



QIB Sustainability Policy

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1.0 Introduction

This document defines the ideology and approach of Qatar Islamic Bank (QIB) to sustainable coexistence, by adopting responsible banking practices and aspiring for long-term value creation through the optimal management of Environmental, Social and Governance (ESG) based risks.

Being an Islamic bank, sustainability is inherent in our business definition, owing to the convergence between the elements of sustainability and the principles of Islamic banking; since both promote limiting adverse impacts on the environment and society while discouraging social ills. Caring for the environment, promoting equality, social justice and inclusion while pursuing economic prosperity for all, is thus an integral part of our business identity. Additionally, we take utmost care to demonstrate accountability and transparency in all our operations and dealings, to help safeguard the interests of all our stakeholders.

Our plans into sustainability are aligned to the four pillars of the Qatar National Vision 2030 (namely: human, social, economic and environmental development) as well as the guidance laid down by the Qatar National Environment and Climate Change Strategy (QNECCS) – both of which provide a solid foundation for undertaking ambitious efforts, that can be leveraged as strategic advantage in the national as well as global context.

QIB is further committed to facilitate the achievement of the UN Sustainable Development Goals (SDGs). QIB has established a sustainability framework that maps the bank's impacts against the seventeen SDGs and identifies relevant risks and opportunities across the bank's business operations. This ensures that QIB contributes towards a positive impact to national and international sustainability goals. Our focus on sustainability includes consideration for environment, social and governance (ESG) factors that encapsulate all of the initiatives, projects, and strategies.

The boundaries of ESG are defined further as:

- **Environment (E):** referring to environmental

protection issues; such as climate change, greenhouse gas (GHG) emissions, energy, waste, natural resources, biodiversity, etc.;

- **Social (S):** referring to aspects relating to the people; such as human rights (in alignment with the Universal Declaration of Human Rights, International Labor Organization (ILO) principles and Labour Law of the State of Qatar), female equality, relations with the community (e.g. society and customers);
- **Governance (G):** referring to business ethics, corporate governance, and the supply chain.

QIB is committed to voluntarily manage the risks associated with environmental, social and corporate governance aspects, beyond legal and regulatory obligations and create opportunities into sustainable finance. These commitments address both direct impacts of the Bank's operations as well as the indirect impacts of its banking activities.

2.0 Purpose and Scope

This policy aims to define our approach to sustainability and ESG commitments for every aspect of our business and to further provide guidance on promoting a responsible and sustainable business model in order to support the communities where we operate. The key drivers of our commitment will be:

- Ensuring compliance with relevant legislative and regulatory ESG requirements in all relevant markets wherein QIB operates; in addition to the internationally recognized sustainability best practices.
- Adopting an integrated approach to generate value for Shareholders, all those that contribute to realizing the Bank's objectives and all other Stakeholders, including employees, customers, contractual partners, the financial community, society, and the environment.
- Implementing a long-term perspective that ensures a conducive business environment and

further drives sustained value creation in the near as well as distant future for all our stakeholders..

- Adopting process innovations and operational improvements towards pursuing excellence in our ESG performance as well as our reputation.

This policy has been vetted and approved by our senior management and applies to all of our operations.

3.0 Our Commitment to Sustainability

3.1 Sustainable Finance

QIB is committed to integrating ESG criteria into its financing activities to deliver profit with purpose, while ensuring the well-being of our planet and our people.. Sustainable finance is the most crucial way QIB can support national and international sustainable development goals.

In particular, we are committed to the following practices:

- Offering Sharia compliant sustainable finance products and services to QIB customers;
- Integrating environmental and social risk management in the due diligence process of project finance and lending transactions;
- Supporting our clients transition to a low carbon economy;
- Ensuring alignment of the Bank's Risk Appetite Framework, through regular review, with this Sustainability Policy and our strategies;
- Adopting ESG based methodology and criteria for the Bank's financing portfolio to track contribution towards sustainable development goals and aspects of the Qatar National Vision 2030;
- Building and specializing internal capacity, through trainings, to assess ESG risks and opportunities associated with the Bank's own as well as customers' investments;

- Supporting the growth of small and medium enterprises (SMEs) and micro enterprises with access to finance;
- Encouraging the QIB subsidiaries to develop their own ESG policy frameworks.

3.2 Environmental (E)

QIB is committed to promoting and raising staff awareness towards our responsible business model with respect to the natural environment, by managing the associated risks and by reducing our direct and indirect environmental impact.

In particular, we are committed to the following:

- Integrating environmental sustainability and management into our processes with particular focus on mitigating climate change, conservation of natural resources, protecting biodiversity and reducing the direct and indirect impacts of our business activities;
- Reducing our carbon emissions as well as our energy and resource consumption by optimizing and improving the efficiency of consumption and spreading a culture of environmental sustainability among the workforce;
- Promoting efficient transportation of personnel;
- Promoting the use of renewable energy sources by encouraging the shift towards a low carbon economy;
- Developing partnerships and projects with internal and external parties;
- Training Stakeholders through actions, initiatives, projects and meetings.

3.3 Social (S)

QIB is committed to caring for and promoting the interests of all of its stakeholders, including communities impacted by our operations; through actions designed to ensure opportunities of their betterment and wellbeing while developing a range of high quality products and services for a seamless banking experience.

In particular, we are committed to the following:

- **Towards our customers**

- » Ensuring customer information and rights are protected and respected with strict compliance to applicable privacy, information security and data collection laws and regulations;
- » Providing transparent and responsible financial services while enabling our customers to take better financial decisions.

- **Towards our People (permanent and contractual employees, contractors and sub-contractors)**

- » Establishing a work environment in which all employees are treated equally and fairly without any bias or discrimination;
- » Providing career development opportunities for all QIB employees to help attract, recruit, and retain the best talent;
- » Promoting occupational health and safety in the workplace.

- **Towards the communities which stand influenced owing to our operations**

- » Delivering targeted activities and initiatives that enhance socioeconomic development;
- » Continuing efforts to promote and provide financial education amongst our customers and our communities where the Bank operates;
- » Upholding and protecting the human rights of people impacted by our business and ensuring equality for all;
- » Improving access to finance and inclusion of underserved communities.

3.4 Governance (G)

QIB is committed to adopting ethical and best practices to ensure integrity, transparency, trust and good governance by adopting industry best practices, complying to all applicable regulatory and legal requirements, raising internal awareness and promoting ESG criteria into the Bank's business operations and across the supply chain.

We are committed to the following:

- Promoting a business model that operates with integrity and in compliance with all applicable laws and regulations, in the respective regions we operate in;
- Maintaining the highest levels of fairness, integrity, and accountability to ensure full compliance and effective management of all risks;
- Empowering the governance of sustainability by defining roles and responsibilities to identify and manage ESG risks and opportunities;
- Raising awareness on the importance of sustainability and promoting good practices among all stakeholders to favor the creation of medium and long-term value from an economic, financial, social, and environmental perspective;
- Integrating environmental and social factors and considerations into decision-making processes;
- Enforcing a zero-tolerance approach to bribery and corruption to counter any form of corruption, money laundering, and financing of criminal or terrorist activity;
- Assessing the supply chain for sustainability risks and collaborating with third parties to ensure compliance and measures to improve positive social and environmental impacts;
- Complying with tax laws in all regions where we operate;
- Maintaining an open communication channel with all key stakeholders (employees, shareholders, customers, suppliers, and regulators) to receive important feedback and sustain dialogue.

4.0 Roles & Responsibilities

QIB reinforces the commitments stated in this Policy by defining processes and identifying roles and responsibilities within the bank that are responsible for controlling ESG issues, risks and opportunities and to allow for the monitoring and reporting of those factors. In particular, the process involves the following phases:

- Identifying and prioritizing main ESG factors, activities, projects, and initiatives in line with sustainability commitments;
- Monitoring and managing risks related to launching sustainable projects and initiatives in various business areas;
- Reporting the performance, risks, and opportunities related to the main ESG factors.

4.1 Board of Directors

The Board of Directors of QIB are responsible for:

- Approving the sustainability guidelines contained in this Policy;
- Approving the risk appetite and tolerance with reference to ESG factors, during the process of reviewing the Risk Appetite Framework, at levels that are compatible with the strategic objectives of the bank, by including anything that could be significant in terms of sustainable success in its assessment;
- Approving any other sustainability initiatives or projects requiring Board approval, as per the Bank's authority matrix, developed as a result of and in accordance with this policy and the QIB strategies;
- Evaluating the adequacy of internal control and risk management systems with regards to ESG;
- Receiving training on ESG/sustainability and disclose the members' respective ESG-related competencies;
- Approving this Policy and its updates, considering the activities, risks, and the Stakeholders of the company.

4.2 Audit and Risk Committee

The Audit and Risk Committee is tasked with:

- Assisting the QIB Board of Directors in defining and assessing the sustainability guidelines and ESG criteria that are relevant to QIB, as contained in this Policy;
- Assisting the Board of Directors, within the scope of its powers, in evaluating the adequacy and

efficacy of the internal control and risk management systems used to identify and assess the opportunities of ESG factors.

- In the context of controlling ESG factors in risk management systems, the function has the following tasks:
- During the Risk Appetite Framework process, it identifies, analyzes, and assesses ESG risks to ensure better control of the associated risks, while taking into account medium- and long-term objectives of building sustainable value;
- Working with relevant and competent departments in order to monitor the exposure to ESG risks.

4.3 Sustainability Management Committee

QIB has established a Sustainability Management Committee, headed by our Group Chief Executive Officer, aimed at overseeing the sustainability strategy and performance of QIB.

The committee is responsible for:

- Drafting and enacting the sustainability committee charter;
- Providing strategic oversight and the initiation of strategy, policy and action plans on matters relating to sustainability and to recommend actions to improve ESG performance;
- Drawing together subcommittees /task groups as and when needed to deliver sustainability strategies, policies and action plans;
- Overseeing the delivery of the sustainability strategy, policy and action plans, monitoring and reviewing the related projects & initiatives and reporting progress to the Board of Directors;
- Supporting Risk Management in prioritizing and assessing ESG factors relevant to QIB;
- Developing an ESG Dashboard with key KPIs to be monitored on a regular (quarterly) basis and to set targets with the support of relevant business/support functions;
- Suggesting to the Board of Directors updates and

additions to the ESG Policy.

4.4 Sustainability Working Group

The Sustainability Working Group is made up of focal points from each business function within QIB. Their tasks include:

- Implementation of new projects and initiatives;
- Internally reporting and managing ESG related data to the Sustainability Management Committee;
- Collecting and sharing key ESG topics with the Sustainability Management Committee with explanations necessary for the development of QIB's non-financial sustainability reporting.

4.5 Other Business/Support Functions

All of QIB's business functions support the identification of ESG factors that are relevant to the Bank and are committed to implementing relevant guidelines, report on the risks and opportunities linked to the ESG factors, on how the factors are managed, and on the results achieved. The main responsibilities of the various business units are the following:

- Ensure compliance and alignment with this policy;
- Participating in sustainability training activities;
- Identify, monitor, and report sustainability performance.