



Corporate Social Responsibility 2020



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 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;
- > financial inclusion, accessibility, and education;
- > digital innovation and transformation;
- > responsible customer communication and marketing;
- > customer privacy and data security; 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:

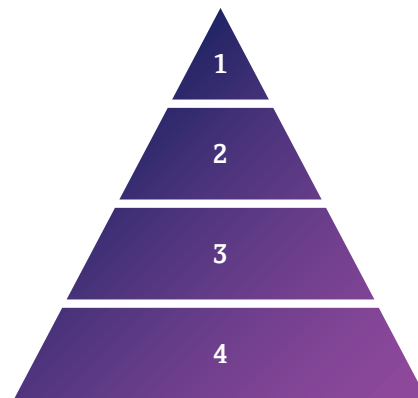
- > community investment and socio-economic development.

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, including climate related issues. When required, the SC reports key risks and opportunities to the Board of Directors via the 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’s 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



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

Materiality assessment

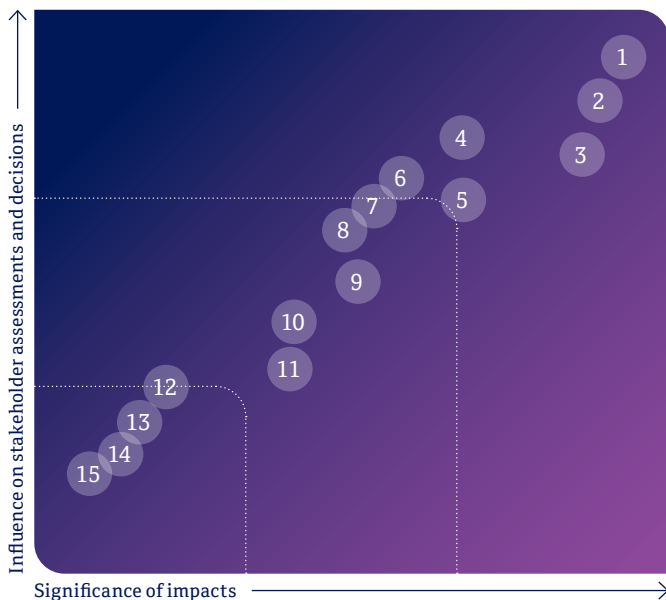
By identifying and prioritising our material sustainability topics, we are able to focus on what matters most to our business and stakeholders. In line with the materiality assessment process, set out in the Global Reporting Initiative (GRI) Standards, QNB Group has compiled a comprehensive list of relevant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

In 2020, we revisited and reassessed our material topics to address the rapidly and dynamically evolving operating environment. While our topics have been reprioritised, they remain aligned with the objectives of the United Nations Sustainable Development Goals, Qatar National Vision 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



Rank Material topic

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

Sustainability continued

In cooperation with

Supported by

Developed by



Case study Supporting the shift in energy mix

“We are delighted to have successfully closed Egypt’s first P2P solar project financing transaction in energy intensive sectors; none of this would have been possible had it not been for QNB ALAHLI’s extensive experience in project finance and focus on sustainable development.”
Yassin Abdel-Ghaffar, the Owner and Chairman of SolarizEgypt

QNB ALAHLI is playing a leading role in the Egyptian solar energy market by supporting solar developers and providing them with innovative financing and advisory solutions. For example, we supported our client, SolarizEgypt, to build a 7MW ground mounted solar power plant located at El Ain El Sokhna. The transaction was financed under the Green Economy Financing Facility “GEFF”, a sustainable financing program that encourages green and sustainable investments, and which is offered by the European Bank for Reconstruction and Development (EBRD) and backed by the European Union (EU). QNB ALAHLI is the first

bank in Egypt to participate with the EBRD and EU in this programme.

SolarizEgypt completed the construction of the solar power plant in early 2020. Over its 25-year lifetime the power plant is estimated to generate and sell approximately 294 GWh of electricity. Once connected to the grid, the plant will result in an estimated reduction in CO2 emissions equivalent to 170,868 tonnes per annum, which is equivalent to around 730,000 trees planted over the lifetime of the plant. The solar plant project has also been recognised as the Middle East Region project of the year by the Association of Energy Engineers.

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



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	QNB's Material Topics	UNSDG	QNB's Material Topics
	Financial stability and systemic risk management		Responsible customer communication and marketing
	Governance, compliance and risk management		Talent attraction, development and retention
	Financial performance		Diversity and inclusion
	Customer privacy and data security		Community investment and socio-economic development
	Customer experience		Financial inclusion, accessibility and education
	Digital innovation and transformation		Responsible procurement and supply chain
	Sustainable investment, lending, products and services		Environmental impact of operations
	Supporting SMEs and entrepreneurship		

Sustainability continued

WE SUPPORT



United Nations 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. This year, we published our first annual 'Communication on Progress' (COP) to report progress against these topics. We recognise the importance of greater transparency and accountability from public and private institutions. Therefore, in addition to our inaugural COP disclosure, we joined other UNGC network participants and demonstrated our support for inclusive multilateralism by signing a Statement from Business Leaders for Renewed Global Cooperation. This statement reaffirms that we support the principles of operating as an accountable, ethical, inclusive and transparent organisation. Our statement was presented to the UN Secretary-General as part of the official UN75 commemorations.

Policy Framework. Our ESRM enables the bank to proactively identify and manage exposure to environmental and social (E&S) risks. Our ESRM clearly articulates exclusions, sectors deemed high risk, prohibited activities and risk categorisation.

This overarching group wide ESRM Policy Framework is further supported by aligned ESRM policies in our major subsidiaries to cater for local specificities.

ESG reporting and disclosures

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. Furthermore, we have pledged to disclose QNB's ESG performance to the Qatar Stock Exchange, which is a signatory to the United Nations Sustainable Stock Exchange Initiative. In the spirit of transparency, our performance data is publicly available.

Throughout 2020, we proactively engaged and disclosed our ESG performance to several ESG rating agencies and indices. This year we are ranked number one in Qatar by ESG Invest, the investment research arm of Sustainability Excellence, a leading ESG ratings agency in the region; we



Environmental and Social Risk Management (ESRM)

Following the integration of sustainability requirements within our Wholesale Credit Policy in 2019, we have now further incorporated ESG due diligence through the group wide ESRM

We maintained our leadership position on the Qatar Stock Exchange for ESG disclosure.



QNB became a constituent of the FTSE4Good Index.



“The Statement is a resounding endorsement of inclusive multilateralism. In no uncertain terms, it says that cooperation must cross borders, sectors and generations for us to adapt to changing circumstances.”

Sanda Ojiambo, CEO and Executive Director of the UN Global Compact

maintained our leadership position on the Qatar Stock Exchange for ESG disclosure; improved our ESG ratings from S&P's SAM Corporate Sustainability Assessment (CSA) and Sustainalytics; and we qualified for the FTSE4Good Index. 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.

Green bond

This year we established our Green, Social and Sustainability Bond Framework in full alignment with International Capital Markets Association (ICMA) Green Bond Principles, Social Bond Principles and Sustainability Bond Principles.

As per industry practice, we obtained a Second Party Opinion (SPO) confirming that our framework was impactful and aligned with the above ICMA principles and guidelines. In addition, we also conducted a Third Party Pre-Issuance Review of our Green Bond portfolio.

Our green bond issuance, at USD600 million, was the first for a Qatari bank, and at the time of issuance, the largest by a financial services company in the region. The bond was listed on the London Stock Exchange (LSE) under the Sustainable Bond Market segment and the proceeds of the issuance were allocated towards financing and/or refinancing eligible green assets. We received subscriptions in excess of USD1.8 billion, demonstrating investor's confidence in our solid financial fundamentals and strong

financial performance. The issuance was part of our ongoing commitment to support the transition towards a greener economy, our sustainable finance objectives, and the ambitions of QNV 2030.

2020 highlights

During 2020, we have delivered and initiated a number of projects to improve our sustainability

For example, we:

- > established our group wide ESRM policy framework system to identify, categorise and manage E&S risks;
- > issued the largest conventional green bond in the region and first from Qatar, at USD600 million;
- > strengthened our public commitment to sustainability by submitting our inaugural 'Communication on Progress' to the UNGC and signed UN75's Statement from Business Leaders for Renewed Global Cooperation;
- > maintained or improved our ESG ratings from CDP, MSCI, S&P's SAM Corporate Sustainability Assessment (CSA) and Sustainalytics;
- > topped the leader board for ESG disclosure at the Qatar Stock Exchange for the second consecutive year;
- > became a constituent of the FTSE4Good Index; and
- > published our second Sustainability Report in accordance with the GRI Standards, including disclosure of our green lending portfolio.

Beyond banking – Corporate social responsibility

“Our work in society helps to stimulate and strengthen communities, creating new opportunities and bringing greater insight.”

We believe that to truly create long-term value, we need to develop our society through close working partnerships that help communities emerge stronger, healthier and more prosperous.

The devastating social impact on communities across the world from COVID-19 has brought corporate social responsibility (CSR) to the forefront, as governments rushed towards supporting households and businesses impacted by the pandemic. Financial institutions have played a key role as a vital intermediary in transferring the government initiatives and directives to businesses impacted by COVID-19, mainly through loan extensions, restructurings, additional financings, amongst various other support initiatives. QNB has taken its community development role even further by supporting our customers and communities to weather the challenges brought by the pandemic and bounce back on a quick recovery path.

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 bank. 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 the communities in which we operate 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. This was especially true during the pandemic period as we assisted our customers overcome various challenges, through technological enhancements and a wide range of financing options.

With around 75 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 causes 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:

We believe that supporting the communities in which we have a presence not only benefits society, but also encourages the long-term profitability of the bank.



QNB sponsored the Qatar Maritime and Logistics Summit 2020.



“QNB Group has an unparalleled opportunity to make every community in which we are present a better place.”

Arts and culture

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

- > promoting our tradition and culture: QNB was the diamond sponsor of the ‘Amir’s Sword Camel Race Festival’. QNB sponsors this annual event, not only as sport, but also as an integral part of Qatar’s tradition and culture;
- > enhancing Qatar’s position as a world-class destination for international events: QNB was the official sponsor of the 2020 ‘Doha Jewellery and Watches Exhibition’ organised by Qatar Tourism Authority. This sponsorship highlights QNB’s ongoing efforts to support the local economy by promoting emerging Qatari jewellery designers and enhancing Qatar’s position as a world-class destination for international events; and
- > providing talented musicians a global platform: QNB Finansbank sponsored the ÇEV Concert in January 2020, a highly acclaimed musical event. Through this concert, 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

Supporting the economies in which we operate provides an opportunity for the

overall development of society. In 2020, we did this through:

- > supporting the Qatar National Vision 2030: QNB was the strategic partner of ‘Conference on Development of Public-Private Partnership’ as part of our efforts to create a sound and transparent economic environment;
- > creating a commercial and logistics hub for the region: QNB sponsored the ‘Qatar Maritime and Logistics Summit 2020’ as part of our effort to support the country’s aims to promote Qatar’s ports and logistics sectors. This also contributed to achieving the Ministry of Transport and Communications’ strategic plan aimed to transform Qatar into a vital commercial and logistics hub in the region;
- > combating financial crime through cybersecurity: QNB Group was the diamond sponsor of the 2020 ‘Compliance and Combating Financial Crime Forum’. This sponsorship comes as part of the Group’s commitment to combating the increasing spread of financial crimes, especially the increasing resort to cybercrime that accompanies the accelerating digitisation of the financial sector. QNB is also firmly committed to the compliance culture in Qatar and internationally, ensuring the combating of fraud and the enhancement of security and accountability across its international operations; and

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Beyond banking – Corporate social responsibility continued

“To ensure social distancing and maintain a safe atmosphere, several initiatives were implemented for our customers visiting our branches globally.”

- > showcasing national products overseas: QNB sponsored the ‘Made in Qatar 2020’ exhibition in Kuwait as part of its keenness to support events that promote national products and contribute to developing economic growth in the country. It also reflects the bank’s commitment towards bolstering local industry, enhancing Qatari entrepreneurs and promoting the locally manufactured products outside the country.

Health and environment

Promoting good health and improving our environment are two vitally important areas of CSR for us. To further these causes in 2020, we:

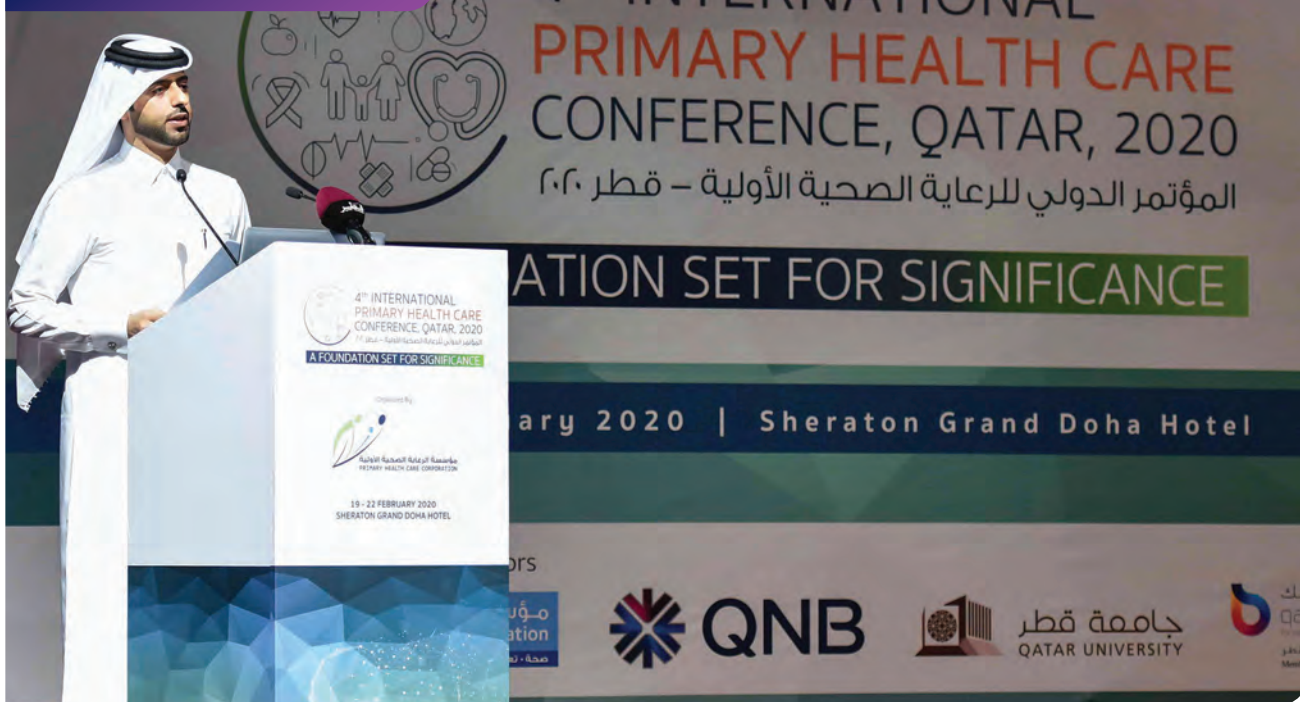
- > contributed to advancing healthcare research: QNB was the official sponsor of the ‘International Primary Health Care Conference’. This sponsorship comes as part of QNB’s support of Qatar’s health sector to advance research, develop primary healthcare facilities and broaden services provided to our communities;
- > enhanced cancer awareness: The ongoing support and cooperation with Qatar Cancer Society (QCS) reflects the bank’s keenness to enhance QCS’ programs to promote a culture of effective early detection – a key element to reach a conscious society without fears about cancer – and in implementation of local programmes in the health sector. In Egypt, an agreement was signed with the National Cancer Institute Breast Cancer Hospital for the renovation and development of the sterilisation unit;
- > contributed and supported COVID-19 pandemic relief efforts: QNB Finansbank donated medical equipment to various hospitals across Turkey as part of its social responsibility programme initiatives. QNB Finansbank also donated monetarily to pandemic aid through government initiatives; and
- > supported healthcare services and facilities: QNB ALAHLI donated medical devices to four hospitals that provide free of charge services in Egypt. Additionally, we donated to the establishment of an outpatient room in Magdy Yacoub Heart Foundation Hospital.

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 did this through:

- > supporting the SME sector during COVID-19: During the initial COVID-19 outbreak, QNB was the first bank after the announcement of the National Response Programme to offer some relief to customers impacted by the outbreak. An awareness campaign was launched across Qatar, Turkey, Egypt and Indonesia, sharing tips, suggestions and information about COVID-19 to our SME customers;
- > ensuring the safety our customers and employees: As part of our social responsibility efforts to ensure social distancing and maintain a safe atmosphere, several initiatives were implemented to make sure our customers are safe in our branches;
- > generating innovative ideas to respond to the pandemic: QNB launched an internal staff campaign directed towards collecting customer-centric ideas from staff and opportunities to enhance our customer experience during the pandemic;
- > supporting various government COVID-19 initiatives: As part of its efforts to recover from the impacts of COVID-19, QNB made a financial contribution to the ‘Support and Contribution Initiative Committee’ in Qatar. QNB ALAHLI also participated in the Central Bank of Egypt’s ‘Egyptian Banks Initiative’, to support the economy to face the pandemic crisis and to support those affected by COVID-19; and
- > supporting underprivileged sections of society: During the COVID-19 pandemic, QNB Indonesia cooperated with an online crowdfunding platform, Yayasan Benih Baik Indonesia (BenihBaik.com), to distribute basic commodities packages to more than 900 underprivileged families in the greater Jakarta area. QNB Tunisia organised its 5th ‘Warm Winter’ campaign in January 2020, which was designated this year to more than 64 children of the SOS Mahress village, confirming once again our

QNB supports Qatar's health sector to advance research, develop primary healthcare facilities and broaden services.



“We aim to highlight to the younger generation the importance of money management and investing concepts.”

commitment to the societies in which we operate. QNB ALAHLI worked with the Al Esaweya village in the Sohag Governorate, providing a medical convoy and support for 22 houses in urgent need for roofing, furniture and renovation.

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. Prior to the pandemic, QNB:

- > supported major international sporting events: QNB was the national sponsor of the FINA/CNSG Marathon Swim World Series 2020, as part of its efforts to be at the forefront in supporting national and international sporting events in Qatar; and
- > supported heritage sports: QNB was the official Sponsor of the 'HH The Amir Sword' equestrian festival, in our effort to support heritage sports and to preserve the sport of our fathers and ancestors.

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 concepts. This year's campaign and events included:

- > providing financial education: The 'QAn' initiative was launched in partnership with Kidzania Qatar to teach kids how to start their own business. We provided guidance and mentorship as part of bank's responsibility to teach the younger generation on financial education;
- > developing the skills of our young employees: As part of our ongoing efforts to develop the skills of our employees, QNB sponsored QDB's Kawader program, which aims to broaden the knowledge and experience of the participating employees;
- > supporting the development of business incubators: For the second year in a row, QNB ALAHLI partnered with the Central Bank of Egypt and Nile University in the 'NilePreneur Initiative', aiming to enhance the ecosystem for entrepreneurs in Egypt; and
- > preparing for careers of the future by encouraging science and mathematics: QNB Finnsbank's 'Tiny Hands' coding programme trained children from 8 to 14 years old on computer skills, introducing them to programming and raising the awareness of code literacy. The aim was to implement an 8-hour training programme for 3,000 students in 22 cities across Turkey. Additionally, QNB Finnsbank was the main sponsor of the 'Tales Mathematics Museum' held in January, where we arranged student visits to the math museum and increased excitement around this discipline.

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

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

qnb.com

