

QNB FINANSBANK SUSTAINABILITY POLICY

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1.0 Introduction

At QNB Finansbank, 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 community in alignment with QNB Group's (The Group) sustainability strategy.

This policy, prepared in accordance with overarching QNB Group Sustainability Policy, defines QNB Finansbank's (The Bank) approach to sustainability and its ESG (Environment, Social, Governance) commitments, covering both direct and indirect impacts of the business, to ensure a consistent approach across the organization.

In addition, via this Policy, QNB Finansbank supports the following international conventions, principles and guidelines upon which such policy is based:

1. International Labor Organisation's (ILO) Declaration of Fundamental Principles of Rights at Work
2. United Nations Global Compact
3. United Nations Guiding Principles on Business and Human Rights
4. World Bank Environment, Health and Safety Guidelines

2.0 Purpose

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

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

3.0 Scope

This policy is prepared in alignment with QNB Group Sustainability Policy (which is the overarching policy produced by Qatar National Bank (Q.P.S.C.), as the parent entity of QNB Group), and is applicable to all domestic and abroad branches of the Bank. Implementation of this policy within QNB Finansbank's subsidiaries will be determined on a case-by-case basis with the respective Board of Directors.

All relevant divisions (business, support and control) are responsible for aligning with the requirements of this policy, ensuring compliance with all applicable laws, regulations and standards.

4.0 Target Audience

This policy is relevant to all employees in the Bank. It is the responsibility of the Bank's Senior Management to ensure that the policy is implemented and complied with where relevant to their respective areas of responsibility.

5.0 Sustainability Strategy and Commitments

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

5.1 Sustainable Finance

'Sustainable Finance' is the integration of ESG criteria into QNB Finansbank's financing activities to deliver value with purpose. Our ambition is to support customers manage their environmental and social risks, lend to businesses that contribute towards sustainable development, improve access to finance for SME's and underserved groups, and provide a responsible customer service.

Sustainable finance is the most significant way in which QNB Finansbank can support national and global sustainable development initiatives. Moreover, it enables us to reduce reputational risks in our portfolio and maximize business opportunities emerging from the transition to a greener, more inclusive economy.

QNB Finansbank's 'Sustainable Finance' commitments are;

1. Environmental and Social Risk Management in Lending:

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

2. Sustainable Lending Portfolio:

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

3. Sustainable Products and Services:

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

We will catch up with ever-changing technological trends to improve our products and services by an innovative and customer-oriented point of view.

4. Sustainable Investing:

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

5. SME's and Entrepreneurs:

We will support the growth of SME's and entrepreneurs with access to finance, and improve the financial inclusion of unbanked or underserved groups.

6. Responsible Customer Communication and Marketing:

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

7. Customer Privacy and Data Protection:

We will ensure customer information is protected and respect the right to privacy within the guidelines of all applicable privacy and data protection laws and regulations.

5.2 Sustainable Operations

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

QNB Finansbank's "Sustainable Operations" commitments are;

1. Corporate Governance, Compliance and Risk Management:

Our corporate governance framework is fundamental to the success of our business. QNB Finansbank stands committed to maintaining the highest levels of fairness, integrity and responsibility. QNB Finansbank operates a world-class corporate governance framework that ensures it is fully compliant at every level and is able to effectively manage all risks. Our robust approach to risk is a critical component of QNB Finansbank's operations, safeguarding our clients, profits and reputation. Our centralised approach to risk management is complemented by expertise and a risk culture in which every employee is responsible for potential risks in the course of their work.

We will maintain robust corporate governance measures across the Bank that combine all aspects of internal control, risk and compliance, to meet the ever-changing regulatory landscape.

2. Anti- Bribery and Corruption:

We will adopt a zero-tolerance approach to bribery and corruption and commit to the highest standards of professionalism and integrity in all business dealings and relationships. We implement and enforce effective processes, measures and systems to counter any form of corruption, money laundering and financing of criminal activity. We encourage reporting through QNB Finansbank's confidential whistleblowing mechanism, to protect the Bank's image and reputation.

3. Human Rights and Labor Standards:

QNB Finansbank will fully respect the human rights of people impacted by its business and ensure dignity and equality for all, regardless of a persons' race, religion, gender, age or language. QNB Finansbank will establish a workplace in which employees are treated with fairness, equality and respect. This encompasses equal remuneration and development opportunities, grievance mechanisms, anti-discrimination, and ensuring the safety and security of our workforce. We expect our customers and suppliers to respect human rights and QNB Finansbank prohibit the use of child and forced labor in its workforce or throughout its Supply Chain.

4. Talent Management and Development:

We will provide ongoing training and career development for our employees to help the business attract, recruit and retain the best talent. We help identify each employee's strengths and development needs, in alignment with the desired business skills, and create individual employee development plans to support their career goals.

5. Environmental Impact of Operations:

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

6. Responsible Procurement and Supply Chain:

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

7. Tax Compliance and Transparency:

We apply the letter and spirit of the tax laws. Financial Crimes Compliance Division within Compliance ensures that QNB Finansbank's products and banking services are not associated with any arrangements known or suspected to facilitate financial crimes including tax evasion.

5.3 Beyond Banking

“Beyond Banking” refers to QNB Finansbank’s Corporate Social Responsibility activities in the communities where it operates. Our ambition is to make a positive contribution towards wider society through our CSR activities

QNB Finansbank’s “Beyond Banking” commitments are;

1. Social and Community investment:

We are committed to delivering targeted activities and initiatives that progress socio-economic development under various areas such as children, youth and education, arts and culture and sport.

2. Youth, Children and Education:

As part of our long-standing mindset of focusing on youth, children and education, we promote and facilitate various CSR projects. Our ambition is to improve analytical thinking, academic knowledge and artistry skills of younger generation through such trainings and programs.

3. Volunteering:

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

6.0 Reporting, Disclosures and Transparency

To promote transparency in the banking sector we are committed to publicly disclosing our sustainability performance in the QNB Finansbank Annual Report and/or a standalone QNB Finansbank Sustainability Report, in accordance with relevant local and global reporting standards. We place particular emphasis on ensuring high standards of data quality and use this to drive continuous improvement.

7.0 Dialogue With Stakeholders

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

8.0 Governance

QNB Finansbank Sustainability Committee: This policy is owned and governed by the QNB Finansbank Sustainability Committee (SC), which is the main sustainability oversight and decision-making body. This includes reviewing the strategic framework and ambition, deciding on priority initiatives for implementation with accountable working groups, monitoring performance, and assessing ESG-related risks and opportunities. When required, the SC reports key risks and opportunities to the Board of Directors.

Sustainability Team: Sustainability team is responsible for managing overall sustainability activities of the Bank (such as sustainability related reporting, policy and procedure development, managing stakeholder expectations, providing guidance and opinion on sustainability-related matters/issues). This team also acts as an advisory body to the SC and senior management on all sustainability-related matters.

The Board of Directors and the Corporate Governance Committee: The Board of Directors and the Corporate Governance Committee supports Sustainability Committee to deliver sustainability agenda of the Bank successfully.

As a minimum, the Board of Directors and the Corporate Governance Committee receives an annual update on the overall sustainability activities and performance of the Bank via QNB Finansbank Sustainability Committee

Internal Systems (Risk Management, Internal Control and Compliance, Internal Audit): Within their sphere of responsibility, internal systems provide guidance and support to SC and Sustainability Team to ensure the provisions set out in this policy are adopted and implemented correctly.

9.0 Enforcement

This policy will be approved by the Board of Directors. It is also the responsibility of the Board of Directors to review this Policy annually.