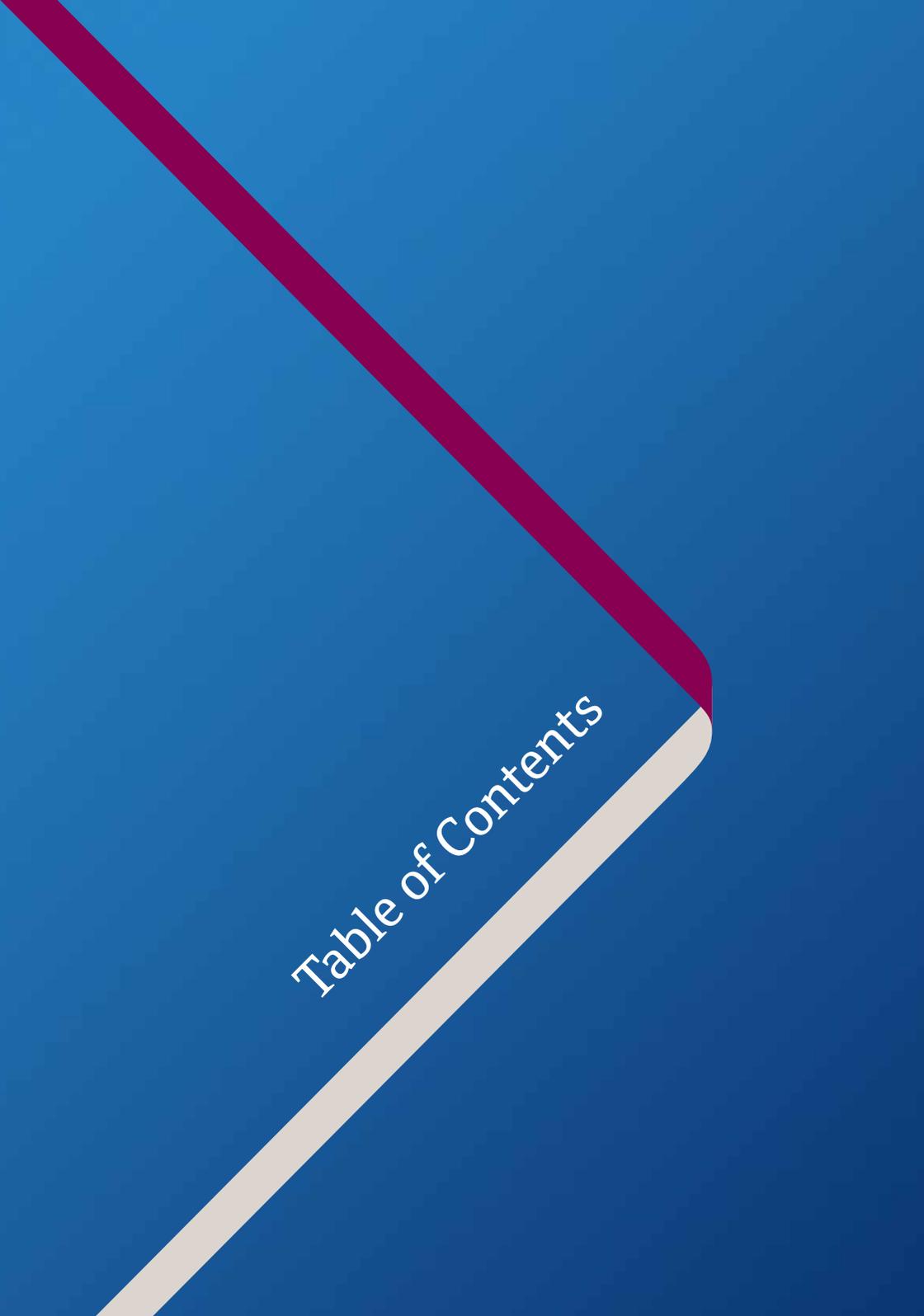




# QNB Group Sustainability Policy



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# QNB Group Sustainability Policy

## 1. Introduction

Sustainability has become one of the most pressing topics impacting our society today. This includes environmental aspects, such as climate change and resource scarcity; social aspects, such as human rights, financial inclusion, community investment and data privacy; and corporate governance aspects, such as board composition, risk management, anti-corruption and ethical business practices. Collectively, these are commonly referred to as ESG (Environment, Social, Governance).

There is now increasing demand from investors, customers, regulators and our own employees for greater transparency in our approach to ESG issues, and we recognise the significant contribution QNB can make to society by adopting business practices to address these, especially through our financing activities. Furthermore, we believe that a proactive approach to sustainability strengthens QNB's business resilience and supports sustainable financial performance.

In response to these external demands, and to support QNB's vision to become one of the leading banks in Middle East, Africa and South East Asia (MEASEA) by 2020, QNB has defined a Group-wide sustainability strategy and policy. This has been developed in alignment with national and international standards and guidelines, with particular focus on the objectives of the United Nations Sustainable Development Goals (UNSDGs), Global Reporting Initiative (GRI) Standards and the Qatar Stock Exchange (QSE) 'Guidance on ESG Reporting'.

In addition, we support the following international conventions, principles and guidelines upon which this sustainability policy is based:

- International Capital Markets Association (ICMA) Green and Social Bond Principles
- International Finance Corporation (IFC) Performance Standards
- International Labour Organisation's (ILO) Declaration of Fundamental Principles of Rights at Work
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- World Bank Environment, Health and Safety Guidelines

## 2. Purpose

This policy defines QNB's approach to sustainability and our Group-wide ESG commitments, covering both direct and indirect impacts of the business, to ensure a consistent approach across the organisation.

This overarching policy provides an overview of QNB's ESG commitments, rather than a detailed set of rules for implementation. As required, this policy is supplemented by topic-specific policies, position statements and guidelines to support effective implementation across all relevant divisions (business, support and control).

At a minimum, this policy requires compliance with all relevant legislative and regulatory ESG requirements in the markets where QNB operates and that we adhere to internationally recognised sustainability principles for environmental protection, human and labour rights, and anti-corruption.

### 3. Scope

This policy is produced by Qatar National Bank (Q.P.S.C.), as the parent entity of QNB Group, and is applicable to Qatar, all international branches and majority-owned subsidiaries of the Group.

The Group entities are responsible for aligning with the requirements of this policy, through the establishment of their own internal governance and ensuring compliance with all applicable local laws, regulations and standards.

### 4. Target Audience

This policy is relevant to all employees in the Group. It is the responsibility of the management of each country across QNB Group's international network to ensure that the policy is implemented and complied with where relevant to their respective areas of responsibility.

### 5. Sustainability Strategy and Commitments

At QNB, we define sustainability as the delivery of long-term value in financial, environmental, social and ethical terms, for the benefit of our customers, shareholders, employees and communities. As a growing international bank, QNB Group plays an important role in contributing to financial stability and economic growth in the markets where we operate, while also helping to shape the future of the people and communities we serve.

Our sustainability framework consists of three pillars: sustainable finance, sustainable operations, and beyond banking. All three pillars support QNB's goal of sustainable financial performance, through reducing risks, opening up new business opportunities and strengthening our brand. Under each pillar we have identified the sustainability topics most material to our business, and a set of commitments to establish common global standards across the Group.

### 5.1 Sustainable Finance

'Sustainable finance' is the integration of ESG criteria into QNB's financing activities to deliver profit with purpose. Our ambition is to support customers manage their risks, lend to businesses that contribute towards sustainable development goals, improve access to finance for SME's and underrepresented groups, and provide a responsible customer service. Sustainable finance is the most significant way in which QNB can support national and global sustainable development goals. Moreover, it enables us to reduce risks to reputation in our portfolio and maximise business opportunities emerging from the transition to a greener, more inclusive economy.

QNB's 'Sustainable Finance' commitments are:

#### 5.1.1 Environmental and social risk management in lending:

As part of QNB's strategic commitment to sustainable financing, we will apply the Equator Principles categorisation to project finance transactions and integrate environmental and social risk management in the due diligence process.

#### 5.1.2 Sustainable lending portfolio:

We will standardise the methodology and criteria for our 'green and social lending portfolio', to track QNB's contribution towards sustainable development goals in accordance with international principles such as the ICMA.

#### 5.1.3 Sustainable products and services:

We will provide customers with products and services that address an environmental or social challenge, such as the promotion of financial inclusion or mitigation of climate change.

#### 5.1.4 Sustainable investing:

We will build our internal capacity to assess ESG risks and opportunities associated with QNB's and our customer's investments.

#### 5.1.5 SME's, micro-enterprises and entrepreneurs:

We will support the growth of SME's, micro-enterprises and entrepreneurs with access to finance, and improve the financial inclusion of un-banked or under-served communities.

#### 5.1.6 Responsible customer communication and marketing:

We will provide transparent and responsible financial advice and communication to our customers to enable better financial decisions.

#### 5.1.7 Customer privacy and data protection:

We will ensure customer information is protected, and respect the right to privacy within the guidelines of all applicable privacy and data protection laws and regulations, such as the General Data Protection Regulation.

### 5.2 Sustainable Operations

'Sustainable operations' is the integration of ESG criteria into our business operations and across the supply chain to ensure we operate ethically and efficiently. Our ambition is to strengthen corporate governance practices, promote equality throughout our workforce, and reduce carbon emissions generated by our operations. This approach keeps us compliant with increasing ESG-related regulations while helping QNB be an 'employer of choice'.

QNB's 'Sustainable Operations' commitments are:

#### 5.2.1 Corporate governance, compliance and risk management:

Our corporate governance framework is fundamental to the success of our business. QNB Group stands committed to maintaining the highest levels of fairness, integrity and responsibility. QNB Group operates a world-class corporate governance framework that ensures we are fully compliant at every level in every country and are able to effectively manage all risks. Our robust approach to risk is a critical component of QNB Group's operations, safeguarding our clients, profits and reputation. Our centralised approach to risk management is complemented by local expertise and a risk culture in which every employee is responsible for potential risks in the course of their work. We will maintain robust corporate governance measures across the Group that combine all aspects of internal control, risk and compliance, to meet the ever changing regulatory landscape.

#### 5.2.2 Anti-corruption and bribery:

We will 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 we operate. We implement and enforce effective processes, measures and systems to counter any form of corruption, money laundering and financing of criminal activity. We encourage reporting through QNB's confidential whistle-blowing mechanism, to protect the Bank's image and reputation.

### 5.2.3 Human rights and labour standards:

QNB will fully respect the human rights of people impacted by our business and ensure dignity and equality for all, regardless of a persons' race, religion, gender, age or language. QNB will establish a workplace in which employees are treated with fairness, equality and respect. This encompasses equal remuneration and development opportunities, grievance mechanisms, anti-discrimination, and ensuring the safety and security of our workforce. We expect our customers and suppliers to respect human rights, and QNB prohibits the use of child and forced labour in our workforce or throughout our Supply Chain. Where local legislation may conflict with QNB's position on human rights, we will comply with the law while seeking to promote good practice through our own conduct.

### 5.2.4 Talent management and development:

We will provide ongoing training and career development for our employees to help the business attract, recruit and retain the best talent. We help identify each employee's strengths and development needs, in alignment with the desired business skills, and create individual employee development plans to support their career goals. To promote continuous development we offer a Leadership and Management Development Curriculum, undertake succession planning, and run a Global Mobility Program to increase the international exposure of those deemed high-potential.

### 5.2.5 Environmental impact of operations:

We will comply with all relevant environmental laws and regulations. We will manage QNB's direct environmental impact through continual improvement of our internal environmental management system. We will set targets to minimise the carbon emissions associated with our operations and improve resource efficiency (e.g. energy, water, paper, waste).

### 5.2.6 Responsible procurement and supply chain:

We will assess sustainability risks in our supply chain as part of our third party risk management framework and collaborate with our Third Parties to ensure compliance. Third Parties are required to adhere to local laws and regulations as a minimum requirement.

### 5.2.7 Tax compliance and transparency:

We apply the letter and spirit of the tax laws in all regions where we operate. The Tax Compliance Unit within Group Compliance ensures that QNB's banking services are not associated with any arrangements known or suspected to facilitate tax evasion.

## 5.3 Beyond Banking

Beyond Banking' refers to QNB's Corporate Social Responsibility activities in the communities where we operate. Our ambition is to make a positive contribution towards wider society, with an emphasis on education and financial literacy. In addition, we support and deliver a range of initiatives within our focus areas of social and humanitarian, arts and culture, health and environment, economic and international affairs, and sport.

QNB's 'Beyond Banking' commitments are:

### 5.3.1 Community investment and socioeconomic development:

We are committed to delivering targeted activities and initiatives that progress socioeconomic development under the six focus areas of youth and education, economic and international affairs, health and environment, arts and culture, social and humanitarian, and sport.

### 5.3.2 Education and financial literacy:

As part of our long-term strategy focusing on education, we will build partnerships with educational institutions and promote financial education amongst our customers and other groups (e.g. youth, disadvantaged). Our ambition is to improve their skills and knowledge regarding financial planning and management.

### 5.3.3 Volunteering:

We will facilitate and encourage our employees to volunteer in initiatives coordinated by our Corporate Social Responsibility team.

## 6. Reporting, Disclosures and Transparency

To promote transparency in the banking sector, we are committed to publicly disclosing our sustainability performance in the QNB Annual Report and/or a standalone QNB Sustainability Report, in accordance with the Global Reporting Initiative (GRI) Standards and Qatar Stock Exchange 'Guidance on ESG Reporting'. We place particular emphasis on ensuring high standards of data quality and use this to drive continuous improvement.

Furthermore, we proactively engage and disclose our ESG data to several organisations including: Qatar Stock Exchange, MSCI, FTSE Russell, CDP (formerly Carbon Disclosure Project), Sustainalytics and Bloomberg.

## 7. Dialogue With Stakeholders

In order to receive all important feedback and understand their priorities, QNB will maintain dialogue and consultation channels with its main stakeholders: employees, shareholders, customers, suppliers and regulators.

## 8. Governance

This policy is owned and governed by the QNB Group Strategy Committee (SC), chaired by the Group Chief Executive Officer and attended by the Group Executive Management Team. The SC is the main decision-making body for all matters relating to the Group sustainability strategy. This includes reviewing the strategic framework and ambition, deciding on priority initiatives for implementation with accountable working groups, monitoring performance, and assessing ESG-related risks and opportunities.

When required, the SC reports key risks and opportunities to the Board of Directors via the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC). As a minimum the Board receives an annual update on the overall execution of the Group's sustainability strategy and performance. A designated Group Sustainability Team acts as an advisory body to the SC and senior management on all sustainability-related matters. This policy will be subject to annual review by the Sustainability Committee. It will be the responsibility of the Group Sustainability Team to inform the subsidiaries of any revision or modification of this policy for its correct local adoption in compliance with prevailing regulatory requirements.