



Corporate social responsibility
2019

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.

QNB sustainability framework and strategy

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

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 environmental and social risks, lend to businesses that contribute towards sustainable development goals, improve access to finance for SMEs and underserved groups, and provide a 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.

QNB's material topics identified within sustainable finance are:

- > sustainable investment, lending, products and services;
- > supporting SMEs and entrepreneurship;
- > supporting financial inclusion, accessibility, and education;
- > digital innovation and transformation;
- > responsible customer communication and marketing;
- > data security and customer privacy; and
- > customer experience.

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 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.

QNB's material topics identified within sustainable operations are:

- > governance, compliance, and risk management;
- > talent attraction, development and retention;
- > diversity and inclusion;
- > environmental impact of operations; and
- > responsible procurement and supply chain.

Beyond banking



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.

QNB's material topic identified within beyond banking is:

- > community investment and socio-economic development.

Developed by



Supported by



In cooperation with



European
Investment
Bank



Green
Economy
Financing
Facility



“BariQ is the first and largest ‘bottle-to-bottle’ recycler of polyethylene terephthalate pellets in Egypt.”

Case study Empowering the green economy in Egypt

Working together with the European Bank for Reconstruction and Development (EBRD) and the European Union, QNB ALAHLI has supported some 30 energy efficiency and renewable energy projects worth USD40 million as part of the Green Economy Financing Facility programme.

One of the firms which benefited is BariQ, the first and largest ‘bottle-to-bottle’ recycler of polyethylene terephthalate pellets in Egypt. BariQ takes bottles that would otherwise become a landfill and uses cutting-edge technology to recycle them into food-grade pellets used to create food containers. The financial and technical support enabled BariQ to

become more competitive and access new markets. As a result of new energy-efficient machinery and process improvements, the business was able to increase productivity by 20%, cut electricity consumption by 50%, reduce CO₂ emissions by 192 tonnes, and save more than USD1 million a year in efficiencies.

This is just one of the many success stories that come from all the businesses that QNB ALAHLI has helped, including SMEs such as SolarizEgypt, which develops solar stations, and Bioenergy, which recycles municipal waste. In recognition of this performance, we received five awards from the EU and EBRD during 2019.

Sustainability continued

Sustainability governance
The QNB Group sustainability programme is owned and governed by the QNB Group Strategy Committee (SC), chaired by the Group Chief Executive Officer 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 ambition, deciding on priority initiatives for implementation with accountable working groups, monitoring performance and assessing ESG-related risks and opportunities.

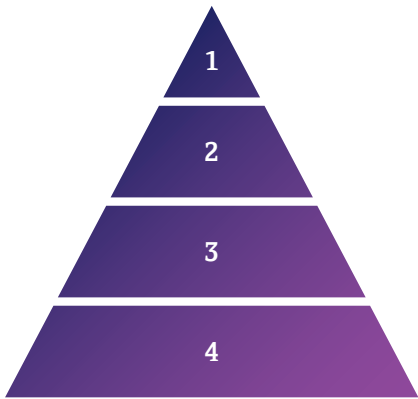
When required, the SC reports key risks and opportunities to the Board of Directors via the Group Board Nomination, Remuneration, Governance and Policies Committee (GBNRGPC). As a minimum, the Board of Directors

receives an annual update on the overall execution of the Group’s sustainability strategy and performance.

A designated Group Sustainability Team acts as an advisory body to the SC and senior management on all sustainability-related matters. The team also oversees working groups established to deliver priority initiatives and disseminates policy requirements and standards to the subsidiaries.

The Group sustainability policy is subject to annual review by the SC and applied to the entire Group including international branches and majority-controlled subsidiaries. It is the responsibility of the Group Sustainability Team to inform the subsidiaries of any revision or modification to the policy, for its correct local adoption in compliance with prevailing regulatory requirements.

1. Board of Directors (via GBNRGPC)
2. Group Strategy Committee
3. Group Sustainability Team*
4. Sustainability Working Groups



* It is the responsibility of the Group Sustainability Team to disseminate strategy, policy and priority initiatives to Subsidiaries’ Sustainability Teams.

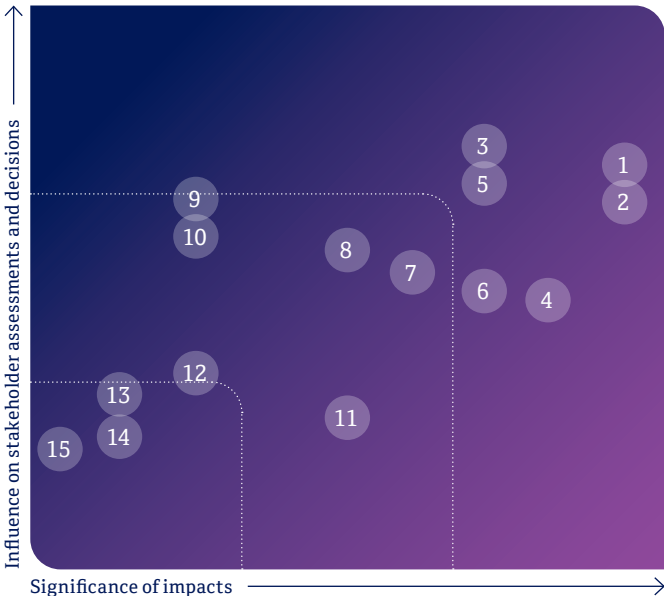
Materiality assessment
By identifying and prioritising our material sustainability topics, we are able to focus on what matters most to our business and stakeholders. In line with the materiality assessment process set out in the Global Reporting Initiative (GRI) Standards, QNB Group has compiled a comprehensive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

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.

We have aligned our sustainability priorities with the objectives of the Qatar National Vision 2030, United Nations Sustainable Development

Goals and the Qatar Stock Exchange ‘Guidance on ESG Reporting’. This approach to materiality provides the foundation of our sustainability strategy and enables us to be confident that we address the topics of most relevance to our stakeholders.

QNB Group materiality matrix



Rank	Material topic
1.	Governance, compliance and risk management
2.	Financial performance
3.	Financial stability
4.	Customer experience
5.	Data security and customer privacy
6.	Talent attraction, development and retention
7.	Responsible customer communication and marketing
8.	Supporting SMEs and entrepreneurship
9.	Sustainable investment, lending, products and services
10.	Digital innovation and transformation
11.	Diversity and inclusion
12.	Community investment and socio-economic development
13.	Financial inclusion, accessibility and education
14.	Environmental impact of operations
15.	Responsible procurement and supply chain

National and international frameworks and commitments

We are committed to the objectives of the Qatar National Vision 2030, the United Nations Sustainable Development Goals and the United Nations Global Compact. Our sustainability strategy has been developed in line with these national and international frameworks.

Qatar National Vision (QNV2030)

The QNV2030 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.

We are committed to alignment with:

Qatar National Vision 2030 and National Development Strategy 2018–2022



Human
Development



Environmental
Development



Economic
Development



Social
Development








United Nations Sustainable Development Goals (UNSDGs)

The UNSDGs are the principle 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.

United Nations Sustainable Development Goals



The table below shows how our most material sustainability topics align with the UNSDGs.

UNSDG	Objective	QNB's material topics (ranking)
	Promote inclusive and sustainable economic growth, employment and decent work for all	<ul style="list-style-type: none"> > Financial performance and stability (#2, #3) > Supporting SMEs and entrepreneurship (#8) > Financial inclusion, accessibility and education (#13)
	Promote just, peaceful, inclusive societies and institutions	<ul style="list-style-type: none"> > Governance, compliance and risk management (#1) > Customer experience (#4) > Responsible customer communication and marketing (#7)
	Ensure inclusive and quality education for all and promote lifelong learning	<ul style="list-style-type: none"> > Talent attraction, development and retention (#6) > Community investment and socio-economic development (#12)
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> > Sustainable investment, lending, products and services (#9) > Environmental impact of operations (#14)
	Build resilient infrastructure, promote sustainable industrialisation and foster innovation	<ul style="list-style-type: none"> > Data security and customer privacy (#5) > Digital innovation and transformation (#10)
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> > Diversity and inclusion (#11)
	Ensuring sustainable consumption and production by promoting resource efficiency and non-hazardous materials	<ul style="list-style-type: none"> > Responsible procurement and supply chain (#15)

Sustainability continued

WE SUPPORT



As of 2019, QNB Group received an MSCI ESG Rating of 'A'.

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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United Nations Global Compact (UNGC)

As part of our commitment to sustainable business practices, QNB has 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. QNB will publish an annual 'Communication on Progress' to report progress against these topics.

ESG reporting and disclosures

To promote transparency in the banking sector, we report our sustainability performance annually, in accordance with the GRI Standards: core option and GRI G4 Financial Services Sector Disclosures.

Furthermore, we have pledged to disclose QNB's ESG performance to the Qatar Stock Exchange which became a signatory to the United Nations Sustainable Stock Exchange Initiative and released its 'Guidance to ESG reporting' to encourage voluntary disclosures by listed companies. In the spirit of transparency, QNB's performance data is publicly available.

In addition, throughout 2019 we proactively engaged and disclosed our ESG performance to several organisations including MSCI, FTSE Russell and the CDP (formerly Carbon Disclosure Project).

We have also been rated by external agencies for our performance in building a sustainable business. As of 2019, QNB Group received an MSCI ESG Rating of 'A'. MSCI ESG Research provides ESG Ratings on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers¹.

For a comprehensive review of QNB Group's approach to sustainability and performance, please read our standalone Sustainability Report on our website at www.qnb.com.

2019 highlights

During 2019, we have delivered and initiated a number of projects to improve our sustainability performance. For example, we:

- > approved QNB Group's Sustainability Policy, encompassing our organisational commitments to environmental, social and corporate governance business practices. These policy commitments formalise a consistent set of standards across the Group, further strengthening our long-term business resilience;
- > published QNB's inaugural Sustainability Report in accordance with the GRI Standards, including disclosure of our green lending portfolio;
- > developed the QNB Green, Social and Sustainability Bond Framework in line with the ICMA Green and Social Bond Principles;
- > continued developing our approach to environmental and social risk management in lending, to enhance our due diligence credit processes and procedures;
- > made our first formal public commitment to sustainability by becoming a signatory to the United Nations Global Compact;
- > achieved 100% disclosure score from the Qatar Stock Exchange 'Sustainability and ESG Dashboard', to improve transparency of sustainability performance to the investor community; and
- > revised the sustainability questions within our third-party risk management framework and undertook the first supply chain audit regarding fair and timely payment of low-income workforce.

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Case study Promoting a culture of sustainability in QNB

“Qatar Sustainability Week delivered a range of initiatives designed to raise awareness of sustainability issues and promote actions to reduce our impacts.”

As part of an ongoing commitment to the environment, QNB sponsored the Qatar Sustainability Week, delivering a range of initiatives designed to raise awareness of sustainability issues and promote actions to reduce our impacts.

The bank highlighted the importance of addressing various environmental challenges to employees and customers in a week-long series of events across its offices. As well as demonstrating the latest plug-in hybrid cars from Porsche and Lexus, QNB signed a commitment to install electric vehicle charge points at our Head Office and selected branches.

Throughout QNB offices, new recycling bins were installed, while single-use plastic straws and cutlery were removed from onsite cafeterias and replaced with recyclable options manufactured by a local company. At the same time, a social media competition encouraged customers to do more about recycling waste and provided useful advice and support.

Beyond banking – Corporate social responsibility

We believe that long-term value is sustained by nurturing society and working in partnership with communities to help them grow stronger, healthier and more prosperous.

QNB Finansbank has been supporting highly-talented young Turkish musicians.



As a socially-responsible and sustainable bank, we believe that supporting the communities in which we have a presence not only benefits society, but also encourages the long-term profitability and the stability of the company. Our work in society helps to stimulate and strengthen communities, creating new opportunities and bringing greater insight.

Through the power of our people, our customers, services and products, QNB Group has an unparalleled opportunity to make every community we touch a better place. This, in turn, helps us to create an even stronger brand and deliver a better business performance.

Our people and CSR

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. By helping individuals and companies achieve their aspirations, we help raise standards of living and encourage communities to come together for good.

This starts with our people. With around 80 different nationalities working together in more than 31 countries across three continents, we are proud of our diversity. We work in an atmosphere of mutual respect and support, and steadily apply the values that define the bank in our approach to doing business. All our employees are encouraged to participate in our CSR initiatives. Many choose to do so by contributing their time and expertise to worthy causes that the bank supports. 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.

Our activities fall under six main areas of focus.

Camel Race at Al Shahaneya Racing club.



Arts and culture

Our cultural heritage helps to define who we are and what we want to become. This year, we were proud to add our support by:

- > promoting our heritage: marking Qatar's National Day, QNB staff took part in the Darb Al Sai celebrations to connect the younger generation to their heritage through a series of interactive 3D experiences;
- > sponsoring our history: with our annual support for the important and prestigious HH the Amir Sword – Camel Race at Al Shahaneya Racing club, we help to celebrate Qatar's rich heritage and history;
- > encouraging economic growth: organised by the Qatar Tourism Authority (QTA), our ongoing sponsorship of the Doha Jewellery & Watches Exhibition 2019 supported emerging Qatari jewellery designers and promoted national economic growth; and
- > bringing music to the world: QNB Finansbank was instrumental in supporting highly-talented young Turkish musicians raise their profile on the world stage. The event was broadcast across Turkey and attracted a variety of celebrities who joined the concerts.

Economic and international affairs

Financial empowerment is as important as enhancing our understanding of international affairs when it comes to helping both individuals and multinationals prosper. In 2019, we did this by:

- > promoting localised service: by supporting Qatar Petroleum's Tawteen programme, launched by His Excellency Sheikh Abdullah Bin Nasser Bin Khalifa Al-Thani, the Prime Minister and Minister of the Interior, we helped to promote localisation for services and industries in the energy sector;



- > supporting a knowledge-based economy: we sponsored ICC Qatar Trade Finance 2019 as part of our commitment to a knowledge-based economy both in Qatar and elsewhere. We were the official sponsor of this Trade Finance training workshop under the patronage of Qatar Chamber and ICC Qatar chairman Sheikh Khalifa bin Jassim Al-Thani;
- > showcasing smart technology: the bank was the strategic sponsor of the Qatar Information Technology Conference & Exhibition 2019 (QITCOM), under the patronage of HH The Amir and organised by the Ministry of Transport and Communication. The international digital event showcases smart technology, industry specialists, key government decision-makers, and innovative technologies. Our support highlights our commitment to introducing new, innovative and cutting-edge technology solutions in Qatar;
- > relieving traffic congestion and placing QNB on the metro map: QNB signed a major agreement with Qatar Rail, Qatar's Metro Station Company. As a result, one of the prominent metro stations will be named as 'QNB Station' in the new smart city of Lusail;
- > supporting Egypt's digital economy: QNB ALAHLI sponsored Tech Invest 3 to build on our partnership with FEDCOC and promote 'Investing in Egypt's Future Digital Economy'; and
- > sponsoring Tunisia's trade: QNB Tunisia was a diamond sponsor of the 21st International Forum of Maghreb Economists which focused on 'Tunisia and the new world trade order'.



Beyond banking – Corporate social responsibility continued

Health and environment

Promoting good health and improving our environment are two vitally important areas of CSR for us. To further these causes in 2019 we:

- > raised awareness about energy use: QNB was a diamond sponsor of the Tarsheed carnival 2019 Kahramaa, organised by the Qatar General Electricity and Water Corporation that raised awareness about the efficient use of electricity and water consumption;
- > donated blood: staff from three of the bank's Doha offices made a significant contribution to blood bank stocks at Hamad Hospital Blood Donor Centre. QNB Indonesia launched a similar initiative in partnership with the Red Cross Indonesia;
- > raised awareness about breast cancer: in Indonesia, our employees were encouraged to participate at a workshop with cancer survivors and a nutritionist, while women were given a free check-up via USG for early-detection screening. In Qatar, our staff handed out booklets and the Head Office was draped with a pink ribbon to mark Breast Cancer Awareness month;
- > ran Sustainability Week 2019: QNB sponsored the annual Qatar Sustainability Week 2019 and organised multiple activities. New recycling bins were installed across the bank's offices and branches, low environmental impact food was



provided to employees and electric/hybrid vehicles were offered for test drives to employees; and

- > encouraged sustainable power: QNB ALAHLI is playing a leading role in the Egyptian solar energy market by encouraging small and medium-scale solar developments. Particular focus is given to integrating renewable energy in the industrial sectors, where QNB ALAHLI is proud to be the first bank in Egypt to finance an industrial rooftop solar installation, generating 1MW at a bottling plant in Sadat City.

Social and humanitarian

Our commitment to help build a better society, strengthen communities and contribute to a more sustainable world is unwavering. This year, we:

- > distributed winter clothing and heating equipment: as part of the Warm Winter Campaign, QNB Tunisia staff partnered with the Nabeul Rotary Club to distribute winter clothing and heating equipment to low-income families and students in the Nabeul Governorate;
- > raised awareness about blindness: working with the Qatar Social and Cultural Center for the Blind, we supported International White Cane Day to raise awareness about blindness and educate people about the basic skills to interact with those who have vision impairment;
- > distributed gifts to cancer patients: QNB Kuwait team visited the Hussain Makki Hospital and Cancer Center to give gifts to patients; and
- > enjoyed drawing with children: as part of the series of Ramadan Gathering activities, QNB Indonesia implemented an employee engagement activity with kids from SKK Melati and 'Let's Draw Together' community.

Staff from QNB Indonesia donating blood.



Sport

Sport provides a positive experience whether you are a participant or a spectator. It promotes a culture of cooperation, healthy competition, activity and fitness. This year, QNB:

- > partnered with the International Association of Athletics Federations (IAAF): the bank signed an exclusive four-year contract to support the organisation of the 17th IAAF World Championships, and to sponsor the female athletes;
- > sponsored the Asia Champions League: we supported the annual continental club football competition organised by the Asian Football Confederation as part of our commitment to support significant sporting events in the country;
- > sponsored Qatar Stars League Management (QSLM): QNB supported the team that organises and manages the first division football championship in Qatar and the Qatar Cup in accordance with the Qatar Football Association (QFA), FIFA and the AFC; and
- > promoted the Sultan Qaboos Cup for 2019: QNB Oman sponsored the Oman Football Association (OFA) to support football and the collaboration the sport brings in Oman.

Youth and education

Our future lies in the hands of our youth and in their education. This year we launched our educational strategy and, as part of QNB Group's commitment to CSR, the Group is launching a long-term strategic financial educational plan as part of its support for the communities in which it operates.

17th IAAF World Championships.



Tiny hands are coding 2019: providing computer skills to children from 22 cities in Turkey.



QNB handed out colouring stories for kids explaining saving, spending and sharing at Hamad International Airport.



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 concepts.

This year's campaign was entitled 'Children are the future investors' and main events included:

- > Global Money Week: QNB organised a tour of 15 schools in Qatar and held a series of lectures and activities on the theme 'Save, Share, & Spend'. These activities encouraged children to manage their money and plan to ensure a stable financial future. Hosted in Qatar National Library, the campaign sought to develop and build the financial awareness and ensure the essential financial skills to prepare the younger generation for the financial challenges in the future;
- > Kidzania summer camp: teaching kids how to open their own business at Kidzania world and benefit from it for a more prosperous future;

- > Tiny hands are coding 2019: this campaign provided computer skills to 3,000 children from 8 to 14-years-old across 22 cities in Turkey. It introduced them to programming and raised the awareness of code literacy;
- > Hamad International Airport Eid campaign: QNB handed out colouring stories for kids that explained saving, spending and sharing as part of its awareness campaign at Hamad International Airport; and
- > TED success is everywhere: Increasing the academic success and cultural development of primary school children in Ankara and Adana. QNB worked with TED (Turkish Education Association) and MEB (Ministry of National Education) to help schoolchildren succeed in tennis, basketball and volleyball tournaments in Turkey.

Qatar National Bank (Q.P.S.C.)
P.O. Box 1000, Doha, Qatar

Tel: +974 4425 2444
Fax: +974 4441 3753

qnb.com

