we recognize the critical role that Small and Medium Enterprises (SMEs) play in driving economic growth, fostering innovation, and creating employment opportunities. In line with our commitment to supporting a resilient and sustainable economy, we provide tailored financial solutions and strategic support to enable SMEs to grow and succeed across a wide range of sectors.

Financing support to SMEs in UAE:

Financing Portfolio (SME*) - 2025	Composition
AED 6.8 Bn	**14% of Total Financing Portfolio**

*SMEs with turnover up to 250 million.

c. Community Engagement

SIB has adopted a strong and structured approach to community engagement, guided by the visionary leadership of His Highness Sheikh Dr. Sultan Bin Mohammad Al Qasimi and the continued support of His Highness Sheikh Sultan Bin Muhammad Sultan Al Qasimi. In 2025, the Bank's contributions extended beyond traditional financial support, reflecting its commitment to the UAE's National Agenda and its broader social, cultural, and economic priorities.

Community-Centric Initiatives (CEA)

SIB has implemented a comprehensive strategy focusing on consumer education and societal impact. This includes:

- **Customer Awareness Programs:** Designed to enhance financial literacy and empower customers through a variety of educational materials, including guides, animations, and Q&A campaigns. During the year, SIB delivered **15 financial literacy sessions**, reaching more than **2,650 individuals**. In addition, **18 episodes** of the radio programme *"Your Financial Advisor"* were broadcast in collaboration with Sharjah Radio, supporting the promotion of sound financial practices across the community.

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Financial literacy sessions
15 Sessions

Reach
2650 Individuals

"Your Financial Advisor" Radio Program
18 Episodes

- **Collaborative Campaigns:** In collaboration with key partners such as Sharjah Police and the UAE Banks Federation, SIB supports awareness campaigns including *"Be Alert"* and *"Be Informed"*, which aim to enhance public understanding of fraud prevention, digital security, and the safe and effective use of banking services. The collaborative social media posts are:

Fraud Awareness	Banking Services	Security Awareness	Financial Education
27	16	4	8

Sponsorships and Donations

SIB reinforces its commitment to social development through a broad range of sponsorships and charitable contributions across multiple sectors, including:

- **Education and Sports:** Supporting institutions such as the University of Sharjah and the Sharjah Sports Council.
- **Cultural and Charitable Initiatives:** Sponsoring Ramadan Iftar tents, the *"Ramadan Meer"* programme supporting families in need, and other initiatives, with total charitable contributions exceeding **AED 80 million**.
- **Specialized Support:** Providing funding for medical treatment, elderly care, people of determination, and Awqaf establishments.

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Commitment to Long-Term Prosperity

SIB remains committed to fostering sustainable long-term growth by delivering financing solutions tailored to community needs and strengthening partnerships with government entities. Social responsibility, as a core value of the Bank, continues to guide its strategic priorities and initiatives, ensuring a meaningful and lasting impact on society.

Social Contributions:

AED 115.8 Million

Composition of Community Investment:

		2024	2025
Community Investment as a percentage of	Gross Revenue	2.18%	2.35%
	Operating Income	4.50%	4.66%
	Net Profit	9.36%	8.79%

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2.1.4 Supporting Our Employees

SIB is committed to fostering a safe, inclusive and high-performance workplace that attracts, develops and retains talented professionals. Our people strategy supports the Banks long-term sustainability objectives by investing in human capital, promoting national talent, and embedding fairness, learning and well-being across the organization. To help in achieving this goal, SIB's strategic commitments focus on:

- **Employee Engagement and Well-being:** SIB continues to enhance employee services and workplace initiatives aimed to support Employees in the ever-evolving work environment and ensure their safety and wellbeing within the workplace.

- **Emiratization:** SIB remains a committed employer of UAE Nationals and continues to support national development objectives through targeted Emiratization initiatives. The Bank focusses on attracting National talent across critical and leadership roles, ensuring sustainable workforce and long-term succession.

- **Learning and Development**: SIB provides a structured learning ecosystem comprising virtual, classroom and career development program. These initiatives are designed to enhance employee capabilities, support career progression and attracting and retaining high-quality talent.

- **Equality, Diversity, and Inclusion:** SIB upholds the principles of fairness, equality and respect across all employment practices, The Bank ensures equal opportunities, non- discriminatory practices and a supportive work environment that values diversity and protects employee rights.

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Highlights:

a. **Human Capital**

SIB's corporate values and the culture it upholds remain key differentiators. As stated by the Bank's CEO, Mr. Mohamed Abdalla, "We believe that people are equally important as profits."

SIB adopts a progressive strategy to attract, recruit, train, develop, manage, and retain talent. Through this structured approach, the Bank maintains a consistent pipeline of high-caliber employees aligned with its vision, mission and strategic objectives, supporting sustained productivity and employee development. In addition, SIB has developed a comprehensive sustainability skills and competency framework, supported by specialized training programmes, to strengthen the effective implementation of its ESG Strategy.

As part of its commitment to empowering national talent, SIB offers part-time employment opportunities for UAE Nationals pursuing university studies, supporting their early professional development and future contributions. This initiative has been positively received within the local community. The Bank also actively participates in career fairs, university engagement programmes and delivers tailored career development initiatives aimed at accelerating talent growth and preparing future leaders. Employees are further supported with access to professional certifications, targeted trainings, and structured knowledge-sharing sessions that promote internal mobility and continuous learning.

Employee wellbeing remains a core element of SIB's ESG commitments. During the reporting period, the Bank strengthened employee access to quality healthcare to support employees' physical and mental wellbeing. In parallel, SIB introduced flexible working hours and work-from-home arrangements, thus promoting work-life balance and enabling a more inclusive and supportive work environment.

Gender Pay Ratio	Diversity and Nationalization		Employee Turnover Rate
1.06:1	38	38.57%	8.95%

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Key Human Capital Metrics:

Gender Diversity:

	2024	2025
Median Male to Female compensation Ratio	0.94:1	1.06:1
Percentage of total enterprise headcount held by men and women	67.29% Men	64.02% Men
	32.71% Women	35.98% Women
Percentage of entry and mid-level positions held by men and women	65.71% Men	62.23% Men
	34.29% Women	37.77% Women
Percentage of Senior and executive-level positions held by men and women	90.29% Men	89.52% Men
	9.71% Women	10.48% Women
Number of Nationalities	37	38

Staff Turnover:

	2024	2025
Annual turnover of full-time employees	7.40%	8.95%
Annual turnover of part-time employees	5%	46.15%
Annual turnover of contractors/ consultants	62.50%	15.38%
Percentage of total enterprise headcount held by part-time employees	2.51%	5.62%
Percentage of total enterprise headcount held by contractors/ consultants	1.57%	5.43%

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Emiratization:

	2024	2025
Percentage of National Employees	35.54%	38.57%

Non-Discrimination

SIB upholds a strong commitment to non-discrimination through its Code of Conduct and Fair Dealing Policy, which are available to all employees via the Bank's internal portal. Employees are regularly assessed to ensure their understanding of, and compliance with, these standards. The Bank also maintains a robust disciplinary framework to address any breaches, including discriminatory behavior or practices that may arise within the workplace.

b. Learning & Development

In 2025, the Bank advanced its ESG priorities by investing in strategic human capital initiatives aimed at strengthening organizational capability and supporting sustainable performance. Key efforts focused on enhancing employee competencies, strengthening service culture, and reinforcing governance through structured development frameworks aligned with regulatory standards. These initiatives reflect the Bank's commitment to empowering its workforce and delivering long-term value to customers and other stakeholders. Key achievements during the year included:

- Strengthening governance through the introduction of structured development mechanisms aligned with regulatory requirements.
- Delivering targeted capability-building programmes to support business priorities and enhance operational effectiveness.
- Expanding the adoption of digital learning and advancing key knowledge management initiatives.
- Supporting the Bank's service culture through service excellence development programmes.
- Enhancing leadership readiness through focused leadership development and future skills initiatives.
- Strengthening development governance through improved needs assessments, enhanced vendor oversight, and more robust performance measurement.

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Key Learning & Development Metrics:

Trainings Conducted
798

Total Staff Trained
1,997

*Includes resigned, contractual and outsourced staff.

Total Training Hours
82,737

Mandated CBUAE Learning Requirements
100% Completion

Trainings Related to ESG & Sustainability:

Trainings Conducted
34

Total Staff Trained
1,547

The following courses were conducted as part of our ESG & Sustainability learning agenda:

Training Courses	
Climate Change Management	Reimagining ICFR and Governance for a Sustainable Tomorrow
ClimateTech Finance	Risk Oversight and Governance
Cloud Compliance and Governance	Sustainable Banking Solutions for Clients and Customers
Corporate Governance and Culture	Vulnerable groups and Fair Treatment
ESG Impact Investing	Responsible Banking for Board Members and Executives

Training Courses	
Ethics and Sustainability in Finance	Risk Appetite and Risk Tolerance
Governance and Management of Investment Accounts	Key Risk indicators in Risk Management
Green and Sustainable Finance	Operational Risk Management
Islamic Sustainability Management	Internal Controls over Financial Reporting
Net Zero and Green Washing	Oxford Bank Governance Programme

c. Staff Wellbeing

Safety: SIB is committed to maintaining a safe and secure working environment for all employees. The Bank conducts regular fire drills and ensures the availability of trained fire wardens and first aiders to provide support during emergencies. Comprehensive awareness programmes are also implemented to promote a strong culture of safety and security across the organization. SIB maintains ongoing coordination with Civil Defense to ensure regulatory compliance and effective emergency preparedness. In addition, robust physical access controls and CCTV surveillance systems are in place across the Bank's premises and surrounding areas to further enhance workplace safety and security.

Health: SIB is committed to promoting employee wellbeing and fostering a healthy, balanced, and supportive workplace environment. During the year, the Bank implemented a range of initiatives aimed at enhancing health awareness, encouraging preventative care, and strengthening employee engagement.

Health Awareness Days: To promote healthier lifestyles and support employee wellbeing, SIB organizes Health Awareness Days that provide employees with access to medical screenings and practical guidance on nutrition and physical activity. These events are designed to enhance health literacy, encourage preventative care, and contribute to improved wellbeing and productivity. Similar initiatives were also delivered across various branches, reflecting an inclusive approach to employee health.

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Key components of SIB's Health Day:

- **Comprehensive Health Screenings:** Blood sugar, blood pressure, cholesterol, and BMI assessments.
- **Medical Consultations:** Dental and dermatological check-ups, alongside general health guidance.
- **Preventative Focus:** Promoting healthier dietary choices and regular physical activity.
- **Health Literacy:** Empowering employees with knowledge to make informed lifestyle decisions and reduce the risk of chronic health conditions.
- **Wider Outreach:** Implementation across multiple branches to ensure broader employee participation.

Staff Events: To further enhance employee wellbeing and strengthen teamwork and engagement, SIB organizes a variety of staff-focused activities throughout the year under the supervision of the SIB Employee Club. The Club is formed through an employee nomination and voting process and oversees the planning and delivery of staff events. It also actively gathers employee feedback to ensure activities remain diverse and inclusive, reflecting the Bank’s multicultural workforce and supporting participation across different nationalities, as well as among both male and female employees.

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2.1.5 Stabilizing Governance

The Bank's goal is to "operate a responsible business with the highest ethical standards to preserve integrity and trust". To help in achieving this goal, SIB's strategic commitments focus on:

- **Corporate Governance, Compliance and Code of Conduct:** The Bank aims to maintain its core values and operate a robust corporate governance framework.

- **Risk Management and Cybersecurity:** The Bank aims to embed a culture of risk awareness across the Bank and ensure that Customer information is protected and will respect the right to privacy within the guidelines of applicable UAE privacy and data protection laws and regulations.

- **Financial Crime and Anti-corruption:** The Bank aims to continue to adopt a zero-tolerance approach to bribery and corruption and commit to the highest standards of professionalism and integrity in all business dealings and relationships, wherever the Bank operates.

- **Tax Transparency:** The Bank aims to continue to adhere to the letter and spirit of tax laws in UAE.

Highlights:

a. Risk Management Framework

SIB's Board of Directors is responsible for the overall framework of the risk governance and management. The Board of Directors is responsible for determining risk strategy, setting risk limits and ensuring that risk exposure is monitored, controlled effectively and kept within the set limits.

In order to effectively discharge this responsibility, the Board of Directors is assisted by the Board Committees and Management Committees.

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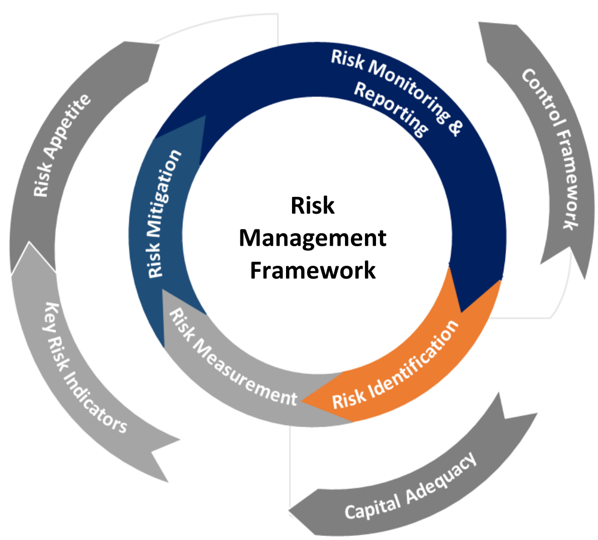
The operations of SIB require continuous management of particular risks or combinations of risks. Risk management is the identification, analysis, evaluation and management of the factors that could adversely affect SIB's resources, operations and financial results. SIB's main risks include credit, operational, market, liquidity, legal, conduct, model, regulatory, Shari'ah and currency risks. SIB aims to manage its exposure to these risks conservatively.

SIB adopts a strategic approach for the management of risks and the identification of opportunities in relation to sustainability which is in the process of being integrated with the Bank's business model, strategy, risk management, governance policies and procedures as well as its reporting and disclosure frameworks.

SIB has established a Risk Management Framework covering Risk Identification, Risk Measurement, Risk Mitigation and Risk Monitoring & Reporting. Subsequently, the results of the risk reporting, feed into the Bank's Capital Planning, strategic decision making, risk appetite and Key Risk Indictors (KRIs).



Risk Governance

Risk Management Framework (RMF) follows the three lines of defense. The RMF is owned by the Group Risk Management, which is responsible for independently overseeing the implementation of RMF throughout SIB. Currently, ESG related practices are owned by an ESG unit at SIB, which falls within the Strategic Management Division.

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Financial Resilience

The Bank’s recovery plan plays a vital role in identifying potential threats to the Bank’s stability and developing actionable strategies to address those threats. This involves a thorough assessment of the Bank’s risk profile and the creation of detailed scenarios outlining possible crisis situations. The plan includes specific measures for liquidity management, capital restoration, and operational adjustments necessary to maintain the bank’s operations.

The recovery plan's purpose is to ensure that the Bank is better equipped to withstand periods of severe financial stress and serves as a strategic guide to stabilize, restore its financial health, protect stakeholders' interests and contribute to the overall stability of the financial system. This proactive approach underscores SIB’s commitment to robust risk management and long-term sustainability.

Operational Resilience and Business Continuity Management

SIB is committed to maintaining a high level of operational resilience to ensure the continuous delivery of critical services to customers and counterparties. Operational resilience is embedded within the Bank’s risk management framework and is overseen by the Board and Senior Management. It encompasses the Bank’s ability to prevent, respond to, recover from, and learn from operational disruptions, including those arising from technology failures, cyber incidents, third-party dependencies, process breakdowns, and external events.

The Business Continuity Management (BCM) process identifies potential threats to the bank and assesses their possible impact on business operations based on a comprehensive Business Impact Analysis ("BIA"). BCM provides a framework to strengthen organizational resilience and enable effective responses, safeguarding key stakeholders, reputation, brand, and critical business activities. The Board and Senior Management oversees and sets the strategy for BCM, while business and support units are responsible for maintaining and testing appropriate Business Continuity Plans (BCPs) for their respective areas. The effectiveness of these plans is independently monitored by Risk Management.

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b. **Shari'ah Compliance and ESG Integration**

An Internal Shari'ah Supervisory Committee (ISSC), comprising distinguished Islamic scholars and specialists in Islamic jurisprudence and banking, provides oversight and guidance on product development, supports Shari'ah-related training, and ensures that the Bank's offerings comply with the highest standards of Islamic finance.

The integration of Shari'ah compliance with ESG objectives is a core component of SIB's sustainable finance strategy. The Bank's governance framework ensures that all financing activities are conducted in a manner that:

- Avoids harm to society and the environment.
- Promotes justice, equity, and social welfare.
- Upholds transparency and ethical conduct throughout execution.

Principles of Shari'ah and ESG Alignment

The principles of Islamic finance inherently promote ethical and responsible practices, aligning closely with ESG priorities. Key areas of alignment include:

- **Environmental Stewardship:** Islamic teachings emphasize the responsible and balanced use of natural resources and discourage activities that cause environmental harm.
- **Social Responsibility:** The concept of *Maslahah* (public interest) underpins Islamic finance, supporting initiatives that deliver societal benefit through equitable and responsible financial practices.
- **Governance and Accountability:** Shari'ah governance frameworks promote transparency, fairness, and accountability, reflecting the expectations of strong ESG governance standards.

Future Enhancements

SIB aims to further strengthen the integration of Shari'ah and ESG principles through:

- Developing internal tools to assess ESG risks and opportunities within a Shari'ah-compliant framework.
- Expanding staff training programmes to deepen understanding of ESG–Shari'ah alignment.
- Collaborating with international Islamic finance organizations to support the refinement and promotion of globally recognized standards.

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c. Customer Data Privacy and Cybersecurity

SIB maintains a robust, multi-layered approach to cybersecurity and data privacy through a comprehensive Information Security Management System (ISMS) and an established Data Management and Protection Framework. These are supported by detailed policies, procedures, and strong governance oversight to ensure the effective safeguarding of information assets.

This framework is reinforced by an advanced security architecture incorporating leading controls, including Advanced Persistent Threat (APT) protection, web application firewalls, secure email and web gateways, data leakage prevention, two-factor authentication, Privileged Access Management, and Identity and Access Management systems.

SIB performs ongoing information security risk assessments, supported by regular penetration testing and rigorous vulnerability and patch management processes to address emerging threats in a timely manner. In addition, 24/7 security monitoring and brand protection services provide real-time threat detection and rapid response capabilities.

Data privacy requirements are embedded across the Bank's operations through comprehensive measures, including third-party risk management, personally identifiable information (PII) registers, personal data breach and incident management procedures, consent management, Privacy Impact Assessments (PIAs), Data Protection Impact Assessments (DPIAs), and Data Processing Agreements. Collectively, these practices ensure the protection of customer information and privacy across all levels of the organization.

d. Materiality Assessment

SIB has conducted a materiality assessment on the identified ESG risks in order to assess the qualitative and quantitative materiality of ESG risks on SIB environment considering both Physical and Transition risks. Internal and External Stakeholder responses were collected and assessed against three (3) main factors Environmental, Social and Governance. Sustainability initiatives were then prioritized in line with the below materiality matrix.

The Materiality Matrix: From Insight to Action

Our materiality matrix is the strategic compass for our ESG journey. By mapping the issues that matter most to our stakeholders against their impact on our business success, we transform a broad list of concerns into a focused roadmap for value creation.

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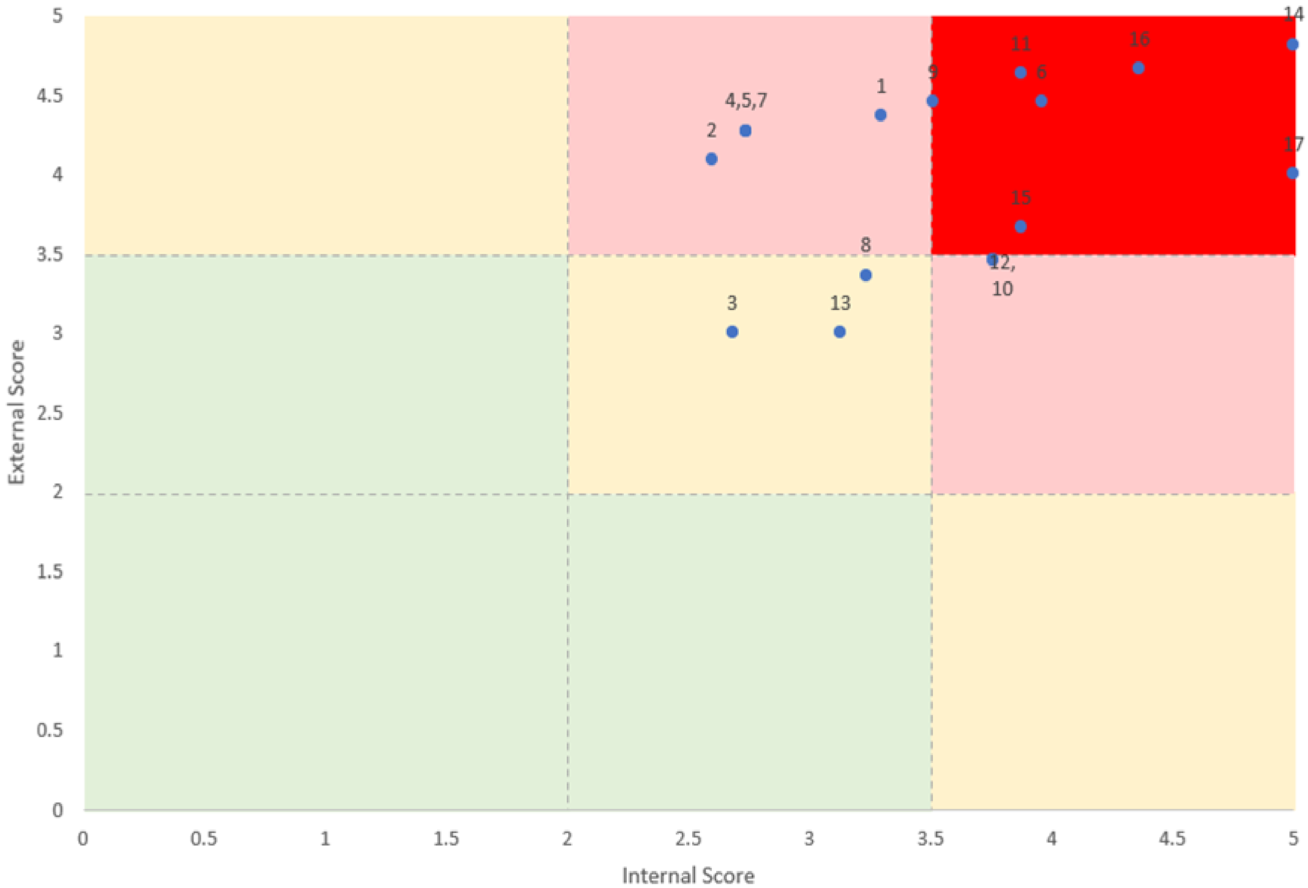
Materiality Matrix:



An initiative that received high responses from both internal and external stakeholders.

An initiative that received at least one high response from internal and external stakeholders.

An initiative that received at least one moderate response from internal and external stakeholders.

An initiative that received at least one low response from internal and external stakeholders.

Following is the categorization of materiality assessment topics with respect to the priority.

Very High:

ESG Risk Factors	Factor Reference
Technological advancement for sustainable banking practices	6
Insurance coverage and premium related to environmental risks	9
Diversity and inclusion	11
Customer protection, data security	14
Board structure, diversity, effectiveness and independence	15
Reporting and transparency	16
Business ethics	17

High:

ESG Risk Factors	Factor Reference
Extreme weather events and natural disasters	1
Depletion on non-renewable resources	2
Shifts in consumer demand and market sentiment	4
Increase prudential actions from regulators.	5
Reputational and brand damage from environmental controversies	7
Human capital development	10
Community engagement and development	12

Moderate:

ESG Risk Factors	Factor Reference
Operational footprint (carbon, energy, waste management, recycling)	3
Disclosure and reporting requirements for the bank's environmental impact	8
Supply chain and ethical sourcing	13

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مصرف الشارقة الإسلامي

SIGNOFF

Khalaf Abdallah Khalaf Abdallah
Group Chief Internal Auditor

H.E. Dr. Khawla Abdelrahman Hassan Al Mulla AlSaabri
Chairperson of Group Audit Committee

H.E. Othman Mohamed Sharif AlFahim
Chairman of Nomination, Compensation and Governance Committee

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H.E. Abdulrahman Mohamed Nassir Salem Al Owais
Chairman of the Board of Directors

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APPENDICES

Appendix 1

The below disclosures are in line with the Abu Dhabi Securities Exchange (ADX) reporting guidelines and have been mapped with Global Reporting Initiative (GRI) and their corresponding Social Development Goals (SDG).

Environment			
Energy and Water Usage			
Metric	**2025**	**Corresponding GRI Standard**	**Corresponding SDG**
Total amount of Energy consumed*	12,453,662.73 kwh	GRI 103: Energy 2025	
Total amount of Water Consumed*	13,280.89 m^3	GRI 303: Water and Effluents 2018	
Waste Recycling	37.68 Tons	GRI 306: Waste 2020	
Energy Intensity Per Employee	8,654.39 kwh Per Employee	GRI 103: Energy 2025	
Water Intensity Per Employee	9.23 Cubic Meter Per Employee	GRI 303: Water and Effluents 2018	
(Greenhouse Gas) GHG Emissions*	Scope 1 Emissions = 51.08 Scope 2 Emissions = 5037.51 (Tons of CO2eq)	GRI 102: Climate Change 2025	

*Energy, Water & GHG Emissions Data 2 data for the month of December 2025 has been extrapolated as per the run rate for the remaining months of 2025, due to billing not available for multiple locations as of the preparation of this report.

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Social

Gender Pay Ratio, Employee Turnover and Other Related General Disclosures

Metric / Calculation	2023	2024	2025	Corresponding GRI Standard	Corresponding SDG
Median Male compensation to Female compensation	0.88:1	0.94:1	1.06:1	GRI 405: Diversity and Equal Opportunity 2016	5 GENDER EQUALITY
Annual turnover of full-time employees	8.23%	7.40%	8.95%	GRI 401: Employment 2016	5 GENDER EQUALITY
Annual turnover of part-time employees	---	5%	46.15%	GRI 401: Employment 2016	5 GENDER EQUALITY
Annual turnover of contractors/ consultants	28.50%	62.50%	15.38%	GRI 401: Employment 2016	5 GENDER EQUALITY
Percentage of total enterprise headcount held by men and women	68.95% Men	67.29% Men	64.02% Men	GRI 2-7: Employees 2021	5 GENDER EQUALITY
	31.05% Women	32.71% Women	35.98% Women	GRI 2-7: Employees 2021	
Percentage entry and mid-level positions held by men and women	67.58% Men	65.71% Men	62.23% Men	GRI 405: Diversity and Equal Opportunity 2016	5 GENDER EQUALITY
	32.42% Women	34.29% Women	37.77% Women	GRI 405: Diversity and Equal Opportunity 2016	

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Percentage Senior and executive-level positions held by men and women	90.70% Men	90.29% Men	89.52% Men	GRI 405: Diversity and Equal Opportunity 2016	5 GENDER EQUALITY
	9.30% Women	9.71% Women	10.48% Women	GRI 405: Diversity and Equal Opportunity 2016	
Percentage total enterprise headcount held by part-time employees	---	2.51%	5.62%	GRI 102: General Disclosures 2021	8 DECENT WORK AND ECONOMIC GROWTH
Percentage total enterprise headcount held by contractors/ consultants	1.73%	1.57%	5.43%	GRI 102: General Disclosures 2021	8 DECENT WORK AND ECONOMIC GROWTH
Percentage of national employees	30.21%	35.54%	38.57%	GRI 202: Market Presence 2016	8 DECENT WORK AND ECONOMIC GROWTH
Amount invested in the community as a percentage of our revenues	2.64% of gross revenue	2.18% of gross revenue	2.35% of gross revenue	GRI 201-1: Economic Performance 2016	8 DECENT WORK AND ECONOMIC GROWTH
	4.92% of operating income	4.5% of operating income	4.66% of operating income		
	11.55% of net profits	9.36% of net profits	8.79% of net profits		
Governance					
Gender Equality					
Metric / Calculation	**2023**	**2024**	**2025**	**Corresponding GRI Standard**	**Corresponding SDG**
Percentage of total board seats occupied by men and women	89% Men	86% Men	78% Men	GRI 2: General Disclosures 2021	5 GENDER EQUALITY
	11% Women	14% Women	22% Women		
Percentage of total committee seats occupied by men and women	83% Men	77% Men	80% Men	GRI 2: General Disclosures 2021	5 GENDER EQUALITY
	17% Women	23% Women	20% Women		

Appendix 2

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