



Sustainability Report

2021



Message from the Chairman of the Board of Directors



H.E. Mr. Ali Ahmed Al Kuwari
Chairman of the Board of Directors

On behalf of the Board of Directors, I am delighted to introduce QNB Group's 2021 Sustainability Report, which documents the progress of our continued Environmental, Social and Governance (ESG) journey.

Our stakeholders, from investors to broader society, play a crucial role in guiding our awareness and understanding of material ESG topics. Initiatives to proactively address these topics are cascaded top down to ensure integration in the front line and embedded across our business and operations.

As stated in our most recent annual report, we as the Board of Directors continuously assess emerging and strategic trends in the banking sector to understand the implications for our value proposition, business and operating model. Our assessment confirms our long-held conviction that banking is more than just acting as a financial intermediary, and that sustainability is and will remain a strategic imperative.

In line with our international and national commitments, we continue our disclosure on our ESG progress and developments. Our Communication on Progress (COP) to the United Nations Global Compact (UNG), and our alignment to the United Nations Sustainable Development Goals (UNSDGs) is included within this report. We also actively support the State of Qatar's commitment to address key ESG issues, in full alignment with the Qatar National Vision (QNV) 2030 and recently launched National Environment and Climate Change Strategy (QNE).

As we enter 2022, ESG will remain central to our purpose of promoting prosperity and sustainable growth as one of the leading banks in the Middle East, Africa and Southeast Asia (MEASEA).

I want to express my enduring gratitude towards our customers, employees, partners and wider stakeholders for their engagement, commitment and support. Together we can continue to make a positive impact and transition towards a more environmentally friendly and socially equitable ecosystem.

Message from the Group Chief Executive Officer (GCEO)



Mr. Abdulla Mubarak Al-Khalifa
Group Chief Executive Officer

I am pleased to present the achievements and progress of QNB's sustainability journey in 2021 for all of our stakeholders and interested parties.

As we publish this report, the globe begins to transition from the depth of the pandemic. Now more than ever, the topic of sustainability is at the forefront, and the need for corporates to demonstrate their efforts to address environmental, social, and economic challenges is critical. Financial returns are no longer the only parameters by which to measure an organisation's performance. The ability to understand ESG impacts and manage the related risks and opportunities has become a necessity.

In light of this, and with regards to the Chairman's statement, we continue to engage with our stakeholders to drive our sustainability agenda and address material ESG topics, all the while anchoring our efforts on the principles of robust governance and prudent risk management. We continue to build upon the progress we have already made towards embedding sustainability as a core part of our culture, value proposition, business and operating model to create positive impact for generations to come.

Our sustainability programme has ensured that the Group was well prepared and continues to be well positioned, to address and lead the wide ranging ESG topics impacting the economy and society today. Delighting our customers, developing our people, financing sustainable development as well as addressing environmental, climate, and social risk are not just sustainability topics, but are core to successful business and operations today.

QNB's updated Green, Social and Sustainability Bond (GSSB) Framework, fully aligned with latest International Capital Market Association (ICMA) principles and guidelines, enabled QNB Finansbank's debut green bond private placement with the European Bank of Reconstruction and Development (EBRD). QNB Group's first green repurchase agreement, plus products to incentivise the adoption of environmentally positive practices, further support efforts for sustainable financing and development. The enhancement of our Environmental and Social Risk Management (ESRM) Framework, initiating the integration of climate risk in our risk management framework, and publication of QNB's Supplier Code of Conduct, demonstrates action on ESG risks.

Our ongoing financial support for corporates and small and medium-sized enterprises as well as the delivery of secure "anytime, anywhere" omni-channel services, enables and delights our customers. Our new self-service learning and development platform, combined with tailored instructor-led courses and succession planning programmes, allows us to develop future-proofed talent to thrive in an ever evolving market.

Through these efforts and more, we have maintained or improved our ESG ratings across the board, and have received international acclaim from the Climate Bonds Initiative and Global Finance Magazine in recognition of our sustainable financing activities and leadership in green bonds. This year, QNB Group was the first bank in the region to be awarded "AA" rating by MSCI ESG Research, recognising QNB as a sustainability leader amongst its peers.

I take this opportunity to thank all of our employees for their dedication and exemplary service they deliver to our customers every day. I also express my gratitude to our customers and stakeholders who have been with us on every step of the journey. Finally, I would like to thank the Chairman and Board of Directors for their ongoing guidance and support as we emerge from the recovery and into the new normal ahead.

QNB Sustainability Report 2021

We are pleased to present the latest edition of QNB Group’s Sustainability Report, which highlights the progress and development in our sustainability journey. This report was developed in alignment with the following international and national standards and guidelines:

- > Global Reporting Initiative (GRI) Standards: Core Option;
- > United Nations Sustainable Development Goals (UNSDGs);
- > United Nations Global Compact (UNGC) and Communication on Progress (COP);
- > Qatar Stock Exchange (QSE) Guidance on ESG reporting; and
- > Sustainability Accounting Standards Board (SASB) Standards: Commercial Banks, for the first time in 2021.



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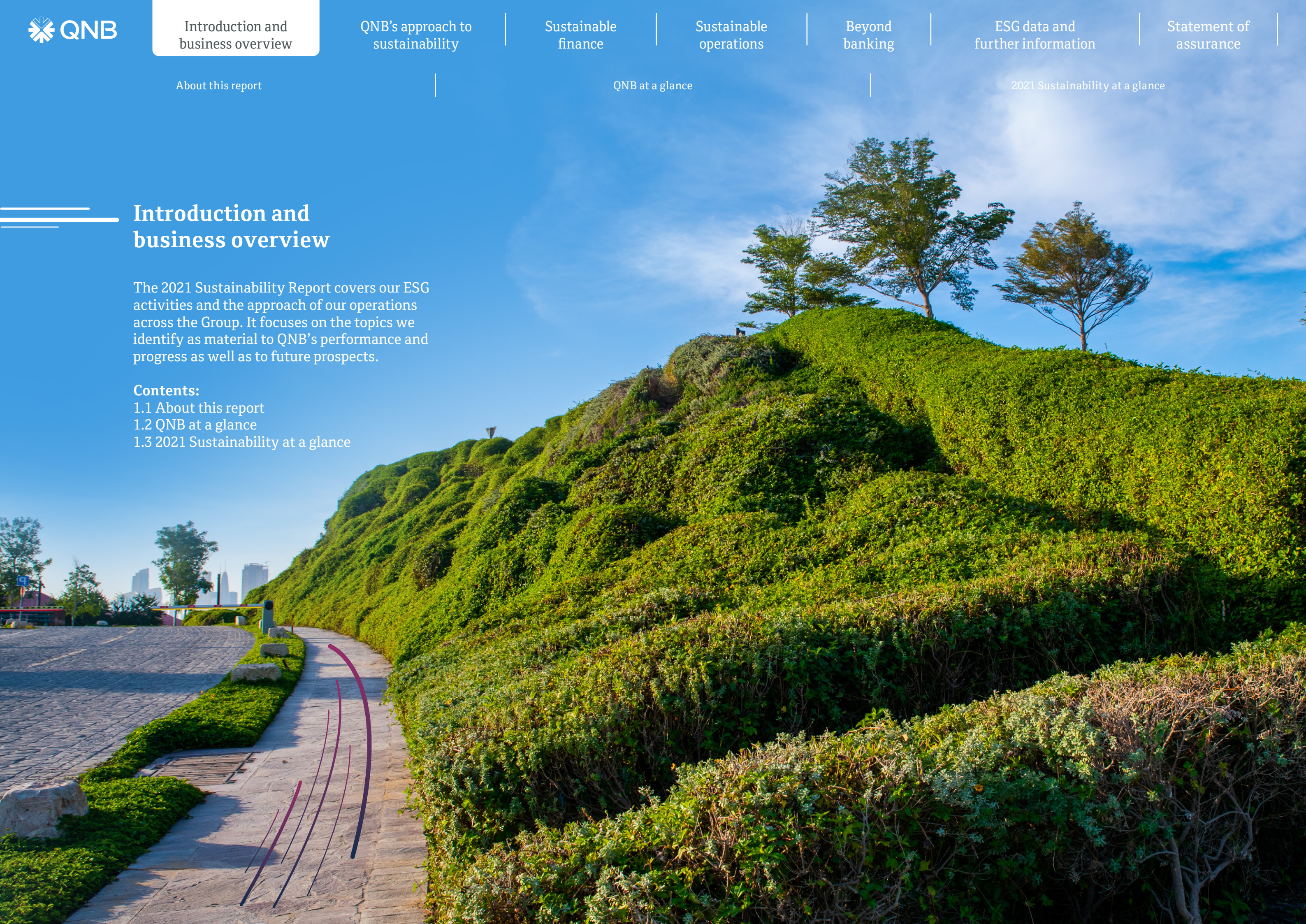
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Introduction and business overview

The 2021 Sustainability Report covers our ESG activities and the approach of our operations across the Group. It focuses on the topics we identify as material to QNB's performance and progress as well as to future prospects.

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- 1.1 About this report
- 1.2 QNB at a glance
- 1.3 2021 Sustainability at a glance



1.1 About this report

This report forms part of QNB Group's 2021 publications and complements the [QNB Annual Report 2021](#) and the [QNB Corporate Governance Report 2021](#).

Reporting period

This report covers the period from 1 January 2021 to 31 December 2021.

Currency

All financial data within this report is shown in Qatari Riyals (QR) unless stated otherwise.

Report content and topic boundaries

In preparing our 2021 Sustainability Report, we have adhered to the GRI Reporting Principles, within the limitations and scope of the information currently available:

Stakeholder inclusiveness: Our stakeholder groups are listed in section 2.4. Over the course of 2021, the Sustainability Team engaged directly and regularly with investors as well as extensively with several internal proxies representing our other key stakeholders. This engagement allowed us to identify and prioritise our most material topics using the GRI recommended approach of identification, prioritisation and validation;

Sustainability context: Our group-wide approach to governance, compliance and risk management is included in section 2.1. In addition, our sustainability framework and strategy as well as supporting sustainability governance is captured in sections 2.2 and 2.3.

The messages from the Chairman of the Board of Directors and GCEO at the beginning of the

report reflect our commitment to sustainability and highlights our progress during the year;

Materiality: Directly and through proxies, we engaged key stakeholder groups to identify those issues that were of most concern to them. The initial list of material topics for QNB was developed by an independent third party. In 2021, we reassessed our material topics to address the rapidly and dynamically evolving operating environment. The key changes to this year's materiality assessment are reflected in increased rankings for "Employee value proposition" and "Environmental and climate impact" (renamed from "Environmental impact of operations" in 2020). Increased focus on our Employee value proposition reflects our strategy to maintain and enhance our position as an employer of choice. Our increased focus on Environmental and climate impact recognises the growing significance of climate change and increasing risk to the stability of the global financial system.

We address and integrate our digital approach through multiple material topics. This includes how we have leveraged digital as an enabler for enhancing customer experience, broadening our reach and driving financial inclusion.

While our topics have been reprioritised, they remain aligned with the objectives of the UNSDGs, QNV 2030, the QSE Guidance on ESG Reporting, and SASB; and

Completeness: The topics covered in the report reflect our ESG impacts. We have considered the results of our stakeholder engagement processes as well as societal expectations.

Assurance of reporting

We continuously strive to enhance the level of disclosure in our reporting of sustainability topics across Qatar, our international branches and major subsidiaries. This positively contributes to improving the quality of our report allowing us to present information in a transparent and accurate manner.

Deloitte & Touche Middle East (DTME) has provided an independent limited assurance opinion under ISAE 3000 (Revised) on the preparation of this report in accordance with the GRI Standards: Core Option, as well as on one specific sustainability Key Performance Indicator (KPI) prepared in accordance with QNB's own calculation methodology. The KPI "Female employment rate" was selected for assurance based on materiality and relevance to our stakeholders.

DTME is independent from QNB at the point that the report is issued.

The outcomes of the assurance along with relevant recommendations are presented in the management report that is reviewed at senior level and circulated to data owners. For the scope of work and the opinion please refer to the [Independent limited assurance report](#).

Feedback

We welcome feedback on this report and any aspect of our sustainability performance. Please address all feedback to QNB Group Sustainability at sustainability@qnb.com.

¹QNB international branches are entities which are licensed to provide banking services. Through our international branches we are able to service our customers by leveraging the Group's global capabilities, products and services. The full listing of QNB international branches can be found on page 164 and 165 of the 2021 Annual Report.

Scope

This report is produced by Qatar National Bank (Q.P.S.C.) and covers Qatar, our international branches and major subsidiaries: QNB Finansbank (Türkiye), QNB ALAHLI (Egypt), QNB Indonesia and QNB Tunisia. The data in this report covers the scope outlined below, unless stated otherwise. The data in this report covers a three-year period ranging from 2019 to 2021.

2019 - 2021

- > Qatar & International Branches¹
- > QNB ALAHLI (Egypt)
- > QNB Finansbank (Türkiye)
- > QNB Indonesia
- > QNB Tunisia

Limitations of scope

Reporting for each KPI is dependent on the data provided by our operations in Qatar, our international branches and major subsidiaries. In any instances where the KPI does not fully reflect the scope as outlined above, clarifying notes are included.

Restatements of information

In cases where indicators have been restated due to changes in calculation methodology, classification and/ or human error they are marked in the respective sections of the report.

1.2 QNB at a glance

QNB is a highly-rated bank with a significant international presence, serving more than 26 million customers across our network. We are proud of our Qatari heritage and of the continuing contribution we make to the region and beyond.

Our businesses



Wholesale and Commercial Banking

A comprehensive suite of wholesale, commercial and Small and Medium Enterprise (SME) banking products and services. These include structured finance, project finance, transaction banking, financial institutions, treasury, investment banking and advisory services.



Asset and Wealth Management

A broad collection of onshore and offshore private banking and asset management products, with a bespoke relationship-driven approach for our institutional, high net and ultra-high net worth clients. These offerings are complemented by brokerage and custody services in our major markets.



Retail Banking

A broad array of retail banking products and services across a multichannel network with more than 1,063 branches and an ATM network of more than 4,642 machines*. These include premium banking services through QNB First and QNB First Plus, designed for our affluent clients.

*Including subsidiaries and associates



International Business

Leading the expansion of QNB's international presence and enabling cooperation, consistency and unrivalled customer service by providing oversight and best practice sharing across our network.

Our subsidiaries and associates

Name	% stake
QNB Finansbank (Türkiye)	99.88%
QNB ALAHLI (Egypt)	95.00%
QNB Indonesia	92.5%
QNB Tunisia	99.99%
QNB Syria	50.8%
QNB Suisse (Switzerland)	100%
QNB Capital LLC (Qatar)	100%
QNB Financial Services (Qatar)	100%

Name	% stake
Mansour Bank (Iraq)	54.2%
Commercial Bank International (CBI) (UAE)	40%
Housing Bank for Trade and Finance (HBTF) (Jordan)	38.6%
Ecobank Transnational Incorporated (Ecobank) (Togo)	20.1%
Al Jazeera Finance Company (Qatar)	20%



Our top-tier credit ratings

	Moody's	Standard & Poor's	Fitch	Capital Intelligence
Long term	Aa3	A	A+	AA-

Established in 1964 as the first Qatari-owned bank, QNB is strongly influenced by our Qatari heritage. Looking back at our achievements inspires us to continue to play a leading role in contributing to our nation's future. We firmly believe in supporting and investing in the Qatari people so we can all move forward with confidence and determination.



“As the largest bank in MEA and one of the leading banks in MEASEA, we are a trusted financial partner to millions of customers in more than 31 countries across three continents.”

Our heritage

1964

First Qatari-owned bank established


1997

Public listing on Qatar Stock Exchange


2007

Began a ten-year expansion phase with the opening of branches and offices in 15 countries and eight acquisitions



QNB Kuwait



QNB Switzerland



QNB Indonesia

2016

Acquisition of Finansbank in Türkiye


1973

Introduction of the Qatari Riyal


1976

QNB opens its first overseas branch with the opening of a branch in London


2013

Acquisition of NSGB in Egypt


2015

Largest bank in the MEA region across all financial metrics


2021

QNB opens branch in Hong Kong



1.3 2021 Sustainability at a glance

Financing

QR10.25 billion


Lending portfolio financing environmentally friendly, low carbon activities

34


Number of sustainable financial products and services offered to our customers

Two Global Finance awards


> “Outstanding Sustainable Financing in Emerging Markets”
> “Outstanding Leadership in Green Bonds” in the Middle East regional category

First green repo


First green repurchase agreement for QNB, and first in Qatar

QR14.9 billion


Value of loan portfolio to SMEs and microenterprises

First green EBRD private placement in Türkiye


European Bank
for Reconstruction and Development

Customer experience

77.2%


Digital transactions (online and mobile as a % of total)

0


Data security breaches

ISO 27001


Information Security Management System certification

Published customer charter


Commitment to providing excellent customer service

Gender diversity

32%


% Women in middle and senior management

47%


% Women employees

17%


% Women Board members in our subsidiaries

0.91


Female/male pay ratio

Climate

16.5%


Reduction in GHG consumption (CO₂) since 2017

- 1.26 tonnes (CO₂/ employee)


Reduction in carbon intensity since 2015

Commitments and recognition

Ten principles


Our commitment and membership to UNGC

Constituent


FTSE4Good

FTSE4Good Index



بورصة قطر
Qatar Stock Exchange

MSCI QSE 20 ESG Index

First bank in the region to receive MSCI ESG AA Rating


MSCI ESG RATINGS
CCC B BB BBB A AA AAA

QNB's approach to sustainability

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 we serve.

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- 2.1 Governance, compliance and risk management
- 2.2 QNB sustainability framework and strategy
- 2.3 Sustainability governance
- 2.4 Stakeholder engagement
- 2.5 Materiality assessment
- 2.6 External commitments

2.1 Governance, compliance and risk management



QNB Group complies with the supervisory and regulatory requirements issued by Qatar Central Bank (QCB), Qatar Financial Markets Authority (QFMA), the Commercial Companies Law, and all relevant regulatory authorities across our operating footprint.

Robust corporate governance is the foundation of sustainable economic growth by building investor confidence and strengthening financial markets. At QNB Group, corporate governance is not simply an exercise in regulatory compliance, but a means to ensure steadfast implementation of sound governance practices.

QNB's established corporate governance measures across the Group combine all aspects of internal control, risk and compliance. This governance and compliance structure enables us to drive the right behaviour, deliver on evolving regulatory and market requirements, and protect our employees, customers and society. These are of vital importance to the bank as an institution and forms the essence of our approach to sustainability.

Through regular and open engagement with all our stakeholders, assessment of market trends and best practices as well as dialogue with specialist parties, we as an institution listen, learn, understand, and act.

Full details of QNB's institutional governance approach is documented in the [QNB Group Corporate Governance Report 2021](#) and [QNB Group Annual Report 2021](#). Key governance initiatives and practices directly enhancing and addressing sustainability related topics are highlighted as follows:

2021 enhancements

Board of Director (BOD) disclosures

QNB conducted a comprehensive evaluation of Board member independency in compliance with QCB and QFMA regulations in 2021. To enhance governance transparency, in line with best practices and market feedback, further BOD disclosures have been made in the [QNB Group Corporate Governance Report 2021](#). These additional disclosures include BOD remuneration, clear identification of independent members, and further detail in biographies, including qualifications and professional background for each Member of the Board.

Remuneration and performance management

The remuneration system within the Group forms a key component of the governance and incentive structure through which the Board and Executive Management promote performance in line with acceptable risk-taking behaviour.

The separate “QNB Group Remuneration Policy for Board, Executive Management & Employees” defines the mechanism whereby remuneration is directly linked to the effort and performance at both department and employee levels, including that of the Board, through the achievement of assigned goals and objectives in accordance with the profitability, risk assessment and the overall performance of the Group. This policy is applicable to the Chairman, Board members, Senior Executive Management and employees of QNB Group.

In 2021, QNB published for the first time total Executive Management remuneration and the components of our Executive Management’s Balanced Scorecard. Our Balanced Scorecard approach consists of a set of KPIs across highlighted performance dimensions, with attributes specific to the Executive role. Common KPIs include those linked to sustainability, innovation, compliance, risk and people related matters, beyond financial and other non-financial KPIs.

Tax statement

QNB Group observes all applicable tax laws and has appropriate tax risk management practices. The Group recognises the importance of being a responsible taxpayer and making timely tax payments as part of its commitment to be a good corporate citizen in the countries that we operate.

In 2021, QNB issued a Tax Statement which outlines our tax specific governance, risk management processes, disclosure and compliance obligations. QNB does not advise clients on taxation matters.

KPIs: Corporate governance ²	2019	2020	2021
Incidents of non-compliance with laws and regulations (number)	0	0	0
Total amount of legal and regulatory fines and settlements (QR million)	0	0	0
Confirmed incidents of bribery or corruption (number)	0	0	0
Board seats occupied by independent directors (%)	40%	40%	60%
Board seats occupied by women (%)	0%	0%	0%
GCEO pay ratio	30.0	30.0	33.0

²The figures in this table covers QNB Group, including Head office, international branches and subsidiaries

Compliance

Our [Code of Ethics and Conduct](#) guides us to do the right thing while making a positive impact on our customers and the markets in which we operate. This code complements our purpose and values and reinforces how we uphold professional standards and comply with laws and regulations in our day-to-day activities.

Our culture of compliance is further embedded across the Group through continuous and targeted initiatives, such as publication of policies and procedures, internal circulars, mandatory employee training, awareness sessions and annual declarations. This year, we reinforced the Conflict of Interest and Insider Dealing Policy. This allows the Group to adequately identify and address conflicts of interest on both the buy side and sell side related activities. In addition, an Anti-Bribery & Corruption Assessment Programme was developed which enabled us to evaluate the Group's capacity to properly detect and mitigate the threats associated with such misconduct.

During the reporting period, there were no public legal cases regarding corruption brought against QNB or its employees.

Employees are also actively encouraged to report concerns or suspicions through our established whistleblowing channels. Our Whistleblowing Policy encourages and supports employees to raise genuine concerns. Any and all reported offences are investigated, with all information related to the investigation of any actual or suspected offences treated confidentially. A whistleblowing circular is communicated to all employees, with other

channels available for third parties to raise concerns or complaints.

Governance pertaining specifically to our Sustainability strategy and programme as well as progress on material ESG topics are further detailed throughout this report.

Risk management

QNB strives to proactively identify, analyse, manage, mitigate, and report a wide range of existing and emerging risks, such as the impact of our strategic risks, risks to our financing related activities, operational risk, technology/ IT risk, legal risk, and reputational risk. ESG topics as well as their associated risks are becoming ever more relevant for corporations. We as QNB have started to incorporate ESG related risks in our risk management practices. We define sustainability risks as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact internally and externally. Informed by the GRI recommended principles of materiality and stakeholder engagement, we have identified a number of emerging sustainability risks across the Group.

Sustainability risk management is currently integrated in our financing, operations, and supply chain. This integration is supported by a number of policies, frameworks, codes, and charters which are aligned with the Group's risk appetite and robust Group-wide enterprise risk management framework. This framework ensures that sustainability risks are adequately addressed.

The Sustainability Team is the custodian of QNB's sustainability related strategy and framework. They act as a second line of defence

by providing the necessary guidance, support, awareness, and training to enable the identification of sustainability related risks.

Risk culture

We actively promote a risk-minded culture across the organisation. To do this, we have embedded specific risk management metrics into all our employee's performance scorecards. Each risk function is involved in defining these metrics annually and in providing oversight by evaluating and rating them throughout the year through our performance management process. Our metrics are broad and touch on all risk disciplines, including non-financial risks, such as operational risk, information security, and sustainability related risks. In addition, employees are required to complete mandatory risk related training each year to ensure a thorough understanding of the bank's policies and procedures.

KPIs: Risk management	2019	2020	2021
Capital adequacy ratio (CAR) (%)	18.9%	19.1%	19.3%
Liquidity coverage ratio (LCR) (%)	160%	164%	147%

Example of sustainability related risks



Sustainable finance

- > Environmental and Social Risk (including Human Rights)
- > Climate Risk
- > Conduct Risk
- > Cybersecurity Risk



Sustainable operations

- > Employee Conduct Risk
- > Third Party Supplier Risk
- > Data Privacy Risk



Beyond banking




- > Reputational Risk



2.2 QNB sustainability framework and strategy

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.

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 by 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 stakeholders, along with a series of action plans to improve our performance.

Sustainable financial performance		
<div>  Sustainable finance </div> <p>Sustainable finance is the integration of ESG criteria into QNB’s financing activities to deliver profit with purpose. Our ambition is to help customers manage their environmental and social risks, lend to businesses that contribute towards sustainable development goals, improve access to finance for SMEs and underserved groups, and provide responsible customer service. Delivering sustainable finance is the most significant way in which QNB can support national and global sustainable development goals. Moreover, it enables us to reduce reputational risks in our portfolio and maximise business opportunities emerging from the transition to a greener, more inclusive economy.</p> <p>QNB’s material topics identified within sustainable finance are:</p> <ul style="list-style-type: none"> > customer experience and responsible engagement; > customer privacy and data security; > digital innovation and transformation; > sustainable investment, lending, products and services; > supporting SMEs and entrepreneurship; and > financial inclusion, accessibility and education. 	<div>  Sustainable operations </div> <p>Sustainable operations is the integration of ESG criteria into our business operations and across our supply chain to ensure we operate ethically and efficiently. Our ambition is to strengthen corporate governance and risk management 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 to be an employer of choice.</p> <p>QNB’s material topics identified within sustainable operations are:</p> <ul style="list-style-type: none"> > employee value proposition; > diversity and inclusion; > responsible procurement and supply chain; and > environmental and climate impact. 	<div>  Beyond banking </div> <p>Beyond banking refers to QNB’s Corporate Social Responsibility (CSR) activities in the communities in which 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.</p> <p>QNB’s material topic identified within beyond banking is:</p> <ul style="list-style-type: none"> > community investment and socio-economic development.

2.3 Sustainability governance

The QNB Group sustainability programme, which consists of our group-wide sustainability strategy and roadmap, is owned and governed by the QNB Group Strategy Committee (SC), chaired by the GCEO and attended by the Group’s Executive Management Team. The SC is the decision-making body for all matters relating to the Group’s sustainability programme.

Responsibilities include reviewing the strategic framework and agenda, deciding on priority initiatives for implementation with accountable working groups, monitoring performance and assessing ESG related risks and opportunities, including climate related issues.

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 of Directors receives an annual update on the overall execution of the Group’s sustainability strategy as well as achievements of our sustainability efforts.

A designated Group Sustainability Team within Group Strategy acts as an advisory body to the SC and senior management on all sustainability related matters. The Group Sustainability Team engages with external stakeholders and drives all ESG related reporting (through GRI Certified Sustainability Professionals), disclosures and interactions with ESG related bodies, institutions, investors, and partners. In addition, the team is at the core of our various ESG initiatives, acting as a central focus point for ESG related projects in collaboration with concerned departments, including delivering ESG training and awareness across the Group.

The Group’s sustainability policy is subject to annual review by the SC and applied to the entire Group, including international branches and majority controlled subsidiaries. Any revisions or modifications to the policy are communicated to the subsidiaries for its correct local adoption in compliance with prevailing regulatory requirements.

The Group also has a Green, Social and Sustainability Bond Committee (GSSBC), made up of senior representatives from the Sustainability, Corporate Banking, Treasury, Risk, and Finance teams. On a quarterly basis, the GSSBC reviews updates on the eligible bond portfolio and approves any action to comply with eligibility criteria, management of proceeds, reporting standards, and mitigating action to meet the bond thresholds.

To enhance disclosure in 2021, the Group published a number of sustainability related policies and statements on its website. These include the [Code of Ethics and Conduct](#), [Anti-Bribery and Corruption Policy Statement](#), [Group Environmental and Social Risk Management \(ESRM\) Framework](#), [Third Party Supplier Code of Conduct \(TPSCC\)](#) and the [Modern Slavery Act \(United Kingdom\)](#).

In 2021, we have further enhanced sustainability governance by including topics such as Board gender diversity, enhanced governance disclosures, and external ESG preparedness review.









* The Group Sustainability Team disseminates strategy, policy and priority initiatives to Subsidiaries’ Sustainability Teams.

2.4 Stakeholder engagement

QNB Group’s sustainability strategy was developed in consultation with key stakeholder groups - our customers, investors, employees, regulators and government, society and suppliers - taking into account their needs and expectations. Through regular and targeted engagement with stakeholders, we deepen our understanding of their priorities, and where appropriate, align our initiatives with their interests and needs.

Our stakeholder selection process is guided by a benchmarking exercise against peer banks in the region and beyond. In addition, our primary stakeholders are groups that are directly affected by our business and operations (customers, employees, suppliers), invest in our business (investors), have oversight and influence on our activities (regulators and government), as well as those who are indirectly impacted in the communities we serve (society). The relevance of these stakeholder groups is reviewed on an annual basis.



Stakeholders	Needs and expectations	Material topics	QNB engagement channels	Frequency
Customers 	> Customer service and satisfaction > Easy to use and secure digital channels > Competitive rates and fees > Access to financing and services > Products with a positive impact > Robust data privacy	> Financial stability and systemic risk management > Customer experience and responsible engagement > Financial performance > Customer privacy and data security > Digital innovation and transformation > Sustainable investment, lending, products and services > Supporting SMEs and entrepreneurship > Financial inclusion, accessibility and financial education	> Customer satisfaction survey > Customer care centre > Mobile and online banking > Complaints management > Relationship managers	Annual Ongoing
Investors 	> Strong and stable returns > Robust corporate governance, risk management and ratings > Transparency and disclosure > Comprehensive approach to ESG along the value chain	> Financial stability and systemic risk management > Governance, compliance and risk management > Environmental and climate impact > Diversity and inclusion	> Annual General Meeting (AGM) > Board of Directors’ meetings > Analyst calls > Investor days, roadshows, and ongoing dialogue	Annual Quarterly Ad-hoc
Employees 	> Competitive salaries, benefits and rewards > Professional development > Fairness, diversity and equal opportunity > Work-life balance	> Employee value proposition > Diversity and inclusion	> Employee engagement survey > Training needs analysis > Intranet > Induction programme > Learning and development programmes > Performance management > Sustainability awareness training	Biennial Annual Ongoing
Regulators and government 	> Compliance with all legal and regulatory requirements > Robust anti-corruption and bribery measures > Strong risk management and governance > Addressing climate change risks and opportunities	> Financial stability and systemic risk management > Governance, compliance and risk management > Customer privacy and data security > Environmental and climate impact	> Public disclosures (e.g., Annual and Corporate Governance Report) > Group compliance and audit teams > Regulatory working groups > Banking associations	Annual Ongoing
Society 	> Creating employment opportunities > Making a positive contribution to the challenges facing society > Addressing climate change risks and opportunities	> Financial stability and systemic risk management > Governance, compliance and risk management > Employee value proposition > Diversity and inclusion > Environmental and climate impact > Community investment and socio-economic development	> Products and services with environmental or social benefits > CSR activities > HR recruitment teams > Non-Governmental Organisations (NGOs)	Ongoing Ad-hoc
Suppliers 	> Timely payment > Fair and transparent processes > New business opportunities	> Digital innovation and transformation > Responsible procurement and supply chain	> Bidding and tendering > Supplier e-portal > Supplier audits	Ongoing Ad-hoc

2.5 Materiality assessment

By identifying and prioritising our material sustainability topics, we are able to focus on what matters most to our business and stakeholders. In line with the materiality assessment process set out in the GRI standards, QNB Group has compiled a comprehensive list of relevant economic, ethical, social and environmental topics.

Our approach to the ranking of these topics include both internal and external stakeholder engagement, conducted through dialogue and feedback provided by nominated proxies across the Group. We regularly communicate with our external stakeholders including regulators, rating

agencies, government entities, and NGOs with regard to sustainability topics.

We reference our material topics against international and regional peer reviews by conducting a comparative analysis of our material topics through our annual ESG performance review. Prioritisation of topics takes into account an ESG assessment, ratings and weightings from multiple internationally recognised rating agencies.

In 2021, we reassessed our material topics to address the rapidly and dynamically evolving operating environment. The key changes to this

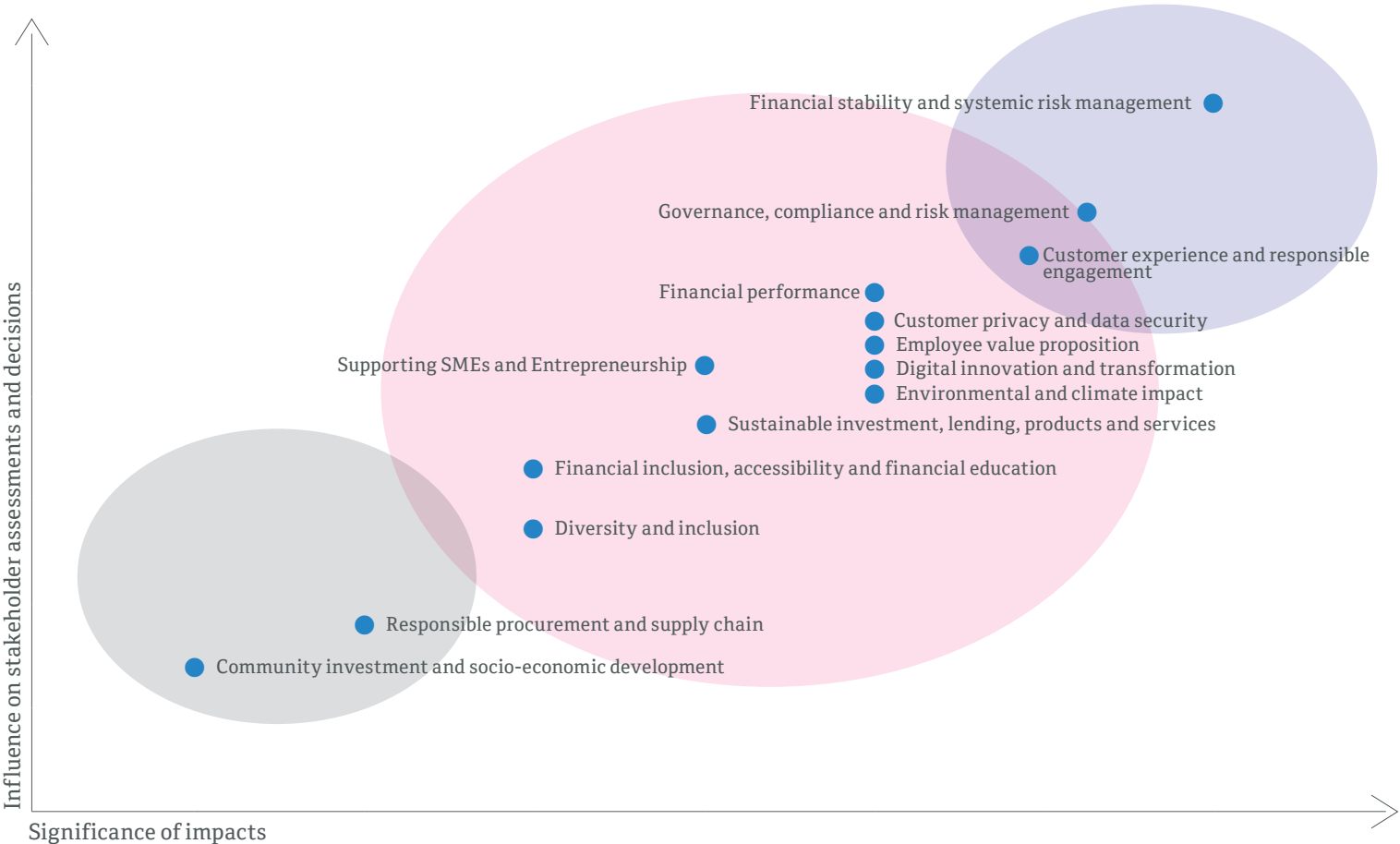
year's materiality assessment are reflected in increased rankings for Employee value proposition and Environmental and climate impact (renamed from Environmental impact of operations in 2020).

The increasing focus on Employee value proposition is part of our strategy to maintain and enhance our position as an employer of choice. In addition, our increased focus on Environmental and climate impact recognises the growing significance of climate change and increasing risk to the stability of the global financial systems.

While our material topics have been reprioritised,

they remain aligned with the pillars of our sustainability framework and the objectives of the UNSDGs, QNV 2030 and the QSE Guidance on ESG Reporting. Our approach to materiality provides the foundation of our sustainability strategy and ensures that we address the issues of most relevance to all our stakeholders. Our Executive Management has reviewed the Group's materiality matrix to ensure that the range of issues included provides a complete representation of the organisation's significant sustainability impacts.

QNB Group Materiality Matrix




Material topics alignment with UNSDGs	UNSDGs
Financial stability and systemic risk management ³	
Governance, compliance and risk management	
Customer experience and responsible engagement	
Financial performance ³	
Customer privacy and data security	
Employee value proposition	
Digital innovation and transformation ⁴	
Environmental and climate impact	
Sustainable investment, lending, products and services	
Supporting SMEs and entrepreneurship	
Financial inclusion, accessibility and financial education	
Diversity and inclusion	
Responsible procurement and supply chain	
Community investment and socio-economic development	

³Data to support this material topic is covered in the QNB 2021 Annual Report

⁴Material topic is covered across multiple sections of this report

2.6 External commitments⁵

Our sustainability strategy has been developed in line with these international and national commitments, as well as reporting frameworks.

International Commitments 	UN Global Compact (UNGC)	As part of our commitment to sustainable business practices, QNB joined the UNGC, the world’s largest corporate sustainability initiative, promoting better business practices in the areas of human rights, labour, environment, and anti-corruption. Each year we publish our COP to report progress against these topics.
	UN Sustainable Development Goals (UNSDGs)	The UNSDGs are the principal global framework for sustainability. Their aim is to protect the planet, end poverty, fight inequalities, and ensure prosperity. Launched in 2016, through to 2030, the 17 goals are underpinned by 169 targets. We have aligned our materiality topics to the UNSDGs.
National Commitments 	Qatar National Vision (QNV) 2030	The QNV 2030 serves as a clear roadmap for Qatar’s future, guiding economic, social, human, and environmental development for the coming decade. The vision is supplemented by the National Development Strategy, with five-year plans to support its implementation.
	Qatar’s Nationally Determined Contribution (NDC)	In 2021, Qatar submitted its updated NDCs to the United Nations Framework Convention on Climate Change (UNFCCC). The NDC outlines the country’s climate actions and efforts towards reducing Greenhouse gas (GHG) emissions, as part of an ongoing commitment to the Paris Agreement.
	Qatar National Environment and Climate Change Strategy (QNE)	In 2021, Qatar launched its environmental strategy covering five key environmental spheres: GHG emissions and air quality, biodiversity, water, circular economy and waste management, and land use. This strategy will support Qatar’s ambition to be a regional model in fulfilling developmental and environmental targets.
Standards and Frameworks 	Global Reporting Initiative (GRI) Standards	To promote transparency in the banking sector, we report our sustainability performance annually and in accordance with the GRI Standards: core option and GRI G4 Financial Services Sector Disclosures. In 2021, DTME provided an independent limited assurance under ISAE 3000 (Revised) on the preparation of the 2020 Sustainability Report in accordance with the GRI standards. In addition, we also published our third sustainability report in Türkiye.
	Sustainability Accounting Standards Board (SASB)	We commenced reporting against the SASB Index for Commercial Banks.
	Carbon Disclosure Project (CDP)	We commit to continuously reducing the Bank’s carbon footprint and providing transparency across our environmental performance.
	Taskforce on Climate related Financial Disclosures (TCFD)	We support the principles and recommendations of TCFD. Currently TCFD relevant metrics are disclosed where aligned with GRI standards and through active annual participation in CDP.
	Qatar Stock Exchange (QSE) Sustainability and ESG Dashboard	We have committed to disclose QNB’s ESG performance to the QSE, which is a signatory to the United Nations Sustainable Stock Exchange Initiative.
	International Capital Markets Association (ICMA)	Our GSSB Framework is fully aligned with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG). The GSSB Framework sets out our governance and approach, outlines eligible project categories, use of proceeds, and reporting commitments. This year, we updated our GSSB Framework to ensure alignment with ICMA Green Project Mapping, latest ICMA principles and guidelines as well as Climate Bonds Initiative (CBI) and EU taxonomies, where applicable. The framework successfully obtained a full alignment opinion from S&P Global Rating. In 2021, we published our green bond anniversary reporting, consisting of an independently assured allocation report and an environmental impact report developed with a third party specialist.



⁵QNB Group maintains membership in several banking and financial industry associations in the ordinary course of business, via positions on governance bodies and/ or through participation in projects or committees. The Group views its membership of the Institute of International Finance (IIF) as strategic due to the role of our GCEO as a Board and Emerging Markets Advisory Council (EMAC) member. The EMAC, which was established in 2008, serves as a platform for emerging market institutions to influence the reform agenda for the global financial system

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External ESG ratings and indices

Ratings provider	Rating
MSCI	AA
Sustainalytics	22.4 (Medium Risk)
S&P CSA	42 (62 nd percentile)
CDP	D
ESG Invest	1 st in Qatar
Index	Update
FTSE4GOOD	Constituent
MSCI QSE 20 ESG	Constituent



FTSE4Good

Environmental and Social Risk Management (ESRM)

In 2021, we formally rolled out our [ESRM Framework](#), which was developed in accordance with national and international laws and regulations and is publicly available in our website. Within the ESRM Framework, the Exclusion List clearly lists the prohibited activities and sectors that the Bank will not knowingly finance. All in-scope activities passing the Exclusion List screening and meeting our financing threshold are subject to additional environmental and social (E&S) screening through restricted sectors and corresponding prohibited activities.

The Group also has a position statement on Extractive Industries and palm oil, which states that we support and encourage clients to use, or transition towards, internationally recognised standards and practices to manage their E&S risks and impacts. For palm oil, we require clients to be Roundtable on Sustainable Palm Oil (RSPO) certified or in the process of becoming a member. The Group has committed to revisiting and evolving the Group’s ESRM Framework over time, including the assessment of product and sector coverage. Following the rollout of our group-wide ESRM Framework, our subsidiaries in Türkiye and Egypt also published their own frameworks in alignment with the Group’s minimum standards and taking into consideration local operational specificities.



MSCI score reference:
In 2021, QNB Group received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. The use by QNB Group of any MSCI ESG Research LLC or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of QNB by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

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Combating climate change

In line with Qatar’s ratification of the Paris Agreement and recent publication of the second NDC, QNB is committed to doing its part to address climate change mitigation and adaptation. We encourage ambitious climate action from all parties and stakeholders to achieve the goals of the Paris Agreement, and emphasise that everyone has a role to play.

The Bank recognises climate risk as one of the key risk dimensions and we have initiated the integration of climate risk into our risk management framework.

Respecting and advancing human rights

As a large financial institution, we acknowledge that human rights issues can arise not only in our own operations but also through our engagement with outside parties, namely our business relationships, customer interactions, financing and investments, supply chain, and the communities we serve. We recognise that it is our duty to respect and advance human rights throughout our value chain.

As such, we have continued to align our Human Resources business practices against the principles set out in the International Labour

Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the UN Guiding Principles on Business and Human Rights (UNGPs). We support the journey to identify and eradicate human rights issues and modern slavery from our business, as reflected in our Modern Slavery and Human Trafficking Transparency Statement. The statement is in compliance with section 54 of the UK modern Slavery Act 2015. In alignment with Qatar’s Supreme Committee for Delivery and Legacy Worker’s Welfare Standards, we developed and launched the Vendor Worker Welfare Self-Assessment (VWWS) to measure and track adherence to best practices, and to form input for ongoing vendor engagement as part of TPRM.

In 2021, we engaged with a leading external service provider on the human rights topic and dedicated expertise on the UNGPs to better understand the unique challenges most salient and material to financial institutions. We have taken this input as a baseline to assess our current business performance against the standards and leading practices in this field. Based on this assessment, we have defined a roadmap on how to advance our practices on human rights across the institution going forward.



Sustainable finance

Sustainable finance is the integration of ESG criteria into QNB's financing activities to deliver profit with purpose. Our ambition is to help customers manage their E&S risks, support the transition to greener and more socially equitable business practices, and improve access to finance for SMEs and underserved groups. This is underpinned by responsible and secure customer service.

Contents:

- 3.1 Sustainable financing approach
- 3.2 Corporate and Institutional Banking
- 3.3 SMEs and entrepreneurship
- 3.4 Retail, financial inclusion and accessibility
- 3.5 Data security and customer privacy
- 3.6 Customer experience and responsible engagement



3.1 Sustainable financing approach



QNB aims to be a leader and role model in delivering sustainable financial performance through our national and international commitments as well as our financial, social, and environmental initiatives. This includes reducing ESG risks throughout our value chain and enabling the transition to a greener and more socially equitable economy.

Environmental and Social Risk Management (ESRM) Framework

We commit to sustainable business practices and we continue to work with our suppliers and clients to identify, assess, manage, and monitor exposure to ESG risks. We have therefore incorporated ESG relevant criteria and metrics into our risk appetite, which is cascaded down to our risk adjusted capital allocation process through the development and application of the ESRM Framework.

QNB Group's ESRM Framework, which is incorporated within our Wholesale Credit Policy, is a core part of our credit risk management framework, and embedded in internal policies and procedures. It is supported by aligned ESRM policies in our major subsidiaries which cater for local specificities.

The ESRM Framework was established to assess and manage E&S risks in project finance (USD 10m and above, with minimum 2-year tenor). In 2021, as part of the Bank's commitment to enhance and evolve the ESRM, the scope of this framework was expanded and extended to all

corporate term loans as well (USD 25m and above, with minimum 2-year tenor).

Our ESRM clearly articulates exclusions, sectors deemed high risk, prohibited activities, and risk categorisation. It includes our position on extractive industries (e.g., fossil fuels and mining), and our support for RSPO, recognising our influence and ability to support the transition to responsible business practices. This enables environmentally sustainable socio-economic development in local communities. During the course of 2021, 35 applicable projects, with a value of USD 2.3bn, had been assessed as part of the ESG due diligence process.

Green, Social and Sustainable Bond (GSSB) Framework

GSSBs provide an opportunity to bolster the sustainable finance ecosystem, and allows us to tap into capital markets in order to generate funds that supports the transition towards a socially conscious and low-carbon economy. QNB Group developed the [GSSB Framework](#) in full alignment with the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines. As per industry best practice, QNB obtained a [Second Party Opinion \(SPO\)](#), and conducted a [pre-issuance review](#) on our eligible portfolio. This enabled QNB to leverage green bonds as a financial instrument and issue our first green bond of USD 600m in 2020.

In 2021, the [GSSB Framework](#) was updated in line with latest ICMA principles and guidelines, with further successful [SPO](#) obtained. Furthermore, use of proceeds categories were aligned with the Climate Bond Initiative (CBI) and EU taxonomies. This supported QNB Finansbank's debut green bond private placement, which was the European

Bank of Reconstruction and Development's (EBRD) first investment in a green bond issued by a financial institution in Türkiye.

As per our commitments, we also published our anniversary reporting for our debut green bond issuance, consisting of a post-issuance [impact report](#) and independently assured [allocation report](#).



Case study: The European Bank for Reconstruction and Development (EBRD) invests USD50 million in QNB Finansbank's first green bond

QNB Finansbank issued its first green bond with the backing of the EBRD. This first green bond issuance, of USD50 million, marks the EBRD's first investment in a green bond issued by a Turkish bank. QNB Finansbank's green bond is issued under the Group's GSSB Framework, which was updated and received a SPO earlier in 2021.

The USD50 million proceeds will be used to finance internationally certified green building projects in the Bank's portfolio. The Bank's eligible green portfolio is significantly greater than the issue size, providing scope for future issuances.

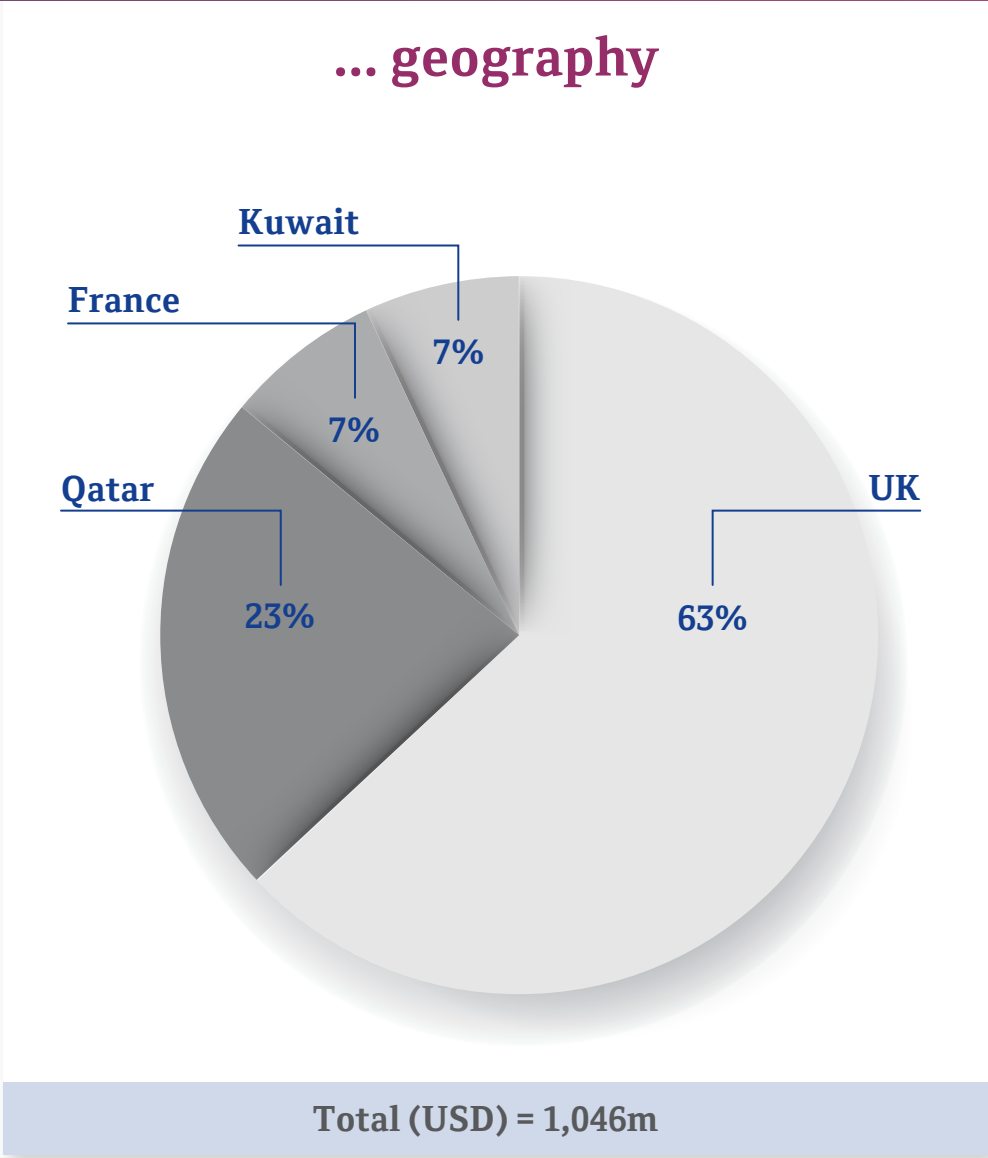
This transaction demonstrates the Group's commitment to sustainable financing. It also allowed QNB Finansbank to successfully diversify its international funding base and to tap into a pool of capital that supports the transition towards a sustainable and low-carbon economy.

Assured Post-Issuance Green Bond Allocation Report

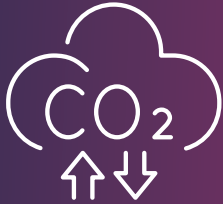
ISIN	Issuance date	Maturity date	Principal	Coupon rate
XS2233288353	Sep 2020	Sep 2025	USD 600m	1.625%

Total eligible green portfolio by...


... green bond category			
Green bond category ^{6,7}	Portfolio amount ⁸	Percent of total portfolio	SUSTAINABLE DEVELOPMENT GOALS
 Green buildings	876m	84%	 
 Energy efficiency	95m	9%	 
 Sustainable water and waste water management	75m	7%	
Total (USD)	1,046m	100%	




Environmental impact



486k tCO2e
lifetime avoided GHG emissions



745k MWh
lifetime avoided electricity use



26,000k m³
lifetime wastewater treated

Notes:

- The proceeds of the USD 600m bond were matched against the eligible green portfolio⁹
- 100% of green funding net proceeds were fully allocated at issuance
- Eligible green loan portfolio consists of assets booked prior January 2020

Independent limited assurance

DTME provided limited assurance over selected information on this page and its preparation in accordance with the QNB GSSB Framework (February 2020 and May 2021) and the footnotes indicated below. [DTME's report](#) is available on the QNB website.

⁶As defined in the QNB GSSB Framework (February 2020 & May 2021);
⁷Loans included in the green bond portfolio have been assessed for eligibility, evaluated by Sustainalytics (March 2020), with inclusion confirmed by the GSSB Committee;
⁸Reported values as per financials as at 30 June 2021;
⁹QNB applies risk management measures in its capital allocation decisions. QNB assesses projects financed with the proceeds against the minimum criteria setout in the GSSB Framework. The GSSB Committee reviews these criteria on a regular basis and has the right to amend these criteria when deemed necessary.

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Sustainable products and services

To deliver meaningful impact through our financing activities and to cater for our customer’s increasing desire to support ESG values, sustainable products and services will be part of the new normal. To qualify as sustainable, the product or service must address an environmental challenge (e.g., climate change, waste and consumption), social challenge (e.g., human rights, disadvantaged members of society), safeguard our customers during the pandemic and beyond, and/ or directly boost the sustainable finance ecosystem. Such products and services comply with the ESRM restrictions, are reviewed against GSSB eligible categories, and are further assessed by ESG professionals to ensure their sustainable credentials. This enables us as a bank to better identify, assess, manage, and mitigate potential ESG reputational risks.

In 2021, we continued to nurture an ESG culture in our front office through awareness and knowledge building. We further enhanced our products and services by embedding ESG principles and guidelines to support sustainable development. Our current portfolio of sustainable products and services now stands at 34.

Notable products are highlighted in the respective business segments.

KPIs: Sustainable investments, lending, products and services ¹⁰	2019	2020	2021
Lending portfolio financing environmentally-friendly, low carbon activities (QR million) ¹¹	7,348*	7,538	10,252
Products or services helping customers to meet an environmental or social challenge (number)	27	32	34

Customer experience

At QNB, our customers are at the very heart of our business and our employees, as our brand ambassadors, strive to deliver excellent service to them each and every day. We have nurtured a culture that seeks to continuously improve customer experience. We see each interaction with our customers as an opportunity to delight them. We meet our customers’ needs through our market leading product and service offerings, enabling them to prosper in the new normal.

We leverage both our physical and digital platforms to provide our customers with bespoke solutions, products and services, all underpinned with the objective of delivering a superior customer experience. QNB aims to be wherever, and whenever our customers need us.

Digital innovation and transformation

As part of our group-wide strategy, we have defined innovation as a strategic enabler. With this in mind, we emphasise the need for digital innovation and transformation across the Group. We have initiated the integration of our digital transformation journey which encompasses all aspects of our customer facing activities and internal operations. This has helped us to enhance our customer journeys, optimise operational effectiveness and enhance data security.

Financial inclusion

We believe that financial inclusion is essential to achieve social equality and economic empowerment. We believe that financial inclusion creates employment opportunities, reduces inequality and safeguards financial stability. Across our footprint, we play a key role in bringing affordable and accessible financial services and products to underserved segments, the unbanked, youth, and other demographic groups, promoting inclusion for all. In line with our digital innovation and transformation, the deployment of new technology also allows us to provide digital services and products that support access and financial inclusion in the communities we operate in.

Continued response to COVID-19

Customer centricity is at the heart and forefront of our activities. We aim to safeguard and protect our customers by ensuring their wellbeing and enabling financial stability throughout the pandemic and beyond.

Through Qatar Development Bank’s (QDB) National Response Guarantee Programme, a 100% guarantee scheme launched in 2020 by the Government of Qatar to mitigate COVID-19 impacts was extended into 2021. This programme allowed QNB to continue to ensure thousands of firms remained in business by relieving the most critical short-term payments faced by private sector employers. We received thousands of applications for which we charged 0% interest within the first-year grace period. This ensured, for example, rental costs and staff payroll obligations were met to ensure economic stability in the private sector.

Additionally, we maintained the health and safety measures we established for our customers and employers throughout our branch and office network, and enhanced customers' ability to self-serve through our comprehensive digital and omni-channel offerings.

¹⁰Data in this table covers Qatar and International Branches, QNB Finansbank and QNB ALAHLI only

¹¹Only includes assets which meet the eligibility criteria set out in QNB's GSSB Framework. As at the end of 2021, our lending portfolio financing environmentally-friendly and low carbon activities stood at QR10.3 billion, out of a total lending book of QR763.7 billion.

*Figures have been revised and restated

3.2 Corporate and Institutional Banking



QNB Group awards

Green Market Pioneer in Qatar, 2021


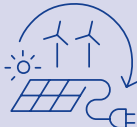
> Climate Bonds Initiative, 6th Climate Bonds Awards

Outstanding Leadership in Green Bonds, 2021

> Global Finance Sustainable Finance Awards 2021

Outstanding Sustainable Financing in Emerging Markets, 2021

> Global Finance Sustainable Finance Awards 2021

Selected corporate sustainable products and services	Description	Market
Green, Social and/ or Sustainability Bonds 	Bonds with use of proceeds to specifically support environmental and/ or social projects	QNB Group
Sustainability Linked-Loans 	Loans linked to ESG performance metrics, to incentivise delivery of sustainability performance objectives, and transition to sustainable practices	QNB Group
Green Economy Financing Facility 	Programme launched by EBRD to finance sustainable energy projects through term financing coupled with free technical advisory and incentives	QNB ALAHLI
Renewable Energy Project Financing 	Dedicated financing for solar, hydroelectric, and wind power plants	QNB Finansbank







Sustainable financing can enable significant change and meaningful outcomes to benefit the environment and society. Increasingly, such financing will underpin the transition of industries and businesses towards a lower carbon economy. This also helps combat the negative effects of climate change and meet the ambitions of the 2021 UN Climate Change Conference (COP26).

QNB is committed to financing and supporting eligible sustainable projects. QNB’s green and social loan portfolio eligibility criteria aligns with 13 of the global goals of the UNSDGs and reflects our investment in green buildings, renewable energy, clean transportation, and pollution prevention.

Our Corporate business plays a significant role in supporting the diversification of the domestic and international economy through such sustainable activities. At the same time, we are increasingly sharing our knowledge, experience, and insights with our stakeholders and interested parties across our value chain to elevate the topic, increase awareness, and enable the transition. This includes multidisciplinary team engagement when sharing and promoting sustainability best practices.

In line with our financial inclusion agenda, we also leverage our significant corporate banking franchise, strong institutional relationships, and digital infrastructure to support our efforts in this field. In Qatar, in accordance with QCB directives, Qatari companies are required to electronically transfer salaries via banks to employees. To administer this directive and ensure workers’ salaries are paid in full and on time, QNB implemented and rolled out the Wage Protection System (WPS) in accordance with national standards. This has continued to support the labour and worker community and has resulted in prompt payment of wages and reduced wage abuses, as recognised by ILO.

Select sustainable finance transactions

QNB sustainable finance transaction	Transaction details	QNB sustainable finance transaction	Transaction details
 <p>USD 600m Green Bond Senior Unsecured Notes 1.625% due 2025 Issuer and Joint Bookrunner</p> <p>September 2020</p>	<ul style="list-style-type: none"> > First green bond issued from the State of Qatar > Largest conventional green bond issued by a bank in the Gulf Cooperation Council (GCC) > Listed on the London Stock Exchange Sustainable Bond Market > Recognised through international awards > Anniversary allocation reporting (independently assured) > Anniversary impact reporting, identified 486k tCO2e avoided emissions, 745k MWh avoided electricity use, and 26m m3 of waste water treated 	 <p>Sustainability-Linked Loan Lender</p> <p>July 2021</p>	<ul style="list-style-type: none"> > Debut sustainability-linked project finance loan granted by QNB Finansbank, with pricing scheme indexes to defined sustainability criteria
 <p>USD 50m Private Placement Senior Unsecured Notes Issuer</p> <p>June 2021</p>	<ul style="list-style-type: none"> > Debut green bond issuance by QNB Finansbank > EBRD's first investment in a green bond issued by a financial institution in Türkiye > Issuance in accordance with QNB Group GSSB Framework, aligned with ICMA Green Bond Principles, supported by SPO 	 <p>Green Repurchase Agreement Buyer</p> <p>December 2021</p>	<ul style="list-style-type: none"> > First green repo deal for QNB and in the State of Qatar > Includes independently verified green assets > Funds used to finance green activities
 <p>USD 335m and USD 350m Sustainability-Linked Syndicated Loan Facility Borrower</p> <p>May and November 2021</p>	<ul style="list-style-type: none"> > QNB Finansbank rolled over both syndicated loans with sustainability linked KPIs, the first integration of sustainability into the bank's international borrowing programme > The KPIs include restriction of funding to fossil fuels and increase to above 50% use of renewable energy sources > Both transactions received robust demand with the participation from 37 international banks in 21 countries in November and from 12 international banks in May 	 <p>QNB ALAHLI, EBRD and Green Climate Fund USD 50m Green Financing Programme Borrower (Customers are Sub-Borrowers)</p> <p>August 2021</p>	<ul style="list-style-type: none"> > First bank in Egypt to participate in the EBRD and Green Climate Fund Financing Programme > QNB ALAHLI provides financial and technical support to private sub-borrowers (Corporate and Retail) who are developing green, renewable energy and energy, water, and resource efficiency projects > Promotes use of high-performance technologies and services in climate mitigation and adaptation activities, and supports the transition to a greener economy



Case study:
Lusail Katara Twin Towers

The vision of the iconic Katara Twin Towers project in Lusail is as striking as the very building itself, soaring nearly 40 stories into Doha’s cloudless blue sky. QNB has been a part of the project every step of the way, supporting and advising at every stage, from conception to completion. We remain active in the financing of almost every level of construction and delivery. QNB financed the developer, the main contractor and various sub-contractors and suppliers, in order to capitalise on the project and cover the entire supply chain.

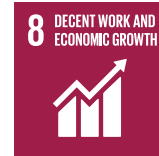
The ground-breaking building, designed as two mirrored towers that symbolise the crossed swords of Qatar, will host two luxury hotels, residential apartments, offices, recreational facilities, specialist boutiques, and several high-end restaurants. In the lavish garden environment below and around the building, a range of entertainment and water sports facilities, including a water park, shops, and more restaurants are being created.

The project was awarded a five-star rating for the Global Sustainability Assessment System (GSAS) Design and Build, the performance-based certification standard in the MENA region for infrastructure projects. This assesses and rates buildings and structures for their sustainability impact.

Environmental impacts will be minimised by using state-of-the-art energy, water, and waste management systems, including efficient plumbing fixtures and appliances, water recycling, and a lighting control system to help reduce energy use by 40%.

The venture represents part of our drive as a responsible bank to develop sustainable finance initiatives.

3.3 SMEs and entrepreneurship



QNB Finansbank awards

Digital Bridge: Business Intelligence Solution (Gold), 2021

> Stevie Awards

Most Innovative Banks, 2021

> World Finance Banking Awards, Europe 2021

The Innovators 2021: Excelling Innovation

in Corporate Banking

> Global Finance

Best Digital Strategy, 2021

> European Customer Centricity Awards

QNB ALAHLI Awards

Best SME Bank, 2021

> Global Banking and Finance

Best SME Bank - Egypt, 2021

> Capital Finance Magazine

Best bank for SMEs - Pan Africa, 2021

> EMEA Finance

As part of the QNV 2030, QNB remains committed to acting as an incubator and nurturing the growing private sector of the country. As such, QNB acts as a one-stop shop for small and medium-sized businesses (SMEs) in the market. SMEs in Qatar make up 98% of all private companies, providing a significant contribution to the economy.

In addition to providing financial services and access to local and international markets, we offer our SME clients a wide range of benefits to help them manage and grow their businesses. We offer a comprehensive range of products as well as services, ranging from market insight and skills training to one-to-one consulting. Furthermore, we work in partnership with our clients, strengthening the success of both start-ups and scale-ups in the sector.

In 2021, despite the lasting economic and social impact of the global COVID-19 pandemic, we successfully grew our client base and balance sheet, while maintaining a healthy and stable asset quality. New account openings in Qatar grew by 7%, with a steady stream of new clients attracted by our reputation for superior services and products, market expertise, and unrivalled personal support. Deposits also grew by 17% across the year.

QNB continues to champion digitisation, and following our investments last year, the number of Qatari SME clients using our e-commerce platform has surged to 83%.

We continued to develop and enhance the range of digital services we offer to our customers. By making banking faster, easier, and more secure, our customers have more time to focus on growing their core business. We provided active support to help SMEs harness the power of emerging technologies to help improve their productivity, boost efficiency and drive growth. Our well-established and successful e-commerce platform - "QNB Simplify" - remains an essential tool in helping small businesses showcase their products and services online. This year we once again saw an increase in e-commerce volumes by 29%.

In Türkiye, QNB Finansbank continued to support SMEs, seen as the lifeline of the economy, with over 1,500 dedicated employees throughout nearly 400 branches. SMEs are a critical business segment for our Türkiye operations, accounting for approximately one-fourth of the total loan portfolio of QNB Finansbank. To continue to support our clients throughout this difficult period, QNB Finansbank was again side by side with SMEs by supporting their financing needs and offering market-leading remote services such as the "SME Easy Line" and "Digital Bridge" platform.

SME Easy Line provided our SME customers in Türkiye with instantaneous and professional support by remote RMs, allowing them to carry out all of their transactions over the phone. "Enpara Şirketim", an SME specific sub-brand of our highly successful digital-only retail bank, continued its growth journey. We continued to attract new SMEs, growing our customer base by 47% to reach 100,000 and 20,000 POS customers as of the end of 2021.

Since 2019, QNB Finansbank has offered SMEs privileged banking and non-banking services through its Digital Bridge platform. With more than 41,000 active customers, the platform provides digital-first products, such as e-Invoice, e-Ledger, e-Archive, and e-Waybill. Additionally, the platform enabled Fintech third party providers to participate in the Bank's ecosystem and offer value-added services to our customers, including HR services, e-commerce and digitisation, amongst others. The Digital Bridge Academy provides an opportunity for QNB Finansbank customers to manage their companies in line with new technologies. This platform allows customers to meet virtually with specialists in their business area and to access online training. The Digital Bridge platform has received numerous accolades from Stevie Awards to European Customer Centricity Awards for its innovative approach and its leadership in digitisation.

Selected SME sustainable products and services		Description	Market
	QNB Simplify	Innovative, fully digital and cloud based e-commerce platform, to allow merchants to create a fully functional online shop to engage customers and capture online market	QNB Qatar
	Non-Governmental Organisation (NGO) Finance	Supporting NGOs by providing dedicated credit facilities to finance micro enterprises in rural and remote areas, as well as microfinance lending to women	QNB ALAHLI
	Women in Business Programme	Part of EBRD’s Egypt Women in Business programme to offer financing, capacity-building and advisory services to women-led SMEs to support female entrepreneurs. Includes Women in Business seminars, organised by QNB ALAHLI and partners	QNB ALAHLI
	EFSE (European Fund for Southeast Europe)	Impact fund to foster economic development and prosperity of agriculture related businesses	QNB Finansbank
	KOSGEB (SME Development Organisation) Entrepreneur Loans	Loan programme offering for entrepreneurial businesses, in particular targeting young and/ or women entrepreneurs	QNB Finansbank

KPIs: SMEs and entrepreneurship	2019	2020	2021
Microenterprise ¹² customers (number)	1,399,869*	1,333,815	1,412,057
SME ¹³ customers (number)	153,385	147,621	153,778
Credit facilities extended to microenterprises (QR million)	5,788*	4,961*	3,046
Credit facilities extended to SMEs (QR million)	14,501*	14,750*	13,820
Lending portfolio extended to microenterprises & SMEs (%)	3.0%*	2.7%*	2.2%

¹²The definition of a microenterprise varies among QNB and its subsidiaries; each entity was allowed to utilise its own definition in compiling data for this table.
A microenterprise is generally described as a business with fewer than ten employees, and having a balance sheet or turnover less than a certain amount. The scope of this includes QNB AL AHLI, QNB Finansbank and QNB Tunisia only.

¹³The definition of a SME varies among QNB and its subsidiaries; each entity was allowed to utilise its own definition in compiling data for this table

* Figures have been revised and restated

In Egypt, we continued to support financial inclusion and the contribution of SMEs to the local economy. Following the success of our efforts to achieve the Central Bank of Egypt’s (CBE) target ratio of 20% of the loan portfolio to SMEs, we have taken another challenge to increase this benchmark to 25% of the total portfolio. QNB ALAHLI was recognised for being one of the first banks to achieve the 10% portfolio threshold for small enterprises.

To achieve these targets, QNB ALAHLI held financial inclusion events in specific Business Development Service (BDS) centres throughout the year. This included sessions on financial literacy about SME activities, products and how to start businesses for entrepreneurs. Our main aim was to transform micro SMEs and start-ups from unbanked to bankable clients.

Building our focus on employee training and to ensure all SME clients are served at the highest level of professionalism, this year QNB ALAHLI started to certify all the SME RMs as “Certified experts in SME Finance”, in coordination with the Egyptian Banking Institute (EBI) and the Frankfurt Business School.

Additionally, in Egypt, we continued and expanded our participation in the “Nilepreneurs” initiative in 2021, with three new satellite offices to reach young entrepreneurs and innovative project owners, by providing support, non-financial services, and financial literacy sessions. Nilepreneurs is a national initiative driven by the CBE in cooperation with Nile University aiming to develop the skills and capabilities of young entrepreneurs.

3.4 Retail, financial inclusion and accessibility



QNB Finansbank awards

Achievement in Customer Satisfaction - (Bronze) for QNB First and QNB First Digital, 2021

> Stevie Awards

QNB ALAHLI Awards

Best Retail Bank, 2021

> Global Banking and Finance

Best Retail Bank - Egypt, 2021

> Capital Finance Magazine

Best E-banking product - Mobile Banking Egypt, 2021

> International Finance Magazine

Our retail banking division is well-positioned to help clients succeed and prosper in the new normal. In 2021, our focus was to meet the challenges of the ongoing pandemic and the rapidly changing needs of our customers.




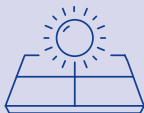

QNB also recognises the great opportunity to raise awareness of ESG in the community, showcase the sustainability progress made, and support the green transition through our retail business and portfolio.

In 2021, QNB Qatar relaunched its green vehicle loan promotion with preferential interest rates to encourage adoption of electric

vehicles and infrastructure. We also launched an innovative green mortgage product, leveraging the internationally recognised GSAS rating. The Bank signed a memorandum of understanding (MOU) with the Gulf Organisation for Research and Development (GORD) to promote sustainable building practices through the use of the GSAS rating, which will be used to determine the client’s eligibility to avail a green mortgage for sustainable properties and assets. QNB is the first bank in the region to apply the GSAS as part of its efforts towards sustainable development and climate change mitigation. This collaboration with GORD aims to raise awareness and further advance green properties and assets.

In Türkiye, QNB Finansbank launched a thematic mutual fund, "Clean Energy and Water Fund Basket Fund", supporting environmental sustainability. This fund allows our customers to invest in global and local funds with environmental impact themes, such as clean energy, water management, and electric vehicle companies and projects. This fund only launched in December 2021 and already reached USD 11m AUM by the end of year.

In Egypt, QNB ALAHLI participated in the CBE initiative “Substitute Cars to Work with Dual Fuel”, providing payment facilities and special interest rates for customers replacing old cars with environmentally friendly vehicles, to reduce air pollution from conventional combustion engines.

Selected Retail sustainable products and services	Description	Market
 Green/ Hybrid vehicle loan	Incentivised loans to promote, encourage and support the transition to hybrid or lower GHG emissions compared to normal combustion engines	QNB Qatar QNB ALAHLI
 Green mortgage loan	Incentivised loans to promote and encourage sustainable building practices, linked to internationally recognised building standards	QNB Qatar
 Education loan	Allows our customers to pursue their postgraduate education, or to support the education of their children	QNB ALAHLI
 Solar loan	Incentivised loans to promote and facilitate purchase of solar energy systems and solar energy products for customers’ homes	QNB ALAHLI
 Social insurance products	Dedicated insurance products to cater for specific customer needs, including complementary insurance such as salary protection, and breast cancer coverage	QNB ALAHLI, QNB Finansbank

We have continued to strengthen our digital and innovation capabilities, transforming our business and enhancing the way we support our customers. This has included innovative payment solutions, digital banking channels, block-chain enabled remittance platforms and digitised on-boarding.

This year we launched QNBpay, a mobile banking service that enabled customers to make secure, mobile contactless payments. Every new card we issued is enabled for contactless payment, and the number of contactless transactions continues to rise - a growth of 37% in contactless transactions compared with 19% last year. QNB led the market in launching the safest and most convenient payment methods, including our

exclusive partnership with PayPal for secure online transactions. We also launched Fitbit Pay, Garmin Pay and Apple Pay for our customers. Since its launch in August, the total number of Apple Pay transactions has exceeded 2.2 million, with a total volume of over QAR 548 million, demonstrating strong customer appetite for convenient digital payments. The QNB WhatsApp banking service, launched last year, provides customers with information about products and services as well as connects customers to QNB agents for live support. We have seen a significant reduction in the number of calls to our call centres as we offer alternative mobile and digital methods to assist customers.

In Türkiye, QNB Finansbank offers its customers an uninterrupted and accessible digital banking experience, whilst maintaining the highest level of customer satisfaction. As a technology-focused bank, the functionality of the digital channels was enhanced to support customers with all their business requirements. This includes a revamp of the mobile app, personal assistant “Digital Intelligence Q”, and live assistance options as well as loan applications and account opening, so that the customers can access banking services in an easy and safe manner.

Since May 2021, potential QNB Finansbank customers were able to open a bank account 24/7 via mobile banking. This was enabled by an online application form and video call with customer representatives, negating the need for customers to visit a branch or submit paper applications. QNB Finansbank saves at least 4,000 sheets of paper a day by digital onboarding, and already saved more than 1 million sheets of paper over 8 months. As a result of these initiatives, digital channel penetration increased from 67% in 2020 to 71% in 2021, with additionally over 60,000 new customers on-boarded.

To support our cross-border payments ambitions, QNB launched a remittance service developed in partnership with Ripple, a leading

- 96% of money transfers in QNB Finansbank executed through digital channels
- 90% of QNB Finansbank financial transactions take place through non-branch channels

provider of blockchain solutions. QNB initially rolled-out Ripple’s global financial network technology, “RippleNet”, with QNB Finansbank in Türkiye. Through RippleNet, we aim to expand our remittance service across multiple countries. Plans are in place to expand this offering to other key remittance corridors across and outside our network in the future.

In Egypt, QNB ALAHLI added numerous enhancements to Internet Banking to aid convenience, accessibility and self-service, change supplementary cards limits, issue new certificate of deposits, and to redeem credit card loyalty points.


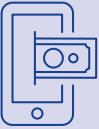




QNB Indonesia introduced biometric login and Digital Onboarding for its mobile offering, with the same convenience and resultant environmental benefits as seen across the Group. Upon successful onboarding, the customer is able to use all the features in mobile banking, such as Time Deposit opening, QR payment, QNB credit card payment, biller transactions and transfers.



Case study:
Supporting financial inclusion in Indonesia

In partnership with a world-class FinTech and Indosat Ooreedoo, one of the largest telecommunications firms in the country, QNB Indonesia launched a new, fully-digital offering, UCan. This solution combines advanced data analytics and decision algorithms to provide a powerful new loan service app that enables customers to borrow up to USD200 in cash, quickly and easily through their mobile devices. The app makes banking more accessible to the local retail market and uses sophisticated data analytics to offer qualified customers credit in just two minutes. The advanced data algorithms provide a cache of alternative data to accurately validate a customer’s creditworthiness to give credit to people for the first time.

This solution allowed QNB to support financial inclusion in Indonesia by providing convenient, real-time access to credit for those who may be declined by traditional lenders due to lack of information.

Selected sustainable products and services supporting financial inclusion	Description	Market
 <div>Ooredoo Mobile Money (OMM)</div>	Partnership with leading telecom provider to provide a mobile money wallet for the unbanked population. Supporting Qatar’s WPS, it facilitates workers receiving salaries on time, whilst providing a comprehensive suite of financial services such as remittance, bill payments, mobile top-ups, peer to peer payments, and cash withdrawal To date we have more than 175,000 active wallets	QNB Qatar
 <div>E-Cash Card</div>	Pre-paid card solution accessible to the unbanked population, enabling their transactions where card payments are mandatory (e.g., government services)	QNB Qatar
 <div>Retiree loan</div>	Preferential loan rates offered to all retirees irrespective of their age or income status	QNB Qatar
 <div>Youth Offer YO!</div>	Pool of selected banking products and services offered at a discounted price to Youth aged 16 to 21 years. YO! Package has been enhanced to match demographic needs by adding benefits such as wearables and custody services	QNB ALAHLI
 <div>Mortgage finance</div>	CBE mortgage finance initiative for low and middle income; granting subsidised loans with extended durations up to 30 years that aims to achieve social justice, and to provide adequate housing opportunity for all citizens	QNB ALAHLI
 <div>Government bonds</div>	Investment opportunity with small ticket sizes (approximately 70 USD) for low income segments	QNB Indonesia

Accessibility

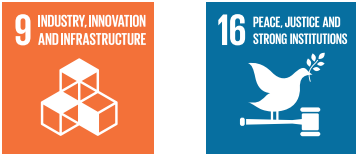
Across the Group, we are committed to making our services accessible and safe for all our customers. Whilst accessibility is enabled through our comprehensive digital suite, we are also mindful of our full customer demographic, and the need to ensure accessibility through physical channels and branches.

To reduce branch traffic and to provide our customers with additional access points, we rolled out additional Integrated Teller Machines (ITM) in Qatar, which allow customers to perform secure transactions over video. In locations where a branch is equipped with an ITM, more than 28% of the total transactions are executed through this channel. We also extended the ITMs service availability, helping to boost total usage by 35%. The success of this initiative has encouraged us to plan for further expansion in the number of our ITMs in the future.

We continued the expansion programme of our ATMs in Qatar that are enabled with a self-service cheque deposit and clearing facility. In parallel, QNB Finansbank continued to focus on transitioning customers from branches to alternative channels, including increased transaction limits for ATM QR code withdrawals in Türkiye, allowing customers to engage without the need for physical contact. We also continued to expand our ATM footprint in Egypt through all governorates, including drive-thru ATMs that respect social distance precautions.

QNB ALAHLI also followed the CBE directives to support customers during COVID-19, and continued to enhance services provided to clients with special needs. This includes priority for branch queuing and chat service through mobile banking services. Moreover, additional ramps have been installed in selected branches to facilitate access to the branch and ATMs.

3.5 Data security and customer privacy



The banking sector is a high profile target for cybercriminals, where threats and attacks are more frequent and sophisticated than ever. Globally, cyber threat levels have increased since the outbreak of the COVID-19 pandemic, due to increased remote working and digitisation of products and services.

As banking continues to become increasingly digital, the wealth of new payment technologies and platforms have triggered rapid growth in the number of connected devices. As a result, cybersecurity is a significant threat. It is today considered as a key governance consideration within most organisation’s sustainability frameworks, given the financial, reputational, and operational risks which can occur. For this reason, QNB has a dedicated cybersecurity governance framework in place to elevate this topic up to the C-suite and Board level as this remains one of our top concerns.

In order to ensure that our cybersecurity strategy remains agile, while simultaneously balancing risk appetite, security and user convenience, we have a Group Cybersecurity Committee (GCSC), chaired by the GCEO. The Group Chief Information Security Officer provides regular updates on the cybersecurity programme, presents key risks, and makes recommendations when a change in direction or critical decisions are required. Through the GCSC, we define and monitor the implementation of our IT security and cybersecurity governance and framework, including strategy, policies, controls, capabilities, budget, skills, and roles and responsibilities across the Group.

As a leading financial institution, QNB Group maintains a robust cybersecurity strategy and its execution continues to be a key area of focus. Meanwhile, we worked closely with Gartner, which specialises in global cybersecurity, to develop our strategy. QNB is now one of 50 global corporations to be part of the influential Gartner Research Board.

We place the highest priority on continuous enhancements of the three pillars of our IT security remit: systems, processes, and people to safeguard our data. Each of these pillars needs to be resilient and continually strengthened to support and protect the Bank.

Cybersecurity

We are committed to invest in a world-class security system and the best protection available on the market. We deploy the latest technological platforms to support the proactive detection and prevention of malicious activities and malware attacks. Additionally, we continuously assess the security of our network devices and firewalls to check for vulnerabilities. Our focus this year has been to mature these systems, testing and refining the technology we deploy across the Bank.

We also continued our investment in both detection and preventive controls by enhancing our intrusion and malware recognition capabilities. We conducted extensive Blue Team/ Red Team exercises and stress tested our ability to safeguard critical assets using first-hand knowledge of cyberattacks. These exercises simulate the tactics, techniques and procedures of a real-world targeted attack, without the negative consequences. The lesson learnt from the exercise significantly improves the effectiveness of our information security controls. For its penetration testing program the Bank utilised consultants certified by the Council of Registered Ethical Security Testers (CREST), thus ensuring the quality and

thoroughness of the test. QNB's invitation to join the Gartner Research Board helps to ensure that our strategic focus is aligned with industry peers and it also helps provide the direction and input to software vendors for technological enhancements required to protect the Bank from evolving threats.

Enhancing our cybersecurity processes

Protecting critical data and providing secure access to our applications is paramount in QNB. This year we have shifted to using so-called soft bank tokens in compliance with the European Union’s revised Payment Services Directive (PSD2) to provide the highest level of security possible. We are in the process of phasing out physical hard tokens that generate a One Time Password or code in favour of more efficient authenticator methods used on smartphones. As an increasing number of our customers rely on their phones for their daily banking needs, soft tokens make accessing their accounts more secure and without a need to keep track of passwords.

While much of our attention is directed to external threats, we recognise it is equally essential to ensure our internal protection processes are just as rigorous. To that end, we also enhanced vulnerability scanning in our internal environment.

The Bank’s information technology, information security, and data security capabilities are regularly audited by a specialist team from the independent internal audit division. This team conducts several comprehensive annual risk-based audits that include a review of related policies and procedures. The results are reported to the Bank’s independent Group Board Audit and Compliance Committee (GBACC), and the reports are also shared with Executive Management and Group Cybersecurity Committee members. The internal audit division follows up any recommendations made in the reports through to resolution.

QNB maintains an ISO 27001 certification, an independently certified methodology used to operate, monitor and improve the Information Security Management System (ISMS) in the Bank.



Strengthening our cybersecurity culture

To strengthen our cybersecurity culture, we are constantly investing in training and awareness programmes. As part of this approach, the mandatory training and awareness programme covers the entire employee base, including phishing and social engineering attacks which have become more sophisticated and common place.

Additionally, all of our Information Security policies are available to all employees through our intranet portal. In 2021, there have been no data security breaches. In addition, we recorded zero complaints related to breaches of data privacy.

Global data protection and privacy programme

The data protection landscape affecting QNB’s network is constantly evolving as more regulators update their data protection laws. Broadly speaking, the majority of jurisdictions that QNB operate in impose their own data protection requirements. At a high level, they describe the scope, obligations and minimum standards to adhere to when processing personal data. During 2018, the General Data Protection Regulation (GDPR) came into force and elevated the minimum requirements significantly. As such, there is a greater onus on QNB to maintain data inventories, tighter privacy risk assessments and stricter obligations when processing data as a controller.

During 2021, QNB Group enhanced its data protection landscape by introducing ESG standards, ensuring privacy is incorporated into the framework, and implementing a standalone Data Protection Management System to manage key data privacy tasks. Moreover, the Group also incorporated a Data Protection Assurance Programme and Enterprise Health Check to the data protection landscape in an effort to integrate with best practices. These different programmes and initiatives have helped QNB maintain a strong data privacy and security framework, which in turn has helped us obtain top-tier ratings from ESG rating agencies.

KPIs: Data security and customer privacy	2019	2020	2021
Data security breaches (number)	0	0	0
Amount of fraudulent transaction activity (QR million) ¹⁴	2.8	1.7	1.9

¹⁴Figures consist of total net losses as a result of external fraud, card and non-card fraud. Scope includes QNB Qatar and international branches, QNB AL AHLI, QNB Finansbank and QNB Indonesia only.

3.6 Customer experience and responsible engagement



We are proud to offer our customers with a comprehensive end-to-end experience, from digital and mobile channels, to the branch network and contact centres, as well as ATMs and ITMs, delivering omni-channel presence and access to our solutions, products and services at the customer’s convenience.

Whilst we see customers increasingly opting for digital and mobile channels, we also focus on physical network and customer facing employees which remain key to ensuring the delivery of a holistic customer experience. Our efforts are reflected in our most recent Net Promoter Score (NPS), where QNB Qatar (Retail) achieved an NPS of 79, against a Qatar retail market average of 67. We continue to be ranked as one of the leading banks in Qatar for customer satisfaction.

Complaints management

While we make every effort to provide the best possible service to our customers, we acknowledge that there are circumstances where our customers feel our service could be better. We provide our customers with a multitude of channels to raise complaints. We have put in place a comprehensive complaints management process to receive, manage and resolve complaints.

Any complaints received through our physical retail branch channels are promptly resolved through our dedicated Service Quality Teams in Retail. Given the proliferation of social media usage amongst our customer base, our Social Media teams also proactively monitor QNB's various channels to ensure timely resolution of any requests or complaints raised through these platforms. In the corporate banking space, we have empowered our relationship managers to deal with any questions, concerns or complaints raised by their clients. As part of the complaints management process we analyse all our complaints to understand their root causes. These insights then feed into improvement initiatives to further enhance the experience of our customers.

In the event complaints are raised to and received from the QCB, these are routed to the respective owning business division (Corporate, SME, Retail banking) and handled by the respective Service Quality Team representative. QNB Group Compliance is also engaged and consulted to ensure such complaints are handled appropriately, and that the QCB is suitably informed.

Responsible engagement

At QNB, we aim to protect the rights of our customers by engaging with them in a responsible manner. We do this by ensuring that our customers have access to clear and transparent information on our products, services, and channels.

Our product and risk governance framework ensures compliance with regulatory requirements in each jurisdiction we operate in, prevents mis-selling, and upholds market quality standards. QCB approval is sought before any product is launched into the market. To provide our customers with balanced and transparent information, we ensure that all our marketing collateral is clear, simple, in easy to understand language, and contains all essential information for our customers, including fees, features, risks, and terms and conditions.

In 2021, we published our [Customer Service Charter](#) which outlines how we are transparent, fair and provide complete information to our customers. All product marketing collateral clearly discloses material risks existing in our products and services, and related fees and commissions. Our employees are thoroughly trained on our product and services to address any queries raised by our customers. Further to this, we also endeavour to maintain a safe and accessible branch environment for customer and employee engagement.

KPIs: Customer experience	2019	2020	2021
NPS (QNB Qatar - Retail) ¹⁵	62	56	79
NPS (QNB Finansbank)	43	48	51
Net promoter score (Enpara.com)	75	77	78

¹⁵NPS is a globally recognised metric for measuring customer experience and the overall perception of a company brand. The NPS is calculated as the difference between the percentage of promoters and detractors. The NPS is expressed as an absolute number lying between -100 and +100. NPS scores were obtained between August and December 2021.

Sustainable operations

Sustainable operations is the integration of ESG criteria into our business operations and across our supply chain to ensure we operate ethically and efficiently. Our ambition is to 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 to continue to be an employer of choice.

Contents:

- 4.1 Employee value proposition
- 4.2 Diversity and inclusion
- 4.3 Environmental and climate impact
- 4.4 Responsible procurement and supply chain

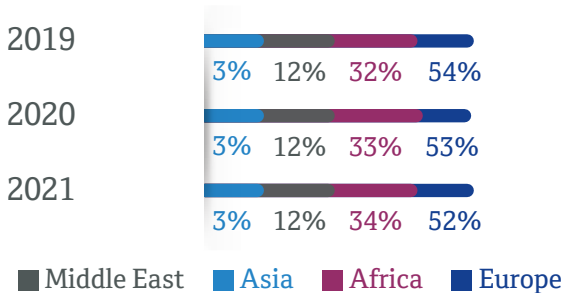
4.1 Employee value proposition

Employee overview and engagement

QNB is proud to be recognised as the most valuable banking brand in the MEA region. Our brand reflects our purpose of promoting prosperity and sustainable growth in the communities we serve. This applies equally to our people. Together with our values, it influences our culture and allows us to differentiate ourselves from our competitors, thereby attracting and retaining the best talent from the diversity our communities have to offer.

QNB also engages its employees through its comprehensive talent development initiatives, our people-centric and people-first practices and policies, as well as our commitment to diversity and inclusion. Last year was focused on implementing the findings from our prior Employee Engagement Survey (EES), which has led to enhancements in learning and development, performance management, and leadership engagement. In 2021, dialogue and engagement was undertaken at a divisional, departmental, and team level to facilitate personalised engagement and more relevant discussion with regards to the scope and role of the teams and individuals.

Indefinite or permanent contracts by region



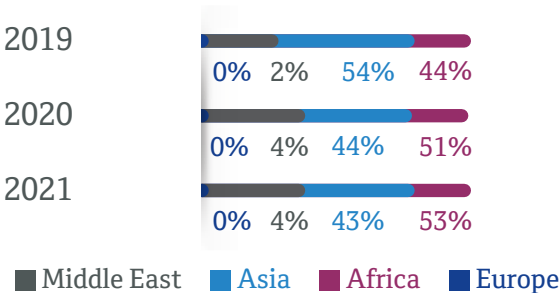
Our success relies on our employees’ relentless commitment to deliver exemplary service every day. In recognition of these efforts, we aim to empower and reward our employees by fostering a high-performance culture, investing in ongoing training and development as well as encouraging loyalty and respect.

In 2021, we have defined our purpose which is to promote sustainable growth and prosperity across the communities we operate in. We aim to ensure that our purpose is properly reflected across our vision, strategy, values and behaviours.

Top workplaces in Qatar

QNB entered the inaugural list of 2021 LinkedIn Top Companies in Qatar, which ranks the ten best workplaces to grow one’s career. LinkedIn’s methodology consists of seven key pillars, each revealing an important element of career progression: ability to advance, skills growth, company stability, external opportunity, company affinity, gender diversity, and educational background. QNB was recognised for its scholarship programme which funds undergraduates at universities in Qatar or abroad.

Fixed term or temporary contracts by region



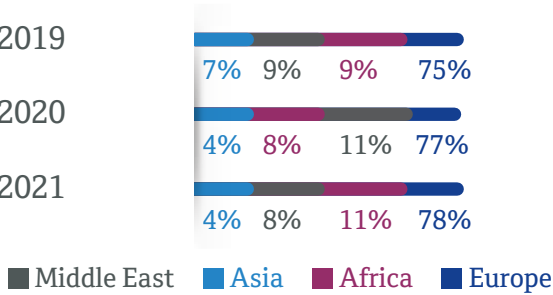
KPIs: Employment	2019	2020	2021
Total employees (number)	22,658	21,454	21,597
Full time employees (number)	22,658	21,454	21,587
Full time male employees (number)	11,930	11,257	11,385
Full time female employees (number)	10,728	10,197	10,202
Part time employees (number)	0*	0*	10
Part time male employees (number)	0	0	7
Part time female employees (number)	0	0	3
Broken down by contract type			
Indefinite or permanent contracts (number)	22,599	21,409	21,518
Male employees on an indefinite or permanent contract (number)	11,885	11,212	11,336
Female employees on an indefinite or permanent contract (number)	10,714	10,197	10,182
Fixed term or temporary contracts (number)	59	45	79
Male employees on a fixed term or temporary contract (number)	40	40	53
Female employees on a fixed term or temporary contract (number)	19	5	26
Broken down by career level			
Senior management employees (number)	195	194	202
Middle management employees (number)	2,896*	2,740*	2,910
Non-management employees (number)	19,567	18,520*	18,485
Broken down by age			
Employees age 18-30 (number)	8,316	7,086	7,444
Employees age 31-50 (number)	13,452	13,477	13,230
Employees age 51+ (number)	890	891*	923
Youth employment (%)	37%	33%	34%
Broken down by gender			
Male employees (number)	11,930*	11,257*	11,392
Female employees (number)	10,728	10,197	10,205
Female employment rate (%)	47%	48%	47%
Nationalisation			
Qatarisation (%) ¹⁶	55%	56%	56%

¹⁶As a percentage of total QNB Qatar employees

*Figures have been revised and restated

KPIs: Talent retention	2019	2020	2021
Turnover			
Total employee turnover (number)	2,983	2,789	2,937
Total employee turnover (%)	13.2%	13.0%	13.6%
Voluntary employee turnover (number)	2,074	1,335	2,095
Voluntary employee turnover (%)	9.2%	6.2%	9.7%
Turnover broken down by age (voluntary)			
Employees age 18-30 (number)	1,478	869	1483
Employees age 31-50 (number)	512	423	580
Employees age 51+ (number)	84	43	32
Turnover broken down by gender (voluntary and involuntary)			
Male employees (number)	1,456	1,391	1,416
Female employees (number)	1,527	1,398	1,521
New hires			
Total new employee hires	2985	1559	3069
New hires broken down by age			
Employees age 18-30 (number)	2,553	1,253	2,105
Employees age 31-50 (number)	415	275	341
Employees age 51+ (number)	17	31	623
New hires broken down by gender			
New male employee hires	1582	693	1550
New female employee hires	1403	866	1519
New hires broken down by region			
Middle East	11%	12%	8%
Asia	3%	6%	2%
Africa	17%	7%	21%
Europe	69%	75%	69%
Parental leave			
Number of male employees that took parental leave	315	284	208
Number of female employees that took parental leave	960	907	870
Female return to work rate (%) ¹⁷	80.3%	77.1%*	83.2%
Male return to work rate (%)	100%	100%	100%
Female retention rate (%) ¹⁸	75.1%*	67.0%*	77.7%
Male retention rate (%)	89.8%	85.6%	92.3%
Employee engagement			
Employee engagement score (%) ¹⁹	57%	N/A	N/A
Absenteeism rate (%) ²⁰	2.8%	3.8%*	3.8%

Turnover broken down by region (voluntary and involuntary)



Talent, Learning and Development (T, L&D)

People development remains a key part of QNB’s Employee value proposition. Our aim is to deliver high-impact performance improvement and ensure a pipeline of quality talent is identified, developed and deployed across the group to support our strategic goals. Our approach to development is multi-faceted. We offer formal learning with both technical and behavioural solutions delivered by internal subject matter experts and internationally recognised development partners. We also offer on the job or experiential learning supported with secondments. Furthermore, we support our employees to obtain internationally recognised and industry specific professional qualifications to progress their careers and hone their leadership skills.

QNB increased use of digital platforms for training and development, supporting COVID-19 safety precautions. This included webinars, virtual instructor-led classrooms and online learning, as well as the launch and roll out of QNB's new cloud-based Learning and Talent management system, “Ithraa”. Ithraa enables our employees to take control of their own development, whilst also providing tools for managers to support team member development. The new platform provides an enhanced and personalised learning experience, accessible anytime and anywhere through a mobile enabled app. QNB provided an average of 36.5 hours of training per employee, an increase of 42% compared to 2020.



Ithraa Learning Management System



New E-learning platform available in Qatar, International Branches + QNB Tunisia



1,000+ courses available, with courses continually added and refreshed



Remote access for employees to access training anytime from anywhere

We continued with our well recognised Scholarship Programme, providing various opportunities for Qatari youth to excel and achieve their personal career growth objectives. Our scholarships are open to high-school graduates and undergraduate university students with outstanding academic records. In 2021, QNB sponsored 16 students to study at high calibre domestic universities such as Qatar University as well as international universities within Qatar, including Carnegie Mellon University and Northwestern University. These prestigious universities offer highly valued and advanced educational majors and are considered amongst the best in the world.

¹⁷Number of female employees who returned to work after parental leave ended
¹⁸Number of female employees who returned from parental leave and were still employed twelve months after returning to work
¹⁹Employee engagement score covers Qatar and International branches only
²⁰Absenteeism rate covers Qatar and International branches, QNB Finansbank, QNB ALAHLI and QNB Tunisia only
*Figures have been revised and restated

KPIs: Training and development	2019	2020	2021
Total training hours (number) ²¹	960,290	552,187	788,788
Average training hours provided per employee (number)	42.4	25.7	36.5
Training hours broken down by career level			
Average training hours of senior management (number)	16.2	11.7	30.2
Average training hours of middle management (number)	27.1	25.7	27.7
Average training hours of non-management (number)	44.9	25.9	38.0
Training hours broken down by gender			
Average training hours of male employees (number)	39.8	22.2	30.3
Average training hours of female employees (number)	45.3	29.7	43.4
Performance Reviews			
Employees who received a performance and career development review (%)	88%*	88%*	92%
Performance Reviews broken down by gender			
Male employees who received a performance and career development review (%)	93%	94%	93%
Female employees who received a performance and career development review (%)	90%	91%	91%

Performance Reviews broken down by career level²²



Succession planning

We continually assess the strength of our human capital to deliver our overall strategy. This includes a review of succession and development plans for senior management. Our succession planning framework, including supporting policies and procedures, was rolled-out to our subsidiaries in Türkiye, Egypt, and Indonesia to align across the Group. This framework consists of three phases which allow us to identify, develop, and utilise talent

within our workforce. Identified talent is then nurtured through various internal and external development programmes as well as global mobility opportunities.

In 2021, QNB continued the process of identifying and developing potential successors within the bank. A key initiative included identifying Qatari employees with a record of high performance and potential to progress into management roles within the next two years. The selection process consisted of two inputs.

On the one hand feedback was provided by management and candidates were required to complete a number of psychometric assessments. T, L&D then worked with the individuals selected and their managers to create bespoke Individual Development Plans (IDP) which cover both leadership and functional development opportunities. QNB launched a ten-month programme in partnership with Kaplan Learning to develop selected future leaders.

The Bank also launched a new programme, the AGM Development Programme to further develop strategic thinking and decision-making of our senior leaders. The programme consisted of a series of strategic planning workshops. The workshops were designed and facilitated by Group Human Capital division and focused on QNB's Group 2025 Strategy and the application of strategic management tools, frameworks, and decision-making.



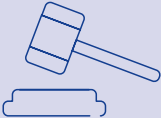
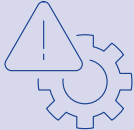


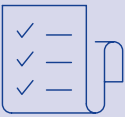





T, L&D continued to deliver its suite of Leadership and Management Programs to support and develop current leaders and managers across the bank. This included the Leadership Development Programme (LDP) and Management Development Programme (MDP). QNB also continued the Supervisory Development Programme (SDP) and the

Personal Effectiveness Programme (PEP). SDP develops the capability of team leaders who supervise other employees. PEP supports employees who demonstrate team leadership potential, enabling a smooth transition to supervisor. In 2021, we changed the delivery approach from face-to-face to virtual instructor led training for talent across the Group.

Global mobility remains a focus for our people development. We are committed to supporting talent in building their careers in the Group, broadening their worldview and developing their professional skills. In 2021, QNB Qatar continued with its two flagship international mobility programmes, QNB Ambassador and QNB Envoy. These programmes leverage our significant international footprint to provide nominated talent with exposure to international markets to develop their leadership competencies and hone their technical skills. This allows us to develop a future-proofed workforce that is better prepared to thrive in an ever evolving corporate environment.

The following training is a mix of regulatory mandated and divisional requested training for our employees. The audience for the training is primarily our employees based in Qatar and our international branches.

²¹On-the-job training is not formally captured within training hours
²²Scope of performance reviews broken down by career level includes QNB Qatar and international branches, QNB ALAHLI, QNB Finansbank and QNB Indonesia only
 *Figures have been revised and restated

Examples of employee training programmes			
	FATCA & CRS Awareness		Whistle Blowing and Anti-Bribery Awareness
	Sanctions Awareness		Fundamentals of Operational Risk Management
	Cybersecurity Awareness		Data Protection Awareness
	Spirit of Compliance		Policy & Procedures
	Financial Crimes Awareness		Office Safety
	Anti-Fraud Awareness		Business Continuity Management

QNB Ambassador Programme

The Ambassador Programme provides high-potential Qatari mid-level managers with international exposure across QNB’s network. The programme sees Qatari talent deployed to countries, such as the United Kingdom, France, Singapore, Kuwait, and Oman for up to six months.

QNB Envoy Programme

The Envoy Programme assigns high potential Qatari employees for up to 24 months to London, Paris and Istanbul in customer facing roles. In our subsidiaries, leadership development remains a key component of our talent management framework. In Türkiye, QNB Finansbank continued coaching and mentorship

as part of their executive development programme. To further deepen and enhance the skills of its employees, the bank offers the chance to pursue further education in the fields of finance, financial engineering, and cybersecurity at leading Turkish universities. In Egypt, QNB ALAHLI continued with the roll out of its International Executive Leadership Programme. The programme is designed to coach and develop individuals who have been identified as leadership potential.

Freedom of association

Qatar legalised through Article (127) of Qatar Labour Law the formation of Collective Bargaining Agreements in 2019. In Qatar and in all markets that QNB operates, QNB supports freedom of association and collective bargaining in line with local labour laws. In 2021, in line with GRI requirements, we have

commenced reporting on the percentage of total employees across our footprint covered by collective bargaining agreements.

Grievances

Our focus on our employees remains a priority, as does our effort to create a work space and corporate culture that promotes fairness, equality, and respect. In 2021, we established a Human Resources (HR) Investigation Committee, composed of members from Group Legal, Group Compliance, Group Human Capital, and any other invitees deemed appropriate. This independent committee further ensures that in the event of any instances of harassment, discrimination or other misconduct, employee grievances are handled fairly, timely, and in an impartial manner. All employee grievances reported during the year were investigated and resolved.

Collective bargaining agreements	2019	2020	2021
Percentage of employees covered through collective bargaining agreements	2.0%*	2.1%*	2.2%*

*Scope includes international branches and QNB Tunisia only.



4.2 Diversity and inclusion



With operations in over 31 countries across three continents and employees from 83 different nationalities, we are a truly diverse multinational corporation. QNB fully respects human rights and ensures dignity and equality for all, regardless of a person's race, religion, gender, age, disability or language. We continually and actively promote a culture of respect, equality and mutual trust across our network.

Female employment

We are proud that 47% of our workforce is female as at the end of 2021. QNB Group is delighted to promote diversity and inclusion within the workforce. In Qatar, as part of International Women’s Day celebrations, our senior female leaders spoke at events and shared their experiences at QNB and the leadership opportunities offered to them to grow and develop in their careers. These inspirational messages were shared across all QNB's social media platforms.

In Türkiye, QNB Finansbank signed the United Nations Women's Empowerment Principles (WEPs), one of the key global initiatives that aims to empower women and involve women in all sectors and at all levels in the economy. It is a joint initiative of the UNGC and the United Nations Gender Equality and Women's Empowerment Unit (UN Women) to promote gender equality through seven principles to inform and enhance company policies and practices. QNB Finansbank has committed through the Declaration of Support by the Board Chair to implement the WEPs from board rooms to business places and to society through the supply chain at all aspects.

We also strive to empower females at a Board and Executive level within our network and Group. As at 31 December 2021, 23% of senior management roles were occupied by women and 17% of the Executive Management Team. Women occupied 17% of Board positions in our subsidiaries. Gender diversity remains an ongoing focus in alignment with the QNV 2030 as well as the UNSDGs.

KPIs: Female employment	2019	2020	2021
Female employment rate (%)	47%	48%	47%
By career level			
Women in senior management (%) ²³	21%	22%	23%
Women in middle management (%) ²⁴	33%	33%	33%
Gender pay ratio ²⁵	0.93	0.92	0.91

²³Senior management defined as General Manager and Assistant General Manager level
²⁴Middle management defined as grade 4-7
²⁵Median male salary to median female salary. QNB Qatar and international branches only



4.3 Environmental and climate impact



COP26 highlighted that the world is reaching a point where the effects of climate change may become irreversible and the impact ever more severe. Governments, corporations and individuals all have a part to play in combating climate change.

While our environmental footprint as a financial service provider is limited compared with that of other industries, we do recognise that given our international footprint and large employee and customer base our environmental impact is still relevant.

As such, we have taken proactive measures to reduce our consumption of natural resources and minimise our negative externalities across our global operations.

Reducing environmental impact

QNB is fully committed to protecting the environment in line and in partnership with our stakeholders and their expectations. As part of our ongoing commitment to the environment, QNB was a strategic partner for the 6th edition of Qatar Sustainability Week (QSW). The week-long national campaign took place from 23 October 2021 to 30 October 2021. QSW continues to raise awareness among the local community by promoting Qatar's sustainability vision and showcasing the progress the country has made.

In our operations we have directly acted on our carbon emissions and resource consumption across the bank. We continue to work towards achieving our carbon reduction target of 20% by 2022, set against our 2017 baseline.

Across the bank, we have introduced a raft of initiatives to improve our efficiency and reduce our environmental footprint.

Environmental initiatives in Qatar:

- > replaced insulation of chiller and air handling unit pipes to reduce heat exchange and increase efficiency;
- > monitored electromechanical equipment for any excessive heat dissipation; and
- > converted all existing halogen and fluorescent lamps to LED lamps to reduce electricity consumption.

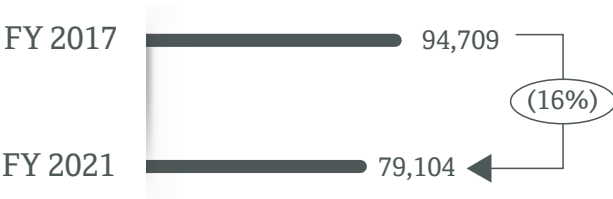
Environmental initiatives in Türkiye:

- > increased our usage of renewable energy sources across our own operations;
- > introduced responsible supply chain management practices such as prioritising environmentally friendly products and supporting local entrepreneurs;
- > introduced digital onboarding which negates the need for customers to sign any paper physically; and
- > leveraged the upgraded data centre cooling system, Free Cooling Integrated DC Inverter Precision Air Conditioning, to reduce energy consumption.

Environmental initiatives in Egypt:

- > installed solar energy stations in all owned, stand-alone, buildings with suitable rooftop space.

GHG emissions reduction (tonnes of CO2e)



KPIs: Environmental and climate impact	2019	2020	2021
Energy			
Total petrol consumption (liters)	927,580	996,671	2,058,882
Total diesel consumption (liters)	2,592,077	1,828,453	1,181,458
Natural gas consumption (m3) ²⁶	1,794,498	1,577,349	1,743,275
Total energy consumption from fuel (GJ)	201,763	166,181	184,006
Total electricity consumption (kWh)	127,606,803	111,910,575	114,428,041
Total energy consumption from electricity (GJ)	459,384	402,878	411,941
Total energy consumption (GJ) ²⁷	661,147*	569,059*	595,947
Energy intensity (GJ/ employee) ²⁸	29.5*	26.7*	28.0
Total energy consumption from renewable sources (GJ)	-	-	180,305 ²⁹
Greenhouse Gas Emissions (GHG)			
Scope 1 direct GHG emissions (tonnes of CO2e)	12,689*	10,378*	11,518
Scope 2 indirect GHG emissions (tonnes of CO2e)	75,805*	67,048*	67,586
Total GHG emissions (tonnes of CO2e) ³⁰	88,494*	77,426*	79,104
GHG emissions intensity (tonnes of CO2e/ employee)	3.9	3.6	3.7
CO2 Emissions			
Direct CO2 from petrol (tonnes of CO2e)	2,240	2,407	4,991
Direct CO2 from diesel (tonnes of CO2e)	6,990	4,931	3,165
Direct CO2 from natural gas (tonnes of CO2e)	3,459	3,040	3,359
Indirect CO2 from electricity (tonnes of CO2e)	75,805	67,048	67,626
Water			
Water consumption (m3)	691,956*	602,908*	532,378
Water intensity (m3/ employee)	31.2*	28.7*	25.2
Materials and waste			
Total paper consumption (kg)	1,037,928*	725,771*	833,413
Total paper consumption intensity (kg/ employee)	47*	35*	39

²⁶QNB's greenhouse gas emissions are calculated in accordance with the International GHG Protocol Corporate Accounting and Reporting Standard that defines reporting scopes 1 and 2. QNB reports on a CO2e basis which incorporates all types of gases.

²⁷Total energy consumption from fuel includes petrol, diesel and natural gas. Conversion factors used to convert energy consumption to GJ: http://w.astro.berkeley.edu/~wright/fuel_energy.html

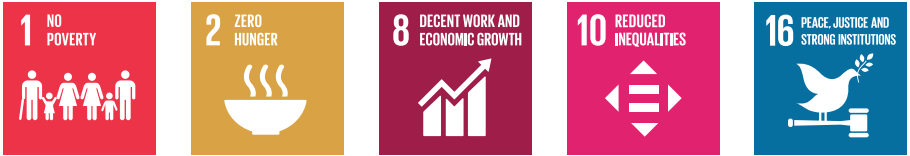
²⁸Types of energy in this ratio include petrol, diesel, natural gas and electricity. Ratio uses energy consumption within the organisation only

²⁹Scope includes QNB Finansbank only who obtained an I-Rec certificate for 2021

³⁰GHG emissions based on gross location method. GHG inventory consolidated using the Financial Control approach.

*Figures have been revised and restated

4.4 Responsible procurement and supply chain



We recognise that we have both the leverage and the responsibility to ensure sustainable practices and mitigation of negative social and environmental impacts throughout our supply chain. As such, we engage and work with all our vendors and suppliers in order to manage operational, financial, regulatory, and reputational risks, as we aim to enhance our positive impact through responsible procurement practices. This means we adopt and apply the highest ethical standards on all procurement related transactions. Our procurement is aimed at supporting and developing local suppliers while aligning to group standards on sustainability, quality and commerciality. We strive to procure goods and services that have a reduced impact on the environment and our operations.

At QNB, we work with and support suppliers in Qatar, our international branches and subsidiaries. Our suppliers range in scale, ownership type, and structure. Our spectrum of suppliers stretches from SME businesses to multinational corporations. We encourage and promote local procurement. Our reported local procurement figures includes all spend by international branches that is either centrally managed or above a certain threshold in our reported local procurement figures.

In line with local labour and environmental laws, our Third-Party Risk Management (TPRM) framework is used to systematically identify, assess, mitigate, control, and monitor third-party risks. We seek to promote a consistent risk culture by supporting the different business and support divisions in their decision-making process.

The TPRM framework was designed and developed with clearly defined policies, roles and responsibilities, procedures, systems, resources and to support our Third-Party Risk objectives. All third party supplier engagements, regardless of whether the relationship is new or existing, are assessed against seven key risk dimensions: Resilience & Continuity, Financials, Information Security, Data Privacy, Compliance & Litigation, Strategy, and Sustainability. These risk dimensions are of material importance in evaluating, reviewing, monitoring, and mitigating the Bank’s risk exposure, especially concerning the interconnected nature of the risks and their significance to critical business services.

The TPRM process is facilitated by three key assessment stages: pre-assessment, Tier 1 and Tier 2. Each stage is designed to be progressively deeper in its analysis of an individual third party engagement, allowing QNB to manage and mitigate risk. The first stage in the process is a high level scoping of activity that identifies which risks exist and determines if the engagement is material enough to warrant further review. The second stage quantifies the inherent risk exposure to the Bank of the individual engagement. If the quantified risk meets the requirement for further analysis (i.e., rated High or Medium-High), then the third stage, a detailed “controls’ assessment” process, is completed by the third party and reviewed by QNB as the final step.

Responsible relationships

We believe in a responsible and sustainable approach to doing business. That is why we finalised and published our [Third-Party Supplier Code of Conduct](#). The code was developed as part of our commitment to sustainability, enhancing our due diligence in our supply chain to promote environmental, social and governance related topics. We expect all our suppliers to meet or go beyond the code of conduct requirements and expect the same of those with whom they work with. As part of this ongoing commitment, Third Party Worker Welfare Self Assessments, developed in alignment with Qatar’s Supreme Committee (SC) for Delivery and Legacy Workers’ Welfare Standards, were also integrated as part of our supply chain reviews to assess our worker welfare practices.

The SC, who oversees all construction and infrastructure projects for the 2022 FIFA World Cup™, made the Workers' Welfare Standards mandatory for all contractors working on SC projects. These standards were developed to promote workers' health, well-being, safety, and security.

In 2014, the SC launched their Workers' Welfare Standards, which are mandatory for contractors working on SC projects and require contractors to ensure compliance by their subcontractors.

During the course of 2021, there were no material changes to our supply chain as a result of amendments to significant supplier or outsourcing arrangements.

KPIs: Responsible procurement and supply chain ³¹	2019	2020	2021
Local procurement spend (%)	86%	86%	84%

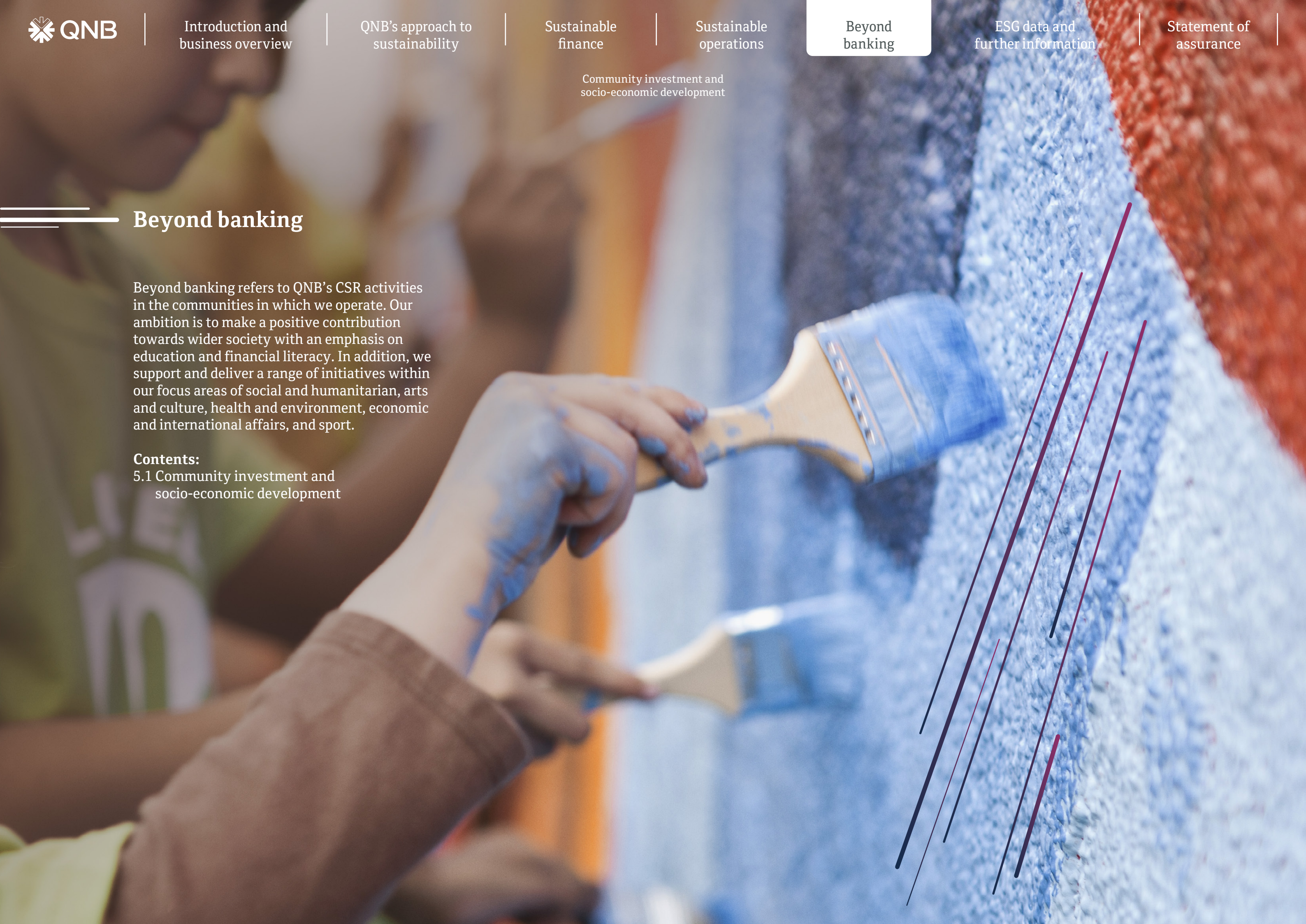
³¹Data in this table covers Qatar and International branches, QNB ALAHLI, QNB Indonesia and QNB Tunisia only

Beyond banking

Beyond banking refers to QNB's CSR activities in the communities in which 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.

Contents:

5.1 Community investment and
socio-economic development



5.1 Community investment and socio-economic development



In line with our purpose to promote prosperity and sustainable growth, we are committed to contribute to the communities that we serve.

Among other topics, the pandemic has further emphasised social themes, which brings CSR to the forefront of our agenda. We have defined our purpose as to promote prosperity and sustainable growth across the markets we serve. We are committed to contribute to the communities that we serve.

As a socially responsible and sustainable bank, we believe that our work in society helps create new opportunities for individuals and corporates, which enables them to raise living standards and further develop their communities. Through the power of our people, our customers, services and products, QNB Group has an unparalleled opportunity to make the communities in which we operate a better place. This is especially true during the pandemic, as we assisted our customers throughout our footprint overcome various challenges through technological enhancements and a wide range of financing options.

Our people and CSR

In line with our purpose, our goal is to enable economic and social empowerment through our services across our footprint, particularly in developing and emerging economies that are underserved by other banks.

We are proud of our diversity. Our network brings together people from around 83 different nationalities working in more than 31 countries across three continents. Our values entail working in a collaborative manner, which at the same time promotes mutual respect and support. We see it also as our role to lead by example. We are therefore proud that our employees have proactively taken the initiative to engage in community work. Over the years, our volunteers have supported a wide range of community projects, including fundraising, keep-clean rallies, financial education initiatives, mentoring and training, coaching a children's sports team, and even providing a warm meal to those less fortunate. Many of these initiatives are in line with our five main areas of CSR focus:



Social and humanitarian

As part of our CSR engagement, we define social and humanitarian work as material to our purpose. We are committed to building a better society for communities, corporates and individuals. This year, we:

- > supported the SME sector in several of our network countries by engaging with government programmes, such as the National Response Programme in Qatar, thus offering further relief to businesses impacted by COVID-19. We helped our customers to maintain their cash flow balance and liquidity under the difficult market environment by quickly meeting the rescheduling and new loan requests;
- > volunteered to be part of a campaign called “An Armful of Happiness” and helped distribute gifts and books to less fortunate children in Türkiye; and
- > participated in the economic empowerment programme in coordination with Misr El Kheir Foundation in Egypt. The project targeted 100 female trainees, and succeeded in increasing the number of women to reach 120 female trainees to enrol in a number of training programmes, including readymade garments, leather goods, shoe making, and more.

“Through the power of our people, our customers, services and products, QNB Group has an unparalleled opportunity to make the communities in which we operate a better place.”

“We are committed to building a better society for communities, corporates, and individuals.”



We coordinated with the Ministry of Health and Population in Egypt to drive a vaccination campaign for the families of our employees.

Youth and education

Our future lies in the hands of our youth and educating the next generation is key to developing a knowledge-based economy and society. As a bank, our goal is to educate children on financial values such as saving, spending and sharing. Additionally, we aim to highlight to the younger generation the importance of money management and investing principles. This year, we held various campaigns and:

“As a bank, our goal is to educate children on financial values such as saving, spending, and sharing.”

- > launched a Ramadan online competition in partnership with Kidzania Qatar to promote financial literacy. This initiative aimed to incentivise children to start building their own savings;
- > launched an initiative called “Value of Book Increase by Sharing”, targeting students aged 7-12 years at the Elementary School of Erzurum in Türkiye. Our team collected more than 800 children’s books to build a library for the school, together with clothing, shoes, stationery equipment, and toys;

- > held an annual financial literacy programme in Indonesia called “QNB Goes to Schools”, which offered financial education classes related to money management and investment. This year the activity was organised online due to the ongoing pandemic and was well received by students;
- > continued with our annual “Tiny Hands are Coding” project where we conducted online coding courses for nearly ten thousand children. Additionally, we held the “Scratch Cup” competition, in which children displayed their newly-found coding talents;
- > entered into a partnership with Qatar University. This partnership captures years of continuous and fruitful cooperation with Qatar University and aims to enhance cooperation in the fields of academia and research as well as support the exchange of information;

- > participated in the “Hayah Karima” initiative in Egypt. This is a national initiative endorsed by the President of Egypt and is aimed at addressing poverty and enhancing levels of financial literacy amongst the citizens of Egypt; and
- > organised “Finance and Simplified Economy” educational workshops with Al Amal Primary School for primary school students in Tunisia. The workshops taught the students the fundamentals of banking and the financial system. In addition, books and dictionaries were also donated to the school.

KPIs: Community investment	2019	2020	2021
Total value of community investments (QR million)	579.4*	554.3*	632.4
Community investment as a percentage of pre-tax profits (%) ³²	3.7%*	4.2%*	4.3%



We are committed to building a better society for communities, corporates and individuals.

³²This figure includes monetary contributions, such as voluntary donations and investment of funds in the broader community, where the target beneficiaries are external to QNB. This excludes legal and commercial activities, or activities for branding or marketing purposes that do not meet a clear community need

*Figures have been revised and restated

Health and environment

In light of the recent COVID-19 pandemic and increasing importance of sustainability, we see the promotion of health and the protection of our environment as vital to the future of our communities. This year we engaged the community by:

- > sponsoring the “Blossom” competition of the Qatar Cancer Society (QCS). This event aimed at raising awareness of the threat from and preventive measures against breast cancer, one of the most prevalent types of cancer among women worldwide;
- > coordinating with the Ministry of Health and Population in Egypt to drive a vaccination campaign for the families of our employees; and
- > partnering with the Qatar Green Building Council for the 6th edition of Qatar Sustainability Week (QSW). This event focuses on raising awareness, encouraging positive action in the community, and showcasing the progress that Qatar has made in the areas of sustainability.

In light of the recent COVID-19 pandemic and increasing importance of sustainability, we see the promotion of health and the protection of our environment as vital to the future of our communities.

Arts and culture

Our traditions and culture help us define who we are and what we want to become. This goes hand in hand with our cultural engagement to preserve our traditions and heritage across our communities, supporting diversity, inclusion and societal development. This year, we were proud that we:

- > continued our long-term partnership with the Qatar Racing and Equestrian Club, officially sponsoring the H.H. The Amir Sword Festival, an event that is deeply rooted in Qatar's traditional culture; and
- > extended our sponsorship of the Tales Math Museum by launching a new digital platform. Today, all children in Türkiye can freely reach modules in the Museum online and discover the world of math. We reached more than 22,000 children through this new digital platform.



We continued our support of the world of swimming by being the National Sponsor of the FINA Marathon Swim World Series 2021.



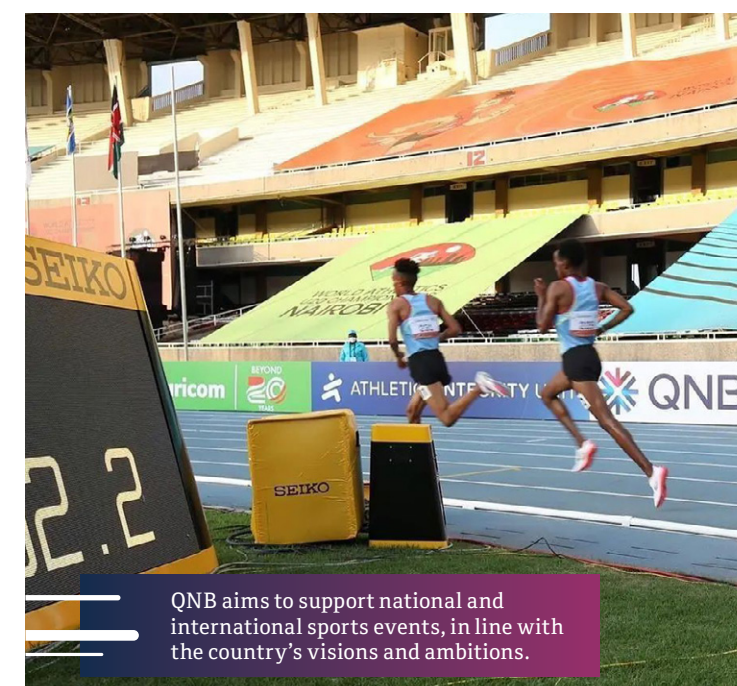
Our traditions and culture help us define who we are and what we want to become.

Sport

Sports acts as a liaison between social, economic and human development. Qatar has successfully positioned itself as a global hub for sports. As a national champion, QNB aims to support national and international sports events, in line with the country's visions and ambitions. This year, we:

- > became the Official Middle East and Africa Supporter of the FIFA World Cup 2022™, the Official National Supporter of the FIFA Club World Cup Qatar 2020™ and the Official Regional Supporter of the FIFA Arab Cup 2021™;

- > continued our support of the world of swimming by being the National Sponsor of the FINA Marathon Swim World Series 2021;
- > partnered with the World Athletics Federation to become the official sponsor of World Athletic Champions U20 that took place in Nairobi; and
- > maintained our strategic sponsorship of the Qatar National Football Team in different tournaments, working towards preparing for the FIFA World Cup 2022™.



QNB aims to support national and international sports events, in line with the country's visions and ambitions.

ESG data and further information

To promote transparency in the banking sector we are committed to publicly disclosing our annual sustainability performance in accordance with the GRI Standards and QSE Guidance on ESG Reporting. From 2019 onwards we have also included the UNGC COP index which will be an annual disclosure demonstrating our progress on implementation of the UNGC principles.

Contents:

- 6.1 GRI Standards Content Index
- 6.2 UNGC COP index
- 6.3 QSE ESG performance metrics
- 6.4 SASB Index for Commercial Banks
- 6.5 QNB calculation methodology



6.1 GRI Standards Content Index

GRI Standard	Disclosure number and title	Reference	Omissions
GRI 101: Foundation			
GRI 102: General disclosures			
Organisational profile	102-1 Name of the organisation	Cover page	
	102-2 Activities, brands, products and services	1.2 QNB at a glance	
	102-3 Location of headquarters	Doha, Qatar	
	102-4 Location of operations	1.2 QNB at a glance	
	102-5 Ownership and legal form	1.2 QNB at a glance 4.0 Sustainable Operations Refer to QNB 2021 Annual Report – page 58	
	102-6 Markets served	1.2 QNB at a glance	
	102-7 Scale of the organisation	1.2 QNB at a glance Refer to QNB 2021 Annual Report – page 103-104	
	102-8 Information on employees	4.1 Employee value proposition	
	102-9 Supply chain	4.4 Responsible procurement and supply chain	
	102-10 Significant changes to the organisation and its supply chain	There have been no material changes to our supply chain	
	102-11 Precautionary principle or approach	2.6 External commitments 4.4 Responsible procurement and supply chain The TPRM for operations and ESRM for lending act as measures of 'precautionary approach'	
	102-12 External initiatives	2.6 External commitments 5.0 Beyond banking	
	102-13 Membership of associations	2.6 External commitments	
Strategy	102-14 Statement from senior decision-maker	Message from Chairman of the Board of Directors and Group CEO	
	102-15 Key impacts, risks and opportunities	2.1 Governance, compliance and risk management 2.2 QNB sustainability framework and strategy 2.3 Sustainability governance 2.4 Materiality assessment 2.6 External commitments	

GRI Standard	Disclosure number and title	Reference	Omissions
Ethics and integrity	102-16 Values, principles, standards and norms of behaviour	2.1 Governance, compliance and risk management 2.3 Sustainability governance	
	102-17 Mechanisms for advice and concerns about ethics	2.1 Governance, compliance and risk management	
Governance	102-18 Governance structure	2.3 Sustainability governance	
	102-19 Delegating authority	Refer to QNB 2021 Corporate Governance Report – page 31 and QNB 2021 Annual Report – page 58-60	
	102-20 Executive-level responsibility for economic, environmental and social topics	2.3 Sustainability governance	
	102-21 Consulting stakeholders on economic, environmental and social topics	2.4 Stakeholder engagement 2.5 Materiality assessment	
	102-22 Composition of the highest governance body and its committees	Refer to QNB 2021 Corporate Governance Report – page 31, 34-39 and QNB 2021 Annual Report – page 58, 60-61	
	102-23 Chair of the highest governance body		
	102-24 Nominating and selecting the highest governance body	Refer to QNB Articles of Association – page 11-12 QNB Corporate Governance Manual 2021 – page 14	
	102-25 Conflicts of interest	Refer to QNB 2021 Corporate Governance Report 2021 – page 53 QNB Corporate Governance Manual 2021 – page 27	
	102-26 Role of highest governance body in setting purpose, values, and strategy	Refer to QNB 2021 Corporate Governance Report – page 30-31 and QNB 2021 Annual Report – page 58	

GRI Standard	Disclosure number and title	Reference	Omissions
Governance	102-28 Evaluating the highest governance body's performance	Refer to QNB 2021 Corporate Governance Report – page 9 and 33 and QNB 2021 Annual Report – page 64	
	102-29 Identifying and managing economic, environmental, and social impacts	2.2 QNB sustainability framework and strategy 2.3 Sustainability governance 2.4 Stakeholder engagement 2.5 Materiality assessment 2.6 External commitments	
	102-30 Effectiveness of risk management processes	Refer to QNB 2021 Corporate Governance Report – page 46	
	102-31 Review of economic, environmental and social topics	2.3 Sustainability governance 2.4 Stakeholder engagement 2.5 Materiality assessment	
	102-32 Highest governance body's role in sustainability reporting	2.3 Sustainability governance	
	102-33 Communicating critical concerns	Refer to QNB 2021 Corporate Governance Report – page 41-42	
	102-35 Remuneration policies	Refer to QNB 2021 Corporate Governance Report – page 40 and QNB 2021 Annual Report – page 62-63	
	102-36 Process for determining remuneration		
	102-37 Stakeholders' involvement in remuneration	Refer to QNB 2021 QNB Annual Report – page 62 QNB 2021 Corporate Governance Report – page 40	
	102-38 Annual total compensation ratio	6.3 QSE ESG performance metrics	
	102-39 Percentage increase in annual total compensation ratio	No change to prior year	

GRI Standard	Disclosure number and title	Reference	Omissions
Stakeholder engagement	102-40 List of stakeholder groups	2.4 Stakeholder engagement	
	102-41 Collective bargaining agreements	4.1 Employee value proposition	
	102-42 Identifying and selecting stakeholders	2.4 Stakeholder engagement	
	102-43 Approach to stakeholder engagement	2.4 Stakeholder engagement	
	102-44 Key topics and concerns raised	2.4 Stakeholder engagement	
Reporting practice	102-45 Entities included in the consolidated financial statements	1.1 About this report Refer to QNB 2021 Annual Report – page 98-163	
	102-46 Defining report content and topic boundaries	1.1 About this report 2.5 Materiality assessment	
	102-47 List of material topics	2.5 Materiality assessment	
	102-48 Restatements of information	3.1 Sustainable financing approach 4.1 Employee value proposition 4.3 Environmental and climate impact 4.4 Responsible procurement and supply chain	
	102-49 Changes in reporting	Indicated as and when required	
	102-50 Reporting period	1.1 About this report	
	102-51 Date of most recent report	1.1 About this report	
	102-52 Reporting cycle	1.1 About this report	
	102-53 Contact point for questions regarding the report	1.1 About this report	
	102-54 Claims of reporting in accordance with the GRI Standards	1.1 About this report	
	102-55 GRI content index	6.1 GRI Standards Content Index	
	102-56 External assurance	1.1 About this report 7.1 Independent limited assurance report	

GRI Standards Content Index

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QNB calculation methodology

GRI Standard	Disclosure number and title	Reference	Omissions
GRI 200: Economic Standards			
GRI 201 Economic Performance			
Economic performance	103-1 Explanation of the material topic and its boundary	Refer to QNB 2021 Annual Report – page 98-165	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
	201-1 Direct economic value generated and distributed		
GRI 203: Indirect economic impacts			
Indirect economic impacts	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement	
		2.5 Materiality assessment	
		3.1. Sustainable financing approach	
		3.2 Corporate and institutional banking	
	103-2 The management approach and its components	3.3 SMEs and entrepreneurship	
		3.4 Retail, financial inclusion and accessibility	
		3.1 Sustainable financing approach	
		3.2 Corporate and institutional banking	
	103-3 Evaluation of the management approach	3.3 SMEs and entrepreneurship	
3.4 Retail, financial inclusion and accessibility			
3.5 Data security and customer privacy			
3.6 Customer experience and responsible engagement			

GRI Standard	Disclosure number and title	Reference	Omissions
Indirect economic impacts	203-2 Significant indirect economic impacts	3.1 Sustainable financing approach 3.2 Corporate and institutional banking 3.3 SMEs and entrepreneurship 3.4 Retail, financial inclusion, accessibility and education 3.5 Data security and customer privacy 3.6 Customer experience and responsible engagement	
GRI 204: Procurement practices			
Procurement practices	103-1 Explanation of the material topic and its boundaries	4.4 Responsible procurement and supply chain	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
	204-1 Proportion of spending on local suppliers		
GRI 205: Anti-corruption			
Anti-corruption	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment	
	103-2 The management approach and its components	Refer to QNB 2021 Corporate Governance Report – page 55-56	
	103-3 Evaluation of the management approach	2.1 Governance, compliance and risk management	
	205-3 Confirmed incidents of corruption and actions taken	2.1 Governance, compliance and risk management	

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GRI Standard	Disclosure number and title	Reference	Omissions
GRI 300 Environmental Standards			
GRI 301: Materials			
Materials	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.3 Environmental and climate impact	
	103-2 The management approach and its components	4.3 Environmental and climate impact	
	103-3 Evaluation of the management approach	4.3 Environmental and climate impact	
	301-1 Materials used by weight or volume	4.3 Environmental and climate impact 6.3 QSE ESG performance metrics	
GRI 302: Energy			
Energy	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.3 Environmental and climate impact	
	103-2 The management approach and its components	4.3 Environmental and climate impact	
	103-3 Evaluation of the management approach	4.3 Environmental and climate impact	
	302-1 Energy consumption within the organisation	4.3 Environmental and climate impact 6.3 QSE ESG performance metrics	Electricity, heating, cooling and steam sold not reported as is not applicable to QNB.
	302-3 Energy intensity	4.3 Environmental and climate impact 6.3 QSE ESG performance metrics	

GRI Standard	Disclosure number and title	Reference	Omissions
GRI 305: Emissions			
Emissions	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.3 Environmental and climate impact	
	103-2 The management approach and its components	4.3 Environmental and climate impact	
	103-3 Evaluation of the management approach	4.3 Environmental and climate impact	
	305-1 Direct (Scope 1) GHG emissions	4.3 Environmental and climate impact	
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Environmental and climate impact	
	305-4 GHG emissions intensity	4.3 Environmental and climate impact	
GRI 307: Environmental Compliance			
Environmental Compliance	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.3 Environmental and climate impact	
	103-2 The management approach and its components	4.3 Environmental and climate impact	
	103-3 Evaluation of the management approach	4.3 Environmental and climate impact	
	307-1 Non-compliance with environmental laws and regulations	2.1 Governance, compliance and risk management	
GRI 308: Supplier Environmental Assessment			
Supplier Environmental Assessment	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.4 Responsible procurement and supply chain	
	103-2 The management approach and its components	4.4 Responsible procurement and supply chain	
	103-3 Evaluation of the management approach	4.4 Responsible procurement and supply chain	

GRI Standard	Disclosure number and title	Reference	Omissions
GRI 400 Social standards			
GRI 401: Employment			
Employment	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.1 Employee value proposition	
	103-2 The management approach and its components	4.1 Employee value proposition	
	103-3 Evaluation of the management approach	4.1 Employee value proposition	
	401-1 New employee hires and employee turnover	4.1 Employee value proposition	
	401-3 Parental leave	4.1 Employee value proposition	Parental leave does not include total number of employees that were entitled to parental leave, by gender in reporting system, capturing process to be refined to capture data for next reporting cycle.
GRI 404: Training and education			
Training and education	103-1 Explanation of the material topic and its boundary	4.1 Employee value proposition	
	103-2 The management approach and its components	4.1 Employee value proposition	
	103-3 Evaluation of the management approach	4.1 Employee value proposition	
	404-1 Average hours of training per year per employee	4.1 Employee value proposition	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	4.1 Employee value proposition	

GRI Standard	Disclosure number and title	Reference	Omissions
Training and education	404-3 Percentage of employees receiving regular performance and career development reviews	4.1 Employee value proposition	Performance reviews are broken down by gender but not employee category, as is currently not captured in reporting system. Capturing process to be refined to capture data for next reporting cycle
GRI 405: Diversity and equal opportunity			
Diversity and Equal Opportunity	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 4.2 Diversity and inclusion	
	103-2 The management approach and its components	4.2 Diversity and inclusion	
	103-3 Evaluation of the management approach	4.2 Diversity and inclusion	
	405-1 Diversity of governance bodies and employees	4.2 Diversity and inclusion	QNB does not currently report on age and nationality of each Board members. QNB governance reporting will be enhanced in the next cycle
	405-2 Ratio of basic salary and remuneration of women to men	4.2 Diversity and inclusion	

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GRI Standard	Disclosure number and title	Reference	Omissions
GRI 417: Marketing and labeling			
Marketing and labeling	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 3.6 Customer experience and responsible engagement	
	103-2 The management approach and its components	3.6 Customer experience and responsible engagement	
	103-3 Evaluation of the management approach	3.6 Customer experience and responsible engagement	
	417-1 Requirements for product and service information and labeling	3.6 Customer experience and responsible engagement	
GRI 418: Customer privacy			
Customer privacy	103-1 Explanation of the material topic and its boundary	2.4 Stakeholder engagement 2.5 Materiality assessment 3.5 Data security and customer privacy 3.6 Customer experience and responsible engagement	
	103-2 The management approach and its components	3.5 Data security and customer privacy 3.6 Customer experience and responsible engagement	
	103-3 Evaluation of the management approach	3.5 Data security and customer privacy	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.5 Data security and customer privacy 3.6 Customer experience and responsible engagement	
GRI Guidelines versions G4 - Financial services sector disclosures			
Product portfolio	FS1 Policies with specific environmental and social components applied to business lines	3.1 Sustainable financing approach	
	FS2 Procedures for assessing and screening environmental and social risks in business lines	3.1 Sustainable financing approach	

GRI Standard	Disclosure number and title	Reference	Omissions
Product portfolio	FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/ SME/ large) and by sector	3.1 Sustainable financing approach	Due to relatively small size of the SME portfolio the regional and sectoral breakdown is not disclosed. Due to confidentiality constraints, the percentage of portfolio for large customers is not disclosed.
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit four each business line broken down by purpose	3.1 Sustainable financing approach	
Active ownership	FS14 Initiatives to improve access to financial services for disadvantaged people	3.4 Retail, financial inclusion and accessibility	
	FS15 Policies for the fair design and sale of financial products and services	3.5 Customer experience and responsible engagement	
	FS16 Initiatives to enhance financial literacy by type of beneficiary	3.4 Retail, financial inclusion and accessibility	
Economic performance	EC1 Direct economic value generated and distributed	5.1 Community investment and socio-economic development	Community investment not broken down by theme in reporting system, capturing process to be refined to capture data for next reporting cycle

6.2 UNGC COP index

Main category	Principle	Relevant section in the Report/ Disclosure/ Policy	Main category	Principle	Relevant section in the Report/ Disclosure/ Policy
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	2021 Sustainability Report 2.1 Governance, compliance and risk management 2.6 External commitments 4.1 Employee value proposition Other publicly available documents QNB Code of Ethics and Conduct QNB Group Sustainability Policy QNB Group ESRM Policy Framework	Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	2021 Sustainability Report 2.6 External commitments 3.1 Sustainable financing approach 4.3 Environmental and climate impact Other publicly available documents QNB Group Sustainability Policy QNB Group ESRM Policy Framework
	Principle 2: Businesses make sure that they are not complicit in human rights abuses	2021 Sustainability Report 2.1 Governance, compliance and risk management 2.6 External commitments 4.1 Employee value proposition Other publicly available documents QNB Code of Ethics and Conduct QNB Group Sustainability Policy QNB Group ESRM Policy Framework		Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	2021 Sustainability Report 2.6 External commitments 3.1 Sustainable financing approach 4.3 Environmental and climate impact Other publicly available documents QNB Group Sustainability Policy QNB Group GSSB Framework QNB Group ESRM Policy Framework
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.1 Employee value proposition		Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	2020 Sustainability Report 2.6 External commitments 3.1 Sustainable financing approach 4.3 Environmental and climate impact Other publicly available documents QNB Group Sustainability Policy QNB Group GSSB Framework QNB Group ESRM Policy Framework
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	2021 Sustainability Report 2.6 External commitments Other publicly available documents QNB Group Sustainability Policy QNB Group ESRM Policy Framework	Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	2021 Sustainability Report 2.1 Governance, compliance and risk management 4.1 Employee value proposition Other publicly available documents QNB ABC Policy Statement QNB Code of Ethics and Conduct QNB Group Sustainability Policy
	Principle 5: Businesses should uphold the effective abolition of child labour	2021 Sustainability Report 2.6 External commitments Other publicly available documents QNB Group Sustainability Policy QNB Group ESRM Policy Framework			
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	2021 Sustainability Report 2.1 Governance, compliance and risk management 2.6 External commitments 4.1 Employee value proposition 4.2 Diversity and inclusion Other publicly available documents QNB Code of Ethics and Conduct QNB Group Sustainability Policy			

6.3 QSE ESG performance metrics

In 2016, the QSE subscribed to the United Nations Sustainable Stock Exchanges Initiative (SSEI) and committed to issuing voluntary guidelines for the reporting of ESG information by listed companies in Qatar. The QSE Guidance on ESG Reporting was released in 2017, and in 2018 QSE launched the “[Qatar Stock Exchange Sustainability and ESG Dashboard](#)”, to encourage listed companies to disclose their ESG performance data and improve transparency.

QNB is committed to supporting QSE by making ESG reporting a common practice throughout the Group and communicating our performance on the set of KPIs recommended within the QSE guidance. In 2021, QNB was a key participant in the QSE and MSCI ESG webinar, promoting sustainability practices and disclosures, in line with our continued efforts to be a leading advocate on ESG in Qatar and the region.

Below is QNB Group’s performance against the QSE ESG indicators.

Environment KPIs	2019	2020	2021
Does the company publish and follow an environmental policy? (Yes/No)	No	No	No
Any legal or regulatory responsibility for an environmental impact? (Yes/No)	No	No	No
Energy intensity (GJ/full time employee)	29.5*	26.7*	28.0
Total amount of energy used (GJ)	661,147	569,059	595,947
The total volume of water recycled/reused (m3)	0	0	0
Total waste produced (kg)	221,547	391,141	77,089
Total greenhouse gas emissions (tonnes CO2e)	88,494*	77,426*	79,104
Renewable energy used (%)	0	0	30%
Primary source of energy used (%)	Electricity	Electricity	Electricity
Total water used (m3)	691,956*	602,908*	532,378

Social KPIs	2019	2020	2021
Does the company prohibit the use of child or forced labor throughout the supply chain? (Yes/No)	Yes	Yes	Yes
Number of grievances about human rights issues filed, addressed and resolved	0	0	0
Total number of injuries and fatal accidents (employees)	0	0	0
Total number of injuries and fatal accidents (contractors)	0	0	0
Total number of injuries and fatal accidents (employees and contractors)	0	0	0
Disclosure and adherence to a Human Rights Policy? (Yes/No)	No	No	No
Employee turnover rate (%)	9.2%	6.2%	9.7%
Total workforce (number)	22,658	21,454	21,597
Nationalisation rate (%) ³³	55%	56%	56%
Spending on locally-based suppliers (%) ³⁴	86%	86%	84%
Employee wages and benefits (QR thousand)	960	934	929
Average hours of training per employee (hours)	42.4	25.7	36.5
Women in the workforce (%)	47%	48%	47%
Does the company publish and follow a policy for occupational and global health issues? Yes/No	No	No	No
Pre-tax profits invested in the community (%)	3.7%*	4.2%*	4.3%

Governance KPIs	2019	2020	2021
Disclosure of the voting results of the latest AGM (Yes/No)	Yes	Yes	Yes
GCEO pay ratio	30	30	33
Median female salary to median male salary	0.93	0.92	0.91
Does the company publish and follow a Supplier Code of Conduct? (Yes/No)	No	No	Yes
Role separation of Chairman and GCEO (Yes/No)	Yes	Yes	Yes
Independent directors on the Board (%)	40%	40%	60%
Female directors on the Board (%)	0	0	0
Executive compensation linked to performance indicators (Yes/No)	Yes	Yes	Yes
Does the company publish and follow an Ethics Code of Conduct? (Yes/No)	Yes	Yes	Yes
Sustainability or CSR report published (Yes/No)	Yes	Yes	Yes
Third-party assurance of non-financial information (Yes/No)	No	Yes	Yes
Does the company publish and follow a Bribery/Anti-Corruption Code? (Yes/No)	Yes	Yes	Yes

³³Qatar only
³⁴Data not available for QNB Qatar and its international branches
*Figures have been revised and restated

6.4 SASB Index for Commercial Banks

Industry	Accounting Metric	Category	Unit of Measure	Code	Reference
Topic: Data Security					
CB	Number of data breaches	Quantitative	Number	FN-CB-230a.1	Nil, no data breaches
CB	Percentage involving personally identifiable information (PII)	Quantitative	Percentage	FN-CB-230a.1	Nil, no data breaches
CB	Number of account holders affected	Quantitative	Number	FN-CB-230a.1	Nil, no data breaches
CB	Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	FN-CB-230a.2	Refer to 3.5 Data security and customer privacy Refer to QNB 2021 Annual Report (Risk (operational and cyber security) – page 54-57)
Topic: Financial Inclusion & Capacity Building ³⁵					
CB	Number of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	Number	FN-CB-240a.1	600,203
CB	Amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	Reporting currency	FN-CB-240a.1	Refer to 3.3 SMEs and entrepreneurship
CB	Number of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	Number	FN-CB-240a.2	144,120
CB	Amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	Reporting currency	FN-CB-240a.2	1,996,157
CB	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3	2,238,854
CB	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	59,831
Topic: Incorporation of Environmental, Social, and Governance Factors in Credit Analysis					
CB	Commercial and industrial credit exposure, by industry	Quantitative	Reporting currency	FN-CB-410a.1	Refer to QNB 2021 Annual Report (Risk (credit) – page 50-52)
CB	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	N/A	FN-CB-410a.2	Refer to 3.1 Sustainable financing approach

Industry	Accounting Metric	Category	Unit of Measure	Code	Reference
Topic: Business Ethics					
CB	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-CB-510a.1	Refer to 3.5 Data security and customer privacy
CB	Description of whistleblower policies and procedures	Discussion and Analysis	N/A	FN-CB-510a.2	Refer to 2.1 Governance, compliance and risk management Refer to QNB 2021 Annual Report (Group Compliance – page 69-76)
Topic: Systemic Risk Management					
CB	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1	Not applicable
CB	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	N/A	FN-CB-550a.2	Refer to QNB 2021 Annual Report (Risk (strategic) – page 53)
Activity Metrics					
CB	Number of checking and savings accounts by segment: (a) personal (b) small business	Quantitative	Number	FN-CB-000.A	14,438,538
CB	Value of checking and savings accounts by segment: (a) personal (b) small business	Quantitative	Reporting currency	FN-CB-000.A	59,221,543
CB	Number of loans by segment: (a) personal (b) small business (c) corporate	Quantitative	Number	FN-CB-000.B	8,136,971
CB	Value of loans by segment: (a) personal (b) small business (c) corporate	Quantitative	Reporting currency	FN-CB-000.B	786,256,111

³⁵Scope includes International branches and Subsidiaries only

6.5 QNB calculation methodology

Key Performance Indicator	Unit of Measurement	Scope/ Boundaries	Calculation	Source
Female employment rate (%)	Percentage (%)	<p>The scope of the KPI covers Qatar, our international branches and major subsidiaries: QNB Finansbank (Türkiye), QNB ALAHLI (Egypt), QNB Indonesia and QNB Tunisia</p> <p>The calculation of this KPI is based on headcount as at 31 December 2021</p> <p>Female employees refers to both full time and part time as well permanent and temporary employees. Total employees refers to both full time and part time as well as permanent and temporary employees</p>	<p>Total number of female employees/ total number of employees</p> <p>No estimations or assumptions have been made</p>	Employee and gender data for each of the in-scope entities was sourced from the respective Human Resource (HR) Management Information Systems (MIS)

Statement of assurance

We continuously strive to enhance the level of disclosure in our reporting of sustainability topics across Qatar, our international branches and major subsidiaries.

DTME has provided an independent limited assurance under ISAE 3000 (Revised) on the preparation of this report in accordance with the GRI Standards: Core Option, as well as one specific sustainability KPI prepared in accordance with QNB's own calculation methodology.

Contents:

7.1 Independent limited assurance report



7.1 Independent limited assurance report



Independent limited assurance report to Qatar National Bank (Q.P.S.C) (“QNB”) on the preparation of the QNB Group's Sustainability Report 2021 (the “Report”) for the year ended 31 December 2021, in accordance with the Global Reporting Initiative Standards: Core Option (the “GRI: Core Option”) and on a single selected sustainability performance indicator (“KPI”) within the Report.

What we looked at: scope of our work

QNB has engaged Deloitte to perform limited assurance procedures on the following selected sustainability information (“Subject Matter”) reported in the QNB Group's Sustainability Report 2021.

Selected Subject Matter for assurance

- > QNB’s declaration of preparing the QNB Group's Sustainability Report 2021 in accordance with the GRI: Core Option;
- > QNB’s reported performance during the given reporting period for a selected key sustainability performance indicator (“KPI”) presented in the table below.

KPI	Assured Figure for the year ended 31 December 2021	Report page
Female employment rate	47%	37

Reporting criteria

The above Subject Matter has been assessed against the reporting criteria provided by the GRI: Core Option as published by the Global Reporting Initiative, and the reporting criteria shown in Section 6.5 – page 58 of the Report (“QNB calculation methodology”), collectively “Reporting criteria”.

What standards we used: basis of our work, criteria used and level of assurance

We carried out limited assurance procedures over QNB’s selected Subject Matter in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000”). To achieve limited assurance, ISAE 3000 requires that we review the processes, systems and competencies used to compile the Report, on which we provide limited assurance. It does not include detailed testing for each of the KPI reported, or of the operating effectiveness of processes and internal controls.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Consequently, our conclusion is not expressed as an audit opinion.

What we did: key limited assurance procedures

- To form our conclusion, we undertook the following procedures:
- > Interviewed Management and those with operational responsibility for sustainability performance to assess the application of the GRI: Core Option in the preparation of the Report;
 - > Understood, analysed and assessed the key structures, processes, procedures and controls relating to the preparation of the Report;
 - > Evaluated whether the management approach for the material sustainability issues presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at QNB;
 - > Assessed the completeness and accuracy of the GRI Standards content index with respect to the GRI: Core Option, including review of reasons for omission;
 - > Interviewed management to understand the process of identification, data collection, consolidation and reporting for the selected KPI;
 - > Reviewed and evaluated QNB calculation methodology for the selected KPI against the actual calculation performed by QNB to support the figure disclosed in the Report;
 - > Agreed the selected KPI to QNB’s internal calculations and supporting documentation; and
 - > Compared the content of the Report against the findings of the aforementioned procedures.

Inherent Limitations

The process an organisation adopts to define, gather, and report information on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology, often with no consistent, accepted external standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. To support clarity in this process, QNB has developed a reporting criteria document for 2021 (QNB calculation methodology), which defines the scope of the assured metric and the method of calculation. This is available in Section 6.5 – page 58 of the Report and should be read together with this report.

In relation to our work performed on the selected subject matter, we note the following specific limitations:

- > Our assurance procedures did not include detailed testing of IT controls of the underlying systems used by QNB to collate and report data for the selected metric; and
- > With the exception of the selected KPI shown in the table above, our testing did not include assurance of, or detailed testing of the underlying data for each of the KPI reported, or of published assertions. As such, our work does not involve procedures to verify the accuracy of the performance data or assertions published.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

In performing our work, we applied International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Roles and responsibilities

QNB:

QNB's Group Sustainability Team (as part of Group Strategy) is responsible for the preparation of the Report in accordance with the GRI: Core Option and for the calculation of the selected KPI in accordance with QNB calculation methodology. Specifically, QNB is responsible for determining sustainability objectives in relation to the sustainability performance, identifying stakeholder groups and determining material topics to be included in the Report, ensuring that the information provided under the selected KPI is properly prepared in accordance with QNB calculation methodology and confirming the measurement or evaluation of the Subject Matter against Reporting Criteria. The Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte:

Our responsibility is to provide a limited level of assurance on the subject matters as defined within the scope of work above to QNB in accordance with our letter of engagement, and report thereon. In conducting our limited assurance engagement, we have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code).

We confirm that we apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work has been undertaken so that we might state to QNB those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than QNB for our work, for this report, or for the conclusion we have formed.

Conclusions

Based on our limited assurance procedures performed, limitations and evidence obtained:

- > nothing has come to our attention that causes us to believe that the Sustainability Report for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with the GRI: Core Option; and
- > nothing has come to our attention that causes us to believe that the selected KPI for the year ended 31 December 2021, has not been prepared, in all material respects, in accordance with QNB calculation methodology.

For and on behalf of Deloitte & Touche (M.E.), Qatar Branch

Walid Slim

Partner

License No. 319

QFMA Auditor License No. 120156

Doha - Qatar

24 May 2022

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