



2021

Sustainability Report



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About this report

Welcome to Qatar Islamic Bank's second sustainability report, which provides an overview of our Environmental, Social and Governance (ESG) performance, including our positioning on the most important ESG issues for our key stakeholders. With this report, we aim to highlight our efforts and achievements in the realm of sustainability.

Reporting Period

The report covers the calendar year from January 1st to December 31st, 2021, and focuses on activities in that period. Information from previous years is provided when necessary.

Reporting Guidelines

As part of our commitment to transparency and international best reporting practices, this report references international best practices and sustainability standards, including the GRI Standards, the United Nations (UN) Sustainable Development Goals (SDGs), the Qatar National Vision 2030 (QNV 2030), and the Qatar Stock Exchange (QSE) and ESG Disclosure Guidance for listed companies. Refer to Appendix A for the QSE ESG Dashboard.

Reporting Frameworks

To promote transparency in the banking sector, QIB's non-financial reporting is presented in this second annual Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, core option.

Report Boundary

This report covers QIB's operations in Qatar only. Unless specified, information on QIB subsidiaries are not included in this report. Financial data is expressed in Qatari Riyals (QAR). QIB's business operations in Qatar represents 94% of the total group revenue.

Feedback

QIB welcomes feedback on this report and regarding our performance. Feel free to email us at:

Communications@qib.com.qa

Investorrelation@qib.com.qa

Message from Chairman



I am honored to present QIB's second annual sustainability report.

2021 was a transformative year, both globally and for the banking sector in specific. Following the Paris Agreement and the subsequent Glasgow Pact, markets have started to better integrate ESG insights into their respective strategies. I am proud to state that QIB has been progressing in its sustainability journey, both in maintaining a strong financial standing and in further integrating ESG into our strategies and operations. Having the Qatar National Vision 2030 (QNV 2030) as a beacon of our journey and aligning with the United Nations (UN) Sustainable Development Goals (SDGs), QIB aims to be the recognized Qatar market leader, and a recognized global leader, in Sharia-compliant sustainable finance.

QIB has maintained steady profit growth across the years, with an 11% increase in total assets, making us the fifth largest Islamic bank in the world by assets. Our sustainable growth, however, is measured in more than profits. QIB takes pride in being a responsible bank, and this is reflected in our portfolio, which showcases our commitment to promoting sustainable finance and portrays our contributions to diverse projects related to Green Buildings, Recycling, Education, and Healthcare, among others.

As a testament to QIB's vision to become a recognized Qatar market leader, and a recognized global leader in Sharia-

compliant sustainable finance, our responsible banking endeavors extend to our transformative digital journey, where we have shown immense progress in digitalization by bringing forth innovative products and services.

QIB's customers lie at the heart of our operational goals. As such, we have exceeded our target for customer satisfaction and are committed to further improving our products and services portfolio to meet customers' needs smoothly and efficiently. In tandem with our unwavering support to our customer base, QIB was also the first Islamic bank in Qatar to provide a mobile app for its retail and corporate customers and Small and Medium Enterprises (SMEs).

QIB has heavily invested in its human capital, nurturing our people's skills, and ensuring that the workplace is an inclusive space that bolsters innovation and promotes equality. In recent years, businesses have had to battle the COVID-19 pandemic, the aftershocks of which the world is still overcoming. QIB has adapted valiantly by adopting rigorous health practices and safety measures amongst our workforce and across our operations. Today, we stand as solid as ever, united in the reminder that partnerships and collaboration underpin a safe and healthy society.

On behalf of the Board of Directors, I welcome you to QIB's 2021 Sustainability Report.

Jassim Bin Hamad Bin Jassim Bin Jaber Al Thani
QIB Chairman

Message from Group CEO



In QIB's second sustainability report, I am proud to share the results of our sustainability journey so far – a journey towards embedded environmental, social, and governance (ESG) criteria into our business operations and financing activities.

We remain guided by the United Nations' Sustainable Development Goals (SDGs) and Qatar National Vision 2030 (QNV). In addition, as our commitment deepens, it is our Bank's sustainability strategy that forms a bridge between the principles of global (SDGs) and national (QNV) initiatives, and the practicalities of daily business life. It is QIB's mechanism through which sustainability becomes our second nature while continuing to deliver profit with purpose.

We have been progressing towards a broader and deeper integration of the ESG criteria across all layers of our organization as per our long-term sustainability strategy.

QIB is continuously supporting projects and institutions whose mission is to deliver sustainable results for the environment, society, and the economy. Sustainable Finance allows us to make responsible financing and investment decisions that are needed for sustainable development. This progress is reflected in our financing portfolio, whereby almost QAR 1.68 billion in renewable energy projects and QAR 3.9 billion in Green Buildings were allocated. Such development is consistent with our Responsible Banking Operations, allowing us to leverage the power of technology, modernize, and introduce new products and services while safeguarding customers' privacy and data security. Our digital channels have become wider and deeper, with 70% of our customers engaging with us digitally; we are meeting our customers and suppliers' needs 24/7.

We are a community and customer-centric institution with a track record of having Positive Community Impacts; this has been vital, especially during the past two years. We continued to support our Small and Medium Enterprise (SME) customers throughout the COVID-19 pandemic, by participating in the Qatar Development Bank (QDB) and Qatar Central Bank (QCB)

stimulus programs in order to mitigate the Covid-19 impact on their businesses. We backed our community as much as possible through several investment, sponsorship, and volunteer programs as well as health, educational, and sport activities.

However, it is only from a strong and consistent core that we can best serve our community. Hence, Empowering Our People focuses on the continuous improvement, advancement, and wellbeing of QIB's team members. We aim at creating a work environment where employees are motivated, engaged, healthy, well trained, and driven to advance in their careers. This year has seen us accomplish an average of 35 hours of training per employee. QIB is also proud of the empowered female presence at the bank, where women represent 27% of the workforce almost double compared to the country's average.

We are Qatar's largest Islamic Bank and as such have a great opportunity to leverage natural overlaps between the principles of Islamic finance and the Sustainable Development Goals. These overlaps are becoming stronger every day, and we look forward to continuing our commitment to Islamic finance and sustainability.

Finally, underpinning our Governance Code are the principles of transparency, accountability, responsibility, justice, and equality. Under our Governance, Ethics, and Risk Management framework, we remain committed to those values help us to aim at continuous improvement and high performance, with the goal of creating and increasing value for our shareholders.

On behalf of the QIB community, I would like to thank our Board of Directors, all team members and shareholders, customers and suppliers, and government and non-government partners for their ongoing trust and support. Together, we are on a path of sustainable progress and development.

Bassel Gamal
Group Chief Executive Officer

About QIB



About QIB



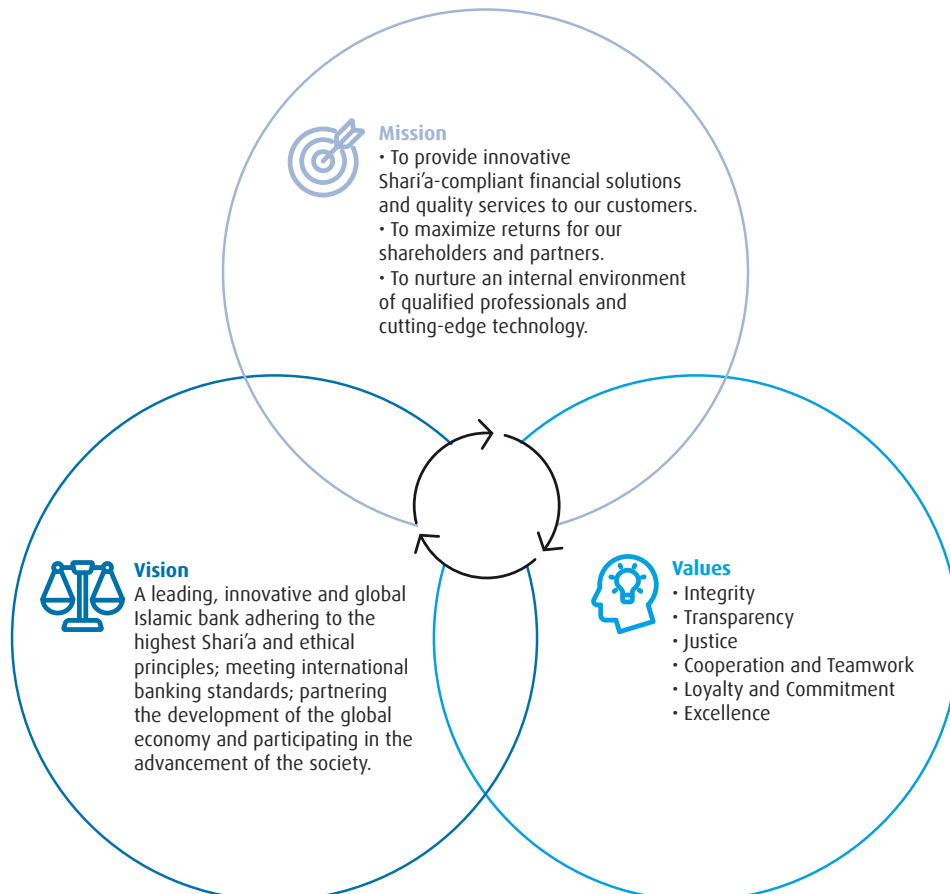
Established in 1982, headquartered in Doha, Qatar Islamic Bank (QIB) is the largest Private Bank in Qatar. With a market share of over 11% of assets, financing, and deposits, QIB is also the second largest of all banks in Qatar.

QIB is Qatar's first Islamic financial institution, with 40% of the total assets of domestic Shari'a-compliant banks in its portfolio.

Every day, more than 500,000 individual, retail, and corporate customers across Qatar benefit from our wide range of banking and financial products and services.

We meet our customers where they need us - digitally through our start of the art Mobile & Internet banking applications for both individual and corporate customers, personally across 22 branches, or via 170+ ATMs.

Listed on the Qatar Securities Exchange (QSE), QIB is an A-rated banking and financial institution, rated A1 by Moody's, A+ by Capital Intelligence (CI), A- by Fitch.



Financial Performance Indicators (QAR in Thousands)

	2017	2018	2019	2020	2021	CAGR
Assets	150,374,876	153,232,365	163,519,211	174,356,175	193,915,910	6.6%
Financing	102,613,499	102,209,930	113,753,593	119,072,432	128,408,527	5.8%
Deposits	101,814,551	100,597,983	111,620,560	118,143,981	131,094,799	6.5%
Operating Income	4,162,332	4,502,371	4,830,119	5,439,325	5,989,659	9.5%
Net Profit	2,405,425	2,755,311	3,055,423	3,065,115	3,555,296	10.3%
ROAA	1.6%	1.8%	2.0%	1.8%	1.9%	
ROAE	15.3%	17.4%	18.1%	16.7%	17.6%	
Cost to Income Ratio	26.6%	25.4%	22.8%	20.1%	18.1%	

Business groups, products, and services

Providing Shari'a-compliant banking products and services is central to our vision.

In addition to Group functions, we offer a comprehensive range of products and services through two main business groups: personal banking and corporate (wholesale) banking.

Personal banking

Personal banking encompasses products and services that are best suited to individuals of all levels of affluence, from modest to high-net-worth.

It includes but is not limited to:

- Deposits
- Current accounts
- Remittances
- Takaful insurance

Corporate banking

Corporate banking includes products and services that cater to financial institutions, real estate, commercial entities (from small medium enterprises to large corporations), and various government-related entities.

It includes but is not limited to:

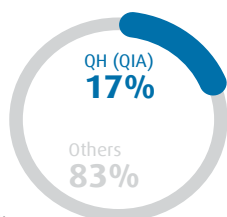
- Credit facilities
- Trade finance
- Wages protection system
- Point of sale services
- Takaful insurance

Group Function

Treasury, including sukuk and local equity investment portfolio, treasury services and sales, and liquidity management are covered by the Group function.

Shareholder Structure / Strong Government Linkage

- QIB's shares are listed on the Qatar Stock Exchanges.
- The Qatar Holding LLC ("QIA") is the single largest shareholder of QIB.
- The balance of QIB's shareholders comprise prominent Qatari individuals, families and institutions.



Corporate Memberships



QIB is a corporate member of the following institutions and organizations:



Most Awarded Bank in QATAR in 2021



Banking Awards



Bank of the Year in Qatar



Best in Lending



Best Bank Transformation Qatar



Best Bank for Cash Management in Qatar

THE ASIAN BANKER MIDDLE EAST & AFRICA REGIONAL AWARDS 2021

Best Retail Bank in Qatar



Best Retail Bank in Qatar

Islamic Banking Awards



Islamic Bank of the Year - Qatar
Islamic Bank of the Year - UK



Best Islamic Bank in the Middle East



Best Islamic Bank in Qatar
Best Islamic Bank in Sudan
Best Islamic Corporate Bank
Best Islamic Bank in the Middle East



Best Islamic Corporate Bank Qatar
Best Islamic Digital Bank Qatar
Best Islamic Retail Bank Qatar

Digital Banking Awards



Best Digital Account Opening, Middle East
Best Digital Bank in Qatar
Best Mobile Banking, Middle East
Best Retail Bank in Qatar
Excellence in Digital Innovation



Best Retail Mobile Banking in Qatar
Digital Bank of the Year in Qatar



Best Consumer Digital Bank
Best Online Portal
Best Online Product Offerings
Best Open Banking APIs



Innovators Award for Integrated services on PoS for corporate



Excellence in Digital Innovation



Best Digital Bank of the Year in Qatar
Best Mobile Banking in Qatar



Most User-Friendly Mobile Banking Solutions

THE ASIAN BANKER MIDDLE EAST & AFRICA REGIONAL AWARDS 2021

Best Digital Bank - Qatar



Best Mobile Initiative in Qatar

Leadership Awards



Bank of the Year in Qatar

Sector Awards



Best Bank for SMEs in Qatar



Best SME Banking - Corporate

THE ASIAN BANKER MIDDLE EAST & AFRICA REGIONAL AWARDS 2021

Best SME Bank in the Middle East and Qatar



Innovators Award for integrated services on PoS for corporate

Sustainability at QIB

At QIB, we consider ourselves part of global solutions that contribute towards overcoming global challenges. In 2021, we developed our sustainability strategy, which aims to position QIB to be the recognized Qatar market leader, and a recognized global leader, in Sharia-compliant sustainable finance.



Our Sustainability Framework

Our approach to sustainability is guided by five pillars:

- Sustainable Finance
- Responsible Banking Operations
- Governance, Ethics and Risk Management
- Positive Community Impacts
- Empowering Our People

Each pillar encompasses material topics of importance to QIB and our stakeholders and adheres to our goal of strong, risk-aware, and sustainable financial performance.

Our sustainability framework represents QIB’s alignment with key international, regional, and local bodies, such as the Paris Agreement (of which Qatar is a signatory), the UNs’ Sustainable Development Goals, and the QNV 2030.

In addition to reflecting our sustainability priorities, the QIB sustainability framework allows us to ensure that we are:

- Fully adhering to the highest Shari’a and ethical principles
- Meeting international banking standards
- A key player in societal, environmental, and economic development



Our Materiality Assessment

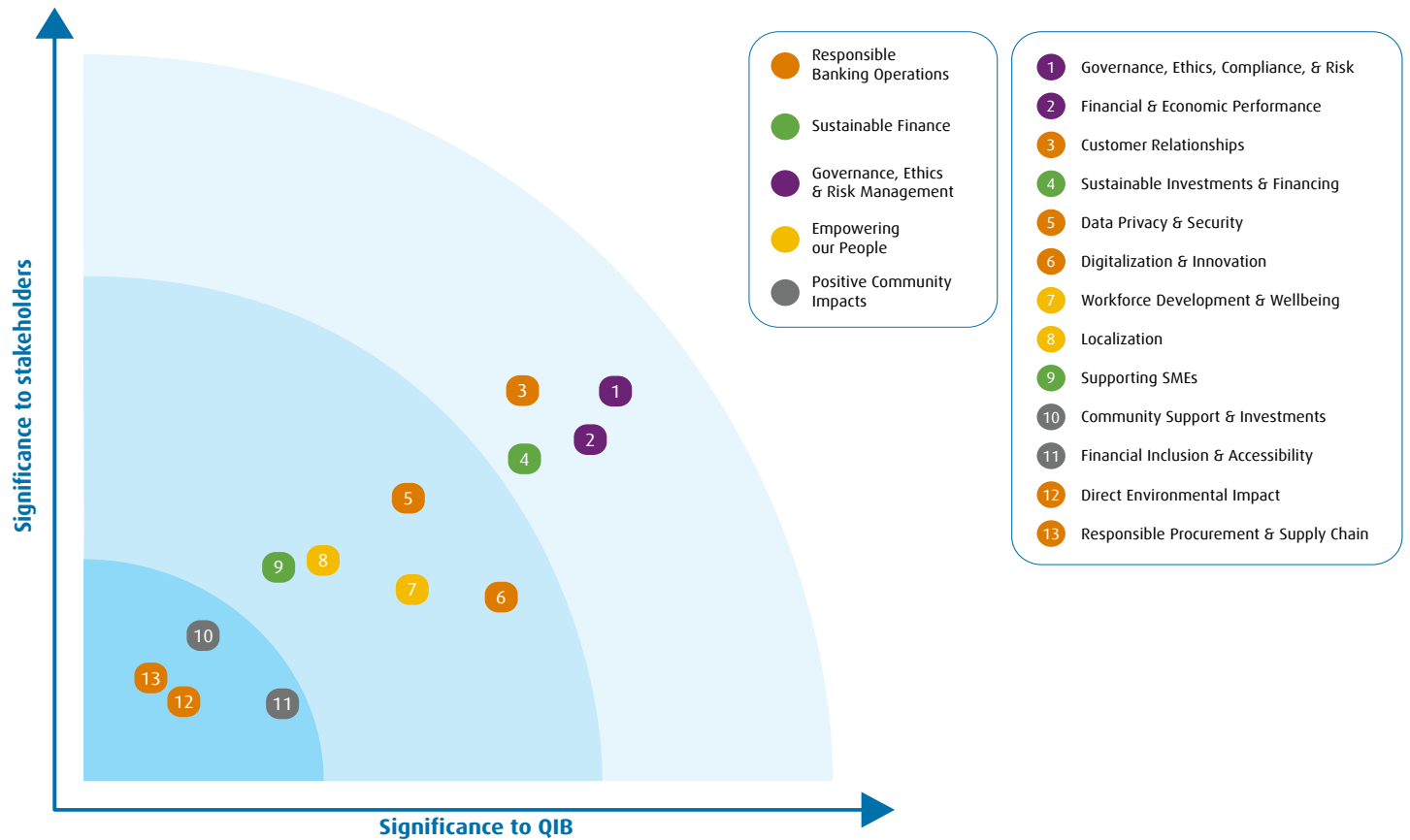
Creating value for our internal and external stakeholders is at the heart of QIB. Last year (2020), we undertook a thorough materiality assessment exercise to identify our key material issues, via the following steps:

1. Identifying a list of potential material issues through desktop research, including a review of peer companies, industry standards and employee reviews, the QIB business strategy, input from the QIB Management Committee, recent regulatory changes, relevant international and national level standards, guidelines, ambitions and policies.
2. Prioritizing stakeholders (both internal and external groups) and topics to rate material issues in terms of their perceived importance.

3. Reviewing results internally within QIB management and the sustainability team to ensure the list of material issues captures and is inclusive of all stakeholder perspectives

Each year, we review our material topics to ensure they accurately reflect our understanding of the significance of each topic in terms of importance to QIB and importance to QIB's stakeholders.

The findings of our materiality assessment are presented in our materiality matrix.










Engaging Our Stakeholders

As part of our commitment to sustainability, we continuously engage with internal and external stakeholders and incorporate their input into everything we do. Their feedback – which we actively seek and encourage – contributes to the final shape of our products and services, including the sustainability strategy.

We believe that the path towards long-term sustainable value creation is paved by continuous engagement with our stakeholders – whom we consider being our partners.

Our key stakeholder groups and the ways we engaged with them in 2021 are listed below.

Stakeholder Group	Needs & Expectations	Methods of Engagement	Our Response
 <p>Customers</p>	<ul style="list-style-type: none"> • Compliance with Islamic/Sharia principles • Competitive rates and fees • Efficient and proactive customer channels • Friendly and responsive customer service • Digital banking services • Data security • Innovative products and services • COVID19- response 	<ul style="list-style-type: none"> • Reports • Website • Customer service channels • Social media 	<ul style="list-style-type: none"> • Enriched the services of the Corporate Internet Banking Platform for our corporate customers • Launched the Corporate Mobile App • Effectively digitalized a vast number of everyday banking services on our retail platforms • Enabled digital banking operations to reduce branch visits, in line with COVID19-regulations
 <p>Employees</p>	<ul style="list-style-type: none"> • Fair compensation • Skills upgradation and training programs • Fostering a diverse and inclusive work environment • Recognition / rewards • COVID19- response 	<ul style="list-style-type: none"> • Trainings • Policies • Surveys • Reports • Internal communications 	<ul style="list-style-type: none"> • Communicated best practices to ensure health and wellbeing • Facilitated remote working with the provision of necessary equipment • Conducted training sessions virtually
 <p>Shari'a Supervisory Board</p>	<ul style="list-style-type: none"> • Compliance of QIB operations with Islamic Shari'a principles • Earnings from sources prohibited by Shari'a are disposed of to charitable causes 	<ul style="list-style-type: none"> • Reports • Financial Statements • Shari'a audit process • Shari'a approval for new products and services 	<ul style="list-style-type: none"> • Operations and financial statements do not contradict with the provisions of Islamic Sharia • Continuance of Shari'a compliant operations
 <p>Shareholders & Investors</p>	<ul style="list-style-type: none"> • Strong balance sheet and profitability • Growth • Transparency and disclosure • Strong risk management • Strong market position 	<ul style="list-style-type: none"> • Reports • Financial statements • Board Meetings • Annual General Assembly meetings • Website 	<ul style="list-style-type: none"> • Maintained financial performance • Delivered dividends • Transparently communicated opportunities, risks, and performance

Stakeholder Group	Needs & Expectations	Methods of Engagement	Our Response
 <p>Local Community</p>	<ul style="list-style-type: none"> • Financial literacy and inclusion • Sponsorships of initiatives in health, education, sports and environment 	<ul style="list-style-type: none"> • Volunteering • Donations • Campaigns • Website 	<ul style="list-style-type: none"> • Conducted the 'How Money Works' program effectively via digital channels • Founded campaign to raise community awareness of COVID-19 • Blood donation initiative
 <p>Regulators</p>	<ul style="list-style-type: none"> • Compliance with legal and regulatory requirements by the Qatar Central Bank, Qatar Stock Exchange, and Qatar Financial Markets Authority • Strong risk management and governance 	<ul style="list-style-type: none"> • Audits • Internal control and risk management systems • Committees • Reports • Public disclosures • Website 	<ul style="list-style-type: none"> • Full compliance with laws and regulations • Abided by national regulatory guidelines and mandates swiftly and effectively • Upgraded a comprehensive suite of AML/CFT policies and procedures
 <p>Suppliers & other Business Partners</p>	<ul style="list-style-type: none"> • Timely payments • Open communication channels • Fair and respectful processes 	<ul style="list-style-type: none"> • Audits • RFPs & Clear scope of work • Change requests 	<ul style="list-style-type: none"> • Primarily engaged local suppliers for procurement • Clear and transparent agreements • Terms of payments schedules

Measuring our Performance

We have embarked on a company-wide digital transformation. More products and services are now available digitally, which saves time and resources, and allows us to serve our customers remotely, 24/7. Accordingly, two-thirds of our customers are now digitally active.

We are also proud to see the increase in local suppliers. Localization spans across various ESG criteria, as it supports local jobs, reduces emissions needed for transporting materials from

abroad, and fosters partnerships with the local community. Our bank engaged a record number of local suppliers in 2021, the highest in three years.

QIB has always been focused on supporting the local community. This extends beyond financial support; for example, in 2021, we had twice as many participants in our financial literacy initiatives as in 2019.

Material Issue	Key Performance Indicators	2019	2020	2021
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Sustainable Finance

Sustainable Investment & Financing	Financing portfolio of projects contributing to the QNV and SDGs (in QAR billion)	N/A	6.76	6.76
	Financing portfolio of projects related to renewable energy (in QAR billion)	N/A	1.68	1.68
	Financing portfolio of Green Buildings (in QAR billion)	N/A	3.9	3.9
	Financing portfolio of projects that support pollution prevention and control (in QAR billion)	N/A	N/A	0.0215
	Financing portfolio that promotes access to essential services (e.g Healthcare and Education) in QAR billion)	N/A	N/A	0.378
	the SME numbers to (in QAR billion)	1.15	1.07	1.52
	Number of SME customers	17,241	18,320	20,885
	Financing portfolio for SME & microenterprise customers (%) or total portfolio	0.93%	0.82%	1.2%

Responsible Banking Operations

Digitalization & Innovation	Customers who are digitally active excluding WPS customers (%)	50%	62%	69%
	New accounts for existing customers opened digitally (%)	51%	78%	78%
	New customers digitally onboarded including WPS customers (%)	21%	69%	64%
	Credit cards sold digitally (%)	17%	38%	38%
	Personal financing sold digitally (%)	18%	47%	55%
	Retail End to End services offered digitally (%)	N/A	65%	70%
	Corporate End to End services offered digitally (%)	N/A	51%	55%
	Number of key products offered digitally	N/A	19	20

Customer Relationships	Customer satisfaction score (%)	87%	N/A	88%
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Data Privacy & Security	Data security breaches (#)	0	0	0
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Measuring our Performance

Material Issue	Key Performance Indicators	2019	2020	2021
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Responsible Banking Operations

Financial & Economic Performance	Annual income (Million QAR)	7,738	7,958	8,130
	Operating income (Million QAR)	4,830	5,439	5,989
	Net profit (Million QAR)	3,055	3,065	3,555
	Return on Equity	18.1%	16.7%	17.6%
	Assets (Million QAR)	163,519	174,356	193,915
	Cost to Income ratio	22.8%	20.1%	18.1%

Governance, Ethics, and Risk Management

Governance, Ethics, Compliance, & Risk	Board seats occupied by independent directors (%)	0	0	0
	Incidents of non-compliance with laws and regulations	0	0	0
	Total monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations (QAR)	0	0	0

Direct Environmental Impact	Energy intensity per employee (GJ/employee)	51.65	42.28	46.54
	Electricity Consumption (Gj)	44,471	35,301	36,858
	Water usage intensity (m3 per employee)	20.08	20.60	13.10

Responsible Procurement & Supply Chain	Number of local suppliers engaged	850	1,253	1,359
	Percentage of procurement spending on local suppliers	97%	97%	95%

Empowering our People

Workforce Development & Wellbeing	Percentage of female employees in management (middle management and above)	11%	12%	12%
	Average number of training hours provided per employee	31.8	39.2	35.18
	Percentage of females in the workforce	25%	25%	25%

Localization	Percentage of Qatari employees	28%	27%	27%
	Percentage of Qatari new hires	56%	52%	76%

Positive Community Impacts

Community Support & Investments	Participants in financial literacy initiatives	434	829	838
	Community investments (QAR)	83,114,316	81,873,377	92,856,835

Shariah Compliance and ESG



OECD recognizes that a share of Islamic finance's USD 3 trillion could be used for sustainable development. Qatar is one of 57 member states of the Organisation of Islamic Cooperation (OIC), where Islamic finance could be used to deliver the Sustainable Development Goals (SDGs).

There are natural synergies between Islamic finance and the SDGs:

- Goals or objectives of Islam (Maqasid al-Shariah) include the establishment of equality among people. This overlaps with SDG #10 'Reduced Inequality'.
- Zakat, Muslims' obligatory alms-giving to those in need, is mirrored by SDG #1 'No Poverty'.
- Prohibition of interest ('riba') in financial transactions encourages responsible lending behaviour and reduces the risk of worsening indebtedness of debtors. Interest-free lending practices mainly contribute to poverty reduction (SDG #1 'No Poverty') which further relates to other SDGs, such as #2 'Zero hunger', and #7 'Affordable and Clean Energy'.
- Islamic finance's preference for asset-based transactions – where money has real value, as opposed to market speculation – overlaps with all the above-mentioned SDGs, because market speculation can lead to global recessions, e.g. the 2008 Global Financial Crisis triggered by the collapse of Lehman & Brothers.

- Islamic social finance investments generate returns through education, healthcare, welfare, and infrastructure for those in need. This is related to SDGs #10 'Reduced Inequality,' #2 'Zero hunger,' #1 'No Poverty,' and #4 'Quality Education'.










The Islamic approach to development is steady and consistent progress rather than quick and abrupt growth. This is congruent with the definition of sustainable development itself, which is "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

At QIB, we are ensuring that the principles of Islamic finance are always upheld, with Shari'a Supervisory Board being a key internal stakeholder group. The principles of sustainable development – naturally aligned with Islamic finance – are also an integral part of QIB's identity.








Our Contribution to SDGs

Priority	Material Issues	Relevant Strategy Pillars	How QIB Manages It?	Contribution to SDGs
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Most Important





Governance, ethics, compliance and risk	Governance, Ethics and Risk Management	Our governance approach is core to creating value for our shareholders and giving them confidence in our organization. We reinforce and develop policies to monitor and manage our risks and opportunities within our operations.	
Financial and economic performance	Governance, Ethics and Risk Management	Through the integration of sustainability into our operations, we continue to deliver long-term, sustainable financial growth.	
Customer relationships	Responsible Banking Operations	We meet and exceed our customers' expectations with our outstanding customer services and complaint management.	
Sustainable investments and financing	Sustainable Finance	Guided by our Islamic banking principles, we offer sustainable financing solutions to our customers. This is achieved through the integration of environmental, social, and governance factors into investment decisions with particular focus on projects for mitigating climate change and tackling issues of inequality and human rights. We also provide finance to businesses that contribute to sustainable development.	     

Very Important











Data privacy and security	Responsible Banking Operations	We are responsible for the confidentiality of our all our stakeholder's personal information. Our advanced internal systems allow for data protection and security.	
Digitalization and innovation	Responsible Banking Operations	With our QIB-wide digital transformation program, we modernize our offerings, improve profitability, and introduce a clever methodology to deliver new and innovative products to our customers.	
Workforce development and wellbeing	Empowering Our People	We focus on creating a work environment where employees are motivated, engaged, healthy.	    

Priority	Material Issues	Relevant Strategy Pillars	How QIB Manages It?	Contribution to SDGs
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Very Important

Localization	Empowering Our People	QIB's goal is to strengthen Qatar's human capacities by developing employment opportunities for the national population.	 
Supporting SMEs	Sustainable Finance	We support local SMEs and start-ups to promote local economy.	 

Important

Community support and investments	Positive Community Impacts	With our programs and initiatives, we promote health and wellbeing of local communities, and support the protection of natural resources.	   
Financial inclusion and accessibility	Positive Community Impacts	We provide financial planning and management education to disadvantaged individuals for a more inclusive community.	 
Direct environmental impact	Responsible Banking Operations	QIB is committed to minimizing its environmental impact through the implementation of energy efficient technology and responsible resource management.	 
Responsible procurement and supply chain	Responsible Banking Operations	To ensure responsible procurement practices throughout the supply chain, we engage and work with our suppliers to manage risks and enhance our positive impacts.	 

QIB's Alignment with the Qatar National Climate Change Plan



There are parallels between Qatar's National Climate Change Plan and our Bank. Qatar has been at the forefront of strong climate action since 1996 when it ratified the UN's Framework Convention on Climate Change (UNFCCC).

At the national level, Qatar committed to renewable energy, and the first large-scale solar power plant was announced in early 2020. However, solar plants wouldn't be possible without Polysilicon - a key component needed in solar panels. QIB has been partnering with a local manufacturer of Polysilicon, Qatar Solar Technologies, for many years, thus facilitating our renewable energy transition.

Digital transformation is another area of national focus, as we diversify our economy and accelerate sustainability transition through digital means; Smart City Expo Doha 2022 showcased cutting-edge technology. At QIB, we are deepening and broadening our digital channels. This saves paper, time and energy, and allows us to meet our customers 24/7 via QIB's Mobile Banking App.

Furthermore, there are synergies between Qatar's National Environment and Climate Change Strategy (QNE), and our Bank:

- QNE aims at reducing greenhouse gas emissions by 25% by 2030. At QIB, we identify several ESG-related risk factors that play role in determining lending outcomes, and the reduction of greenhouse gas emissions is one of these factors. We

also installed motion sensors and replaced all lights to LED to reduce energy usage - greenhouse gas emissions - across our 24 branches.


- QNE aims at min. 55% desalination to be achieved from reverse osmosis or more sustainable technology. At QIB, through our partnership with Qatar Electricity and Water Company (QEWC), we are involved in water desalination projects.
- QNE aims at a 60% reduction in groundwater extraction to ensure sustainable and integrated management for all water resources. At QIB, we partner with the Tarsheed initiative, a national initiative promoting water efficiency by installing tap aerators and motion sensors in Qatari households and workplaces. Hence, we are supporting water conservation.

2021 ESG Performance Highlights




Sustainable Finance

Financial Performance

 Financing portfolio of renewable energy projects is estimated at **QAR 1.68 billion**

 Financing portfolio of projects contributing to the Qatar National 2030 and SDGs is estimated at **QAR 6.76 billion**

 Financing portfolio of Green Buildings is estimated at **QAR 3.9 billion**

Supporting SMEs

 **20,885 SME** customers with a **14% rise** compared to previous year



Responsible Banking Operations

Digitalization & Innovation


 **70%** of retail end to end services offered digitally


 **55%** of corporate end to end services offered digitally

 **69%** of customer digitally active


 **78%** of new accounts for existing customers opened digitally


 **20** digital products

 **64%** of new customers digitally onboarded (including WPS customers)

 **38%** of credit cards sold digitally

 **55%** of personal financing sold digitally

 **99.16%** of retail digital transactions

 **72.14%** of corporate digital transactions

Customer Relationships

 Exceeded customer satisfaction score above targeted **88%**




Empowering Our People

Workforce Development and Wellbeing


 Women make up **27%** of workforce

 **35 hours** of training per employee

Localization

 Qatari nationals comprise **27%** of our workforce

Data Privacy and Security

 **Zero** recorded internal or external data breaches.

Responsible Procurement and Supply Chain


 Engaged **1,359** local suppliers


 **95%** of procurement spending allocated to local suppliers




Governance, Ethics and Risk Management


Financial and Economic Performance

 **QAR 8.13 billion** in Annual Revenues

 Total assets reached **QAR 193.9 billion** with an increase of **11%** year on year

 Cost to Income ratio of **18.1%**, the best efficiency ratio in the MENA Region

 Return on Equity and Return on Assets reached **17.6% & 1.9%** respectively, both being the highest in the local market

 **QAR 3.55 billion** in net profit with an increase of **16%** year on year



Positive Community Impact

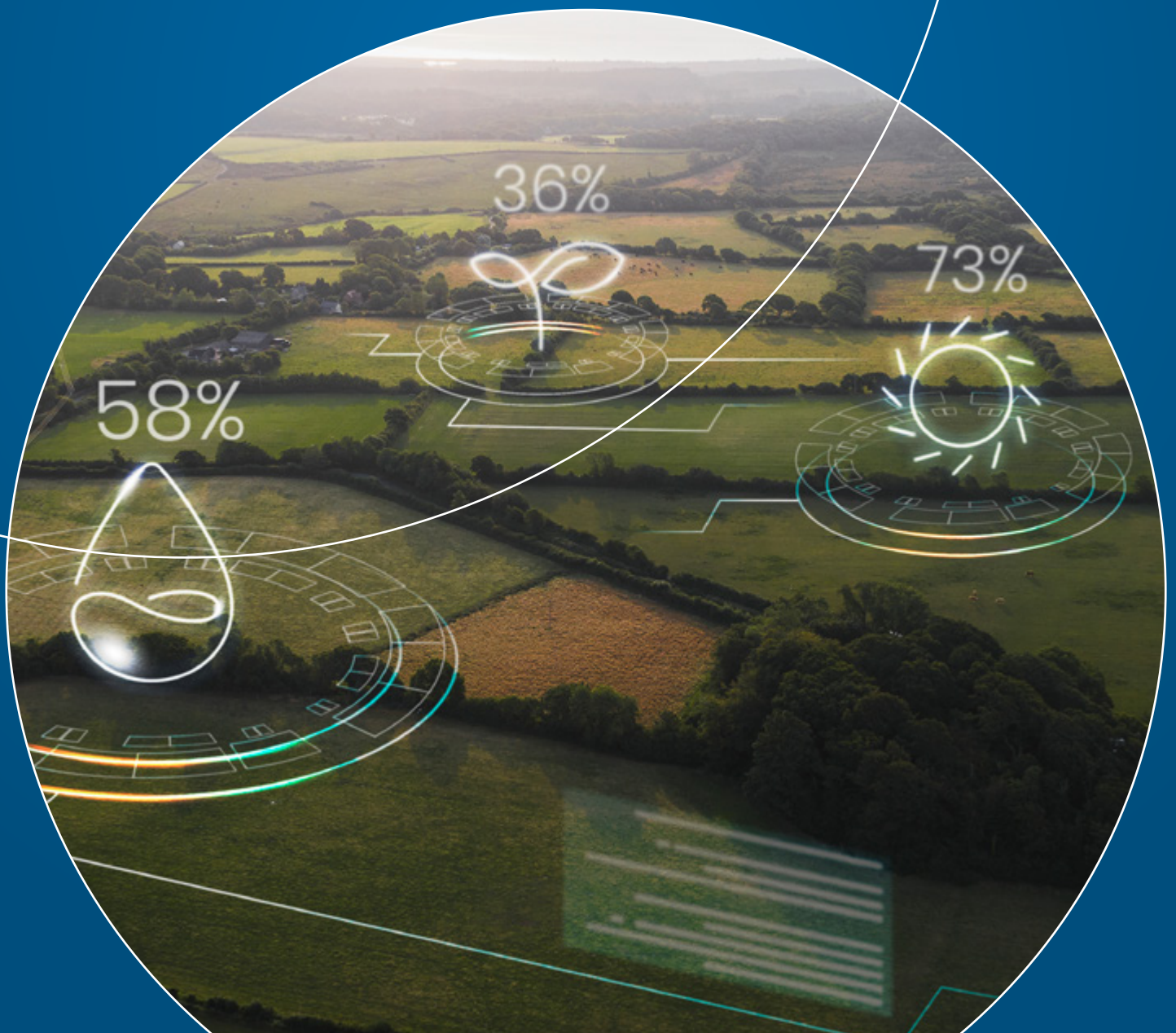
Financial Accessibility & Inclusion

 **838 participants** in financial literacy initiatives

 **1,629 Students** trained

Sustainable Finance

Embedding ESG criteria in our financing activities is key for delivering profit with purpose. The goal of our business is to support our customers in managing their ESG risks and to provide finance to businesses that contribute to sustainable development. Guided by our Islamic banking principles, we are tackling climate change and supporting the local economy through sustainable financing and investing.



Sustainable Investments and Financing



Investing in projects and businesses whose mission is to deliver sustainable results for the environment, society, and the economy is our greatest leverage in terms of sustainability as a financial institution. Full integration of ESG criteria into our assessments to guide our financing decisions in responsible investments that create meaningful value is our ongoing project.

Our Approach

As an Islamic Bank, our values are upheld by applying a thorough Shari'a review process involving all potential transactions which must meet qualitative sector and quantitative financial screening criteria.

Non-financial risks and investment opportunities, assessed by the ESG criteria, are central to responsible investment decisions that are needed to deliver long-term growth while providing a better quality of life, and protecting the planet's environment and resources.

We have developed an ESG-inclusive Risk Appetite Strategy & Framework. It defines our risk tolerance and details risk limits, targets, and measures for major risk categories.

Its ESG criteria include:

- Environmental, e.g., climate change and resource depletion
- Social, e.g., employee relations and diversity
- Governance, e.g., corruption, bribery, and executive remuneration

The framework acts as a guide when assessing finance and investment transactions. It helps our investment relations function to consider the ESG criteria on the basis of relevance, considering the customer's size and industry type.

Providing finance to projects deemed to have adverse environmental impacts is discouraged.

Working with industry experts, we are proactively applying responsible investment practices through the entire investment process, incorporating ESG factors alongside financial analysis across all asset classes to target sustainable returns long-term. To ensure the framework's consistency with the Bank's strategy, stakeholder requirements, and the business environment, the Board and senior management team review the framework each year.

The QNV 2030 requires the contribution to human, environmental, social, and economic development. The value of the QIB projects under the Vision's umbrella is QAR 6.76 billion.







We fully support our country in its efforts to achieve the targets.

- We have a track record of financing power generation and water desalination projects. Qatar Electricity and Water Company (QEWC), our key client, manages Greenfield power and water projects. The Istisna Ijara facility, worth QAR 358 million, was used to finance these sustainable initiatives; it represents the most common form of Islamic project finance structure for long-term financing with procurement (Istisna'a) and forward lease (Ijara)
- Propelled by the recent blockades of food supplies, Qatar has strengthened its national food security efforts. QIB provided financial assistance (QAR 182 million) needed for building Container Terminal 2 at Hamad Port, Qatar's main seaport, to ensure continuous food supplies. The funds were managed by QTerminals, a government-owned joint venture (JV). The port's expansion was necessary to maintain adequate levels of food and other supplies, especially given the recent pandemic. In this case, QIB financed the project with a bridge financing mechanism that bridges the gap between the time when the client's funds are going to exhaust and the time when it expects to receive funds later, followed by long-term corporate project finance that is nearing execution.
- Hassad Food Company, the investment arm of the Qatar Investment Authority, has set the goal of meeting 60% of Qatar's food demand. Hassad Food Company, QIB's key client, imports essential food items using our trade finance solutions.
- With QIB's help, the Ministry of Public Health (MoPH) was able to secure medical supplies for Qatar. Our letter of guarantee for QAR 39 million, issued to secure vaccines from the COVID-19 Vaccines Global Access (COVAX) facility, fostered the availability of COVID-19 vaccines in Qatar. Also, during the pandemic, QIB was involved in securing imports of vaccines, PPE, and other medical supplies from various suppliers.
- QIB is currently financing five Green building projects with an exposure of QAR 3.9 billion. All building financed received Green building certifications.

Our commitment - identifying deals with Green or Social benefits

In line with our pursuit of facilitating sustainable development, all transactions over QAR 10mil (351 clients) were reviewed from an ESG risk perspective to identify future initiatives (projects, investments) eligible for financing under a Green / Social Bond.

Referring to the ICMA Green Bond and Social Bond Principles, several suitable project categories were selected, covering Green and Social aspects.

Scope	Eligible Category	Sub-category	SDG	SDG Target	Projects and QIB exposure (QAR)
Green	Green Buildings	Green Buildings		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.	Five projects. QIB Exposure (QAR): 3,871,644,136
	Pollution prevention and control	Recycling		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	One project. QIB Exposure (QAR): 21,500,000
Social	Access to essential services	Education		4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy. 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	Two projects. QIB Exposure (QAR): 334,200,000
		Healthcare		3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well being.	Two projects. QIB Exposure (QAR): 43,693,355
Social	Employment Generation	SME financing	 	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	26 projects. QIB Exposure (QAR): 813,674,240
Total Investment (QAR)*					5,084,711,731

*Excludes SMEs with high/medium impact on Environment and SME not directly financed through one-off-exposure.

Sustainable Products and Services



Our customers are moving towards decarbonization, in line with global and local initiatives, including Paris Agreement and Qatar National Vision 2030.

QIB helps to facilitate this transition, by providing expert advice, products and services. Consequently, our portfolio of finance solutions needs to expand so that we can best meet the emission-reduction needs of our customers across all sectors.

In addition to developing and implementing a robust sustainability strategy, In 2021, QIB focused on introducing new products and services aimed at improving environmental and social impacts, in addition to updating features and functionalities of our existing product suite to meet evolving customer needs, especially during the pandemic.

Aligned with our digital transformation strategy, the expansion of our portfolio included products and services designed to reduce environmental impact.

As a result, we have fully digitalized 70% of our retail services and 55% of our corporate services; customers can now opt for these services through our mobile & internet banking applications. By the end of 2021, 99.16% of the retail transactions are completed digitally while 72.14% of the corporate transactions are performed digitally. In terms of sales, 64% of new customers have opened their accounts online, 55% of personal financing and 38% of credit cards are being sold through the mobile app.

In addition to reducing paper and waste, this initiative focused on improving customer experience while reducing the need for physical branch visits.

Our portfolio expansion also includes products for customers with vulnerabilities, as detailed in the Accessibility and Inclusion chapter.

Our Latest Initiatives

It is our ongoing commitment to find and launch new products and services that offer sustainable solutions to our customers, as per our sustainability strategy. In 2021, we launched several products & services with social benefits, including:

- **Bedaya:** A part of our ESG Program, Bedaya offers university students an opportunity to open a bank account online and apply for a preapproved credit card. In addition to granting students financial independence, Bedaya helps in integrating imperative financial knowledge into their everyday lives. A Bedaya account endures that students start their financial journey on the right track, having access to a plethora of tailored banking products and services through the QIB Mobile App.
- **Ladies Banking Proposition:** Women are the backbone of society, and at QIB, we have made sure that women are empowered enough to take charge of their financial situation. We have specialized Ladies Banking Centers all around Qatar to ensure that women are served at their utmost convenience and comfort by a dedicated and skilled team of female staff. Our Ladies Banking Proposition also offers exclusive, tailored packages to meet every woman's banking needs.

Supporting SMEs



QIB focuses on development of SMEs to support local economic growth. While the number of SMEs reached to 20,855 in 2021 with a 21% rise compared to 2019, SME financing portfolio exceeds 1.5 billion QAR.

Our Approach

Al-Dhameen, an initiative instigated by the Qatar Development Bank (QDB), is supported by QIB. This initiative encourages banks to help start-ups and SMEs with financing, especially those unable to provide required financing guarantees and collateral. They need to promise to repay up to 85% of allocated funds not exceeding QAR 15 million.

By choosing a participating bank, e.g. QIB, start-ups and SMEs can access necessary financing. Supporting women and youth is QIB's particular focus in this initiative.

COVID-19 Response

Many of our customers were impacted by the pandemic and were provided the necessary support. We had postponed installment payments by six months to all affected business and individual customers, incl SMEs, according to the Qatar Central Bank's (QCB) installment postponement guidelines.

Our customers could therefore maintain cashflow and overcome negative impacts caused to their business by the pandemic.

Congruent with the QDB's National Response Guarantee financing program, we supported our customers by providing six months' worth of employee salaries and rental finance (office space, outlets, workshops, and accommodation).

"Locked down" sectors, classified by the QDB, had their financing extended by up to QAR 7.5 million, and the grace period lengthened from 12 months to 24 months.

Cognizant of the health and safety requirements triggered by the pandemic, and striving to improve convenience of our corporate customers, the bank launched digital solutions that enhance our online banking. This allowed our corporate customers to manage their banking digitally from home, where they could use remote deposit capture (RDC) machines, using them to scan checks remotely and share the images with the bank for clearing and posting.

We support:

- QDB's Al Dhameen program, designed to help startups and SMEs, with a particular focus on youth & women
- Entrepreneurs, SMEs, start-ups, youth, and women operating in the Manateq lands (Economic Zone provided by the government), by financing the construction of business outlets, factories/workshops, accommodation, etc.
- CAPEX Finance, fleet finance & Ijara finance, and parameterized lending for vehicle finance
- Cash management, corporate credit cards, etc.

All types of financing requirements of various business segments are provided by our Shari'a-based diversified product line. This allows our clients to access credit, based on a category:

- Oil and gas companies, and their suppliers of spare parts, machinery, manpower, site/plant maintenance works, etc.
- Agricultural, farming, landscaping, and similar companies, and their suppliers of seeds, chemicals, fertilizers, pesticides, agricultural materials, medicines, veterinary services, etc.

The pandemic wreaked havoc all over the world, including Qatar. In 2021, many of our clients faced difficulties caused by domestic and overseas market closures. QIB backed its customers during those unprecedented and challenging times. All affected clients, e.g. those recording minimal profit, had their installment repayments deferred quarterly until March 2022. This allowed them to channel their cashflow to business recovery.

Aligned with the QDB's National Response Guarantee financing program (up to QAR 7.5M per Qatar ID), we supported our customers (small and corporate) by providing six months' worth of employee salaries and rental finance (office space, outlets, workshops, and accommodation).

In addition to QDB Guarantee, QIB financed its clients only against personal guarantees of the partners, thus supporting many companies and their employees.

As the pandemic lingered throughout the year 2021, "locked down" sectors, classified by the QDB, had their financing

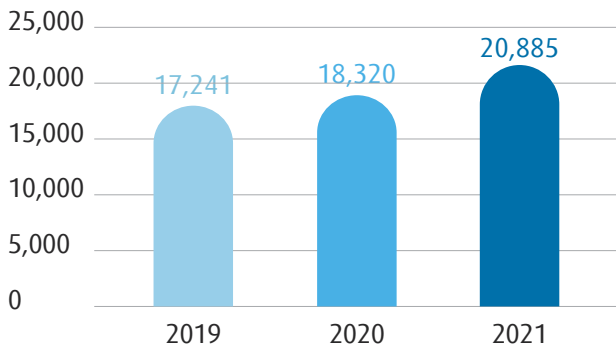
extended by up to QAR 7.5 million (max. QAR 15M per QID), and the grace period lengthened from 12 months to 24 months along with the repayment of 24 months (total tenure of 48 months).

To offer our latest and comprehensive services to our clients digitally, we have been upgrading and improving our corporate online banking and mobile banking systems.

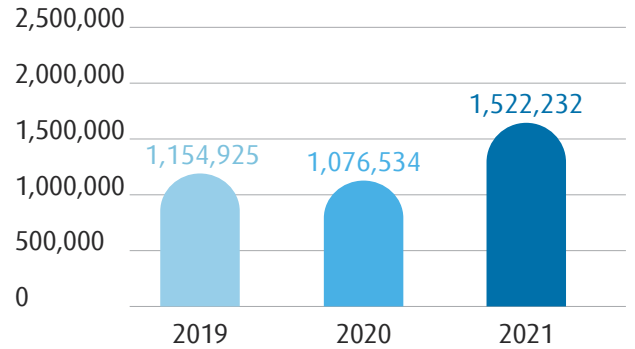
Accordingly, our Mobile Banking App has also been updated, allowing our customers to access even more banking products digitally via their mobile devices.

Companies can now deposit cash and cheques through ATM/CDM machines, using recently launched deposit cards for companies. The RDC requirement threshold was reduced, which means that more clients can use RDC facilities and scan checks from their offices. This digitalization process overlapped with the health and safety requirements in the socially distanced pandemic environment.

Number of Micro, Small and Medium Enterprises (MSME) Customers



Value of financing portfolio by Country (QAR in Thousands)



Responsible Banking Operations

Being responsible and accountable to our stakeholders is paramount to our reputation. By innovating and digitalizing, we strive to maximize customer satisfaction and data security. Working closely with our suppliers to monitor and manage our projects is an important part of our commitment to responsible banking throughout our entire value chain, while simultaneously striving to improve our environmental impact internally.





We aim to enhance customer experience with our QIB-wide digital transformation program, modernize our offerings, improve profitability, and introduce a clever methodology to deliver new and innovative products to new and existing customers.

Our Approach

Responding to the pandemic measures, e.g. government restrictions, and aligning with our digital transformation program, we launched a “Bank Safely from Home” campaign. This campaign led to a record uptake of our digital channels by our new and existing customers.

In line with our strategic digitalization vision, we managed to digitalize 70% of our retail and 55% of our corporate banking services in 2021.

Optimizing our internal processes and channels to increase self-service and efficiency for customers is of particular importance to us. Our digital channels have been adapted for personal financing, cards, and Ijara sales, in addition to digital onboarding via our QIB mobile app.

Digital Initiatives & Strategy



Our journey towards digitalization and a paperless business environment is paved by various initiatives listed below.

Essential Banking



Retail Digital Onboarding: new customers have the capability to open various types of accounts within minutes through digital onboarding on our Mobile App. Through this new feature, prospective customers can open accounts in a fast, simple and convenient way through their smart devices. The app also features a live chat service that assists customers with any inquiry during the account opening process.



Corporate Digital On-boarding: An end-to-end digital journey allowing corporate clients to apply for the account opening from QIB Corporate website. Clients don't have to send any physical documents; instead, they can scan or upload digital copies of their documents, which are then processed digitally by our back-office staff.



Instant Finance (One Click Financing): With Instant Financing, all eligible customers can now access finance instantly via Mobile Banking or in QIB branches. This is a part of our digitalization and automation journey.



Instant credit card: Customers can instantly apply, get approval and receive a credit card tailored to their specific needs. Customer can instantly activate and start using the card digitally while waiting for the physical card to be delivered.

Personal Finance



Personal Finance Disbursal against FD: An end-to-end digital pathway on QIB's Mobile App, allowing customers to receive funds immediately, once they accept the Terms and Conditions using a one-time SMS password.



EMI Postponement: Instant deferral of monthly installments on personal finance, via our Mobile App, is a new service launched during the pandemic to support our customers. Once again, QIB is the first Qatari bank offering this service remotely.



Merging offline & Online Experience: A digital, paperless finance / credit card application journey that starts from Direct Sales / Branch sales team and ends on QIB's Mobile App.

Remittance



Multiple Remittance Corridors: Customers of QIB can remit money in 60 seconds to beneficiaries of participating banks in Jordan, Pakistan, and the Philippines without having to complete any paper forms.



Visa Direct: Customers of QIB can remit money fast to beneficiaries in more than 27 countries with the QIB's Mobile App without having to complete any paper forms.



Direct Remit: This service allows our customers to make instant money transfers. After its success in India, our customers in Jordan, Pakistan & the Philippines can now access the program; QIB will soon introduce it in other countries.

Contactless Payment



Contactless Debit Cards: All transactions at all merchant outlets can now be contactless (tap & pay) when using QIB Debit Cards. No PIN is required.



Apple Pay. With Apple Pay, a safe and convenient online payment feature launched by QIB, customers can pay via their iPhone and Apple Watch in stores via POS devices, and with iPhone, iPad, and Mac during online shopping. Touch ID and Face ID are safe and easy ways to authenticate payments with a double click of the side button.



Digital Credit Card: customers no longer need to receive a plastic credit card once they apply with our QIB's Mobile App, they can add the digital card to their Wallet or iOS phones.

Support Services



Zaki: This is an AI and algorithmically empowered virtual assistant, which will allow customers to get assistance with their inquiries 24/7 remotely, without the need to call customer support or visit a branch. As a supportive communication feature of our website, Zaki's approach is conversational, able to help with daily banking requirements and provide advice to customers. We are the first Qatari bank offering such a service. ('Zaki' means 'smart'.)



Video Banking: Existing QIB customers can now use the video banking service to connect with a QIB service agent during the application process for Instant Finance via the QIB Mobile App, and get real-time, efficient guidance. Soon, more services will be offered through the app in this way. We are the first Qatari bank offering such a service.



Visa Consumer Authentication Services: They are increasing the e-commerce payment functions of the Cards and adding a value-added service to all our cardholders with VCAS services for a smooth digital e-commerce experience. As a result, we'll improve our authorizations across all online 3D secured transactions while improving customer experiences.



MT 940: Offer Corporate Customers a digital solution to receive MT 940 reports digitally instead of having to print Swift reports to re-capture them manually for reconciliation.

Third Parties Integration

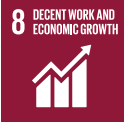


Absher Program: As a part of the Redemption avenues, more large merchants were assigned to our current Loyalty Program Absher. With the Mall of Qatar Gift Card, Absher points of QIB customers can now be redeemed at all stores, restaurants, and cafes in the mall. On special occasions and festive celebrations, the Hadiyati Card is a great way to show how much you care by giving your loved ones the desired amount instead of cash. Customers can redeem their Absher points in real-time against QIB Hadiyati Gift Prepaid Cards with credit from QAR 200 to QAR 5,000. More participating partners have been added to this program, including Go Sport, Virgin Megastore, Joyalukkas, Toys R Us, VOX Cinema outlets in Qatar, and other popular local and global brands. Absher Reward Points can be used by our customers to pay for Uber, Careem, and Talabat.



Takaful: Applications for New Family Shields and policy renewals can be done online through Mobile Banking.

Customer Relationships



We continue to strive to meet and exceed our customers' expectations as they have always been at the heart of our operations. Based on our recently developed Responsible Customer Relation Position Statement, QIB reinforced its commitment to transparent, responsible, and ethical marketing practices. We provide accurate and transparent communication and responsible interaction with our customers, and strives to ensure that our marketing communications do not include harmful, illegal, immoral, irresponsible or misleading content.

Our Approach

We are committed to nurturing our client relationships by providing the best possible professional services and by constantly improving the overall customer experience. To accomplish this, we facilitate comprehensive and real-time communication with our customers, introduce new products and services quickly and securely, and transfer many services from our branches and service centers to our online channels.

To provide customer support, and to maintain continuous and timely awareness of the latest complaints, detailed weekly and monthly complaint reports are sent to senior management; the monthly report is also sent to the Learning and Development Team to ensure necessary staff training is given to prevent future complaints.

Our Complaint Management Policy was created to address customer feedback and concerns and to ensure that all customer complaints and disputes are addressed quickly, clearly, objectively, and fairly, maintaining our brand reputation.

Customer comments, complaints, or suggestions regarding the quality of products and services are covered by this policy. Complying with legal and regulatory requirements, the policy aims at professional and efficient resolution of all complaints. All employees are required to be familiar with and to act in accordance with the Complaint Management Policy, which is the responsibility of the Management Committee.

A centralized Customer Care Unit specializing in managing customer complaints was established, as per the policy. Unless the nature of the complaint requires a transfer to another unit, in which case the Customer Care Unit maintains oversight and aims at swift reply and resolution, all customer complaints are handled by this centralized unit.

As a result of our conservative approach, we avoid and prevent predatory lending practices, which involve fraudulent behaviors carried out by providing financing to a borrower at high costs, stripping the borrower of equity, or placing him in a lower credit-rated loan to the financier's benefit.

To provide better customer services, QIB has developed a Complaint Management Policy, which covers:

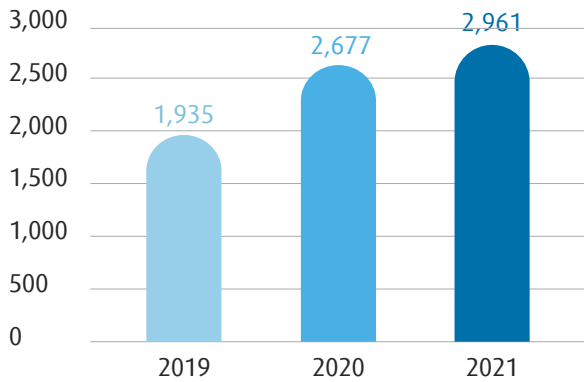
- All customer complaints and disputes shall be treated fairly, quickly, clearly, and objectively, maintaining the bank's reputation.
- The policy stipulates the rules for handling disputes (written or verbal) and/or customer complaints related to any product or service.
- The policy has been developed on the basis of regulating customer complaints in relation to rendered banking services.
- Complaint resolution shall be efficient and professional, complying with all current legal, and regulatory requirements
- Each employee, based on role and expertise, cooperates and participates in complaint resolution
- Unison, a complaint management system by AVANZA, shall be used when receiving, reviewing, and assigning complaints
- As part of QIB's effort to reduce the number of complaints, we worked on several initiatives to create further awareness about the products and services features and conditions, encourage customers to use digital channels to reduce manual errors, increase frontline staff trainings and work closely with all departments to address root causes of complaints and take corrective measures to avoid repetition of same type of complaints.

Centralized handling of complaints

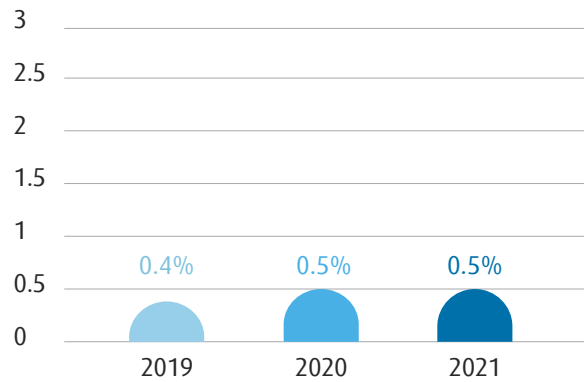
A centralized Customer Care Unit specializing in managing customer complaints was established, as per the Complaint Management Policy. Unless the nature of the complaint requires a transfer to another unit, in which case the Customer Care Unit maintains oversight and aims at swift reply and resolution, all customer complaints are handled by this centralized Customer Care Unit. A monthly detailed complaint report is shared with senior management to maintain complaint awareness and reduce complaints.

Complaints

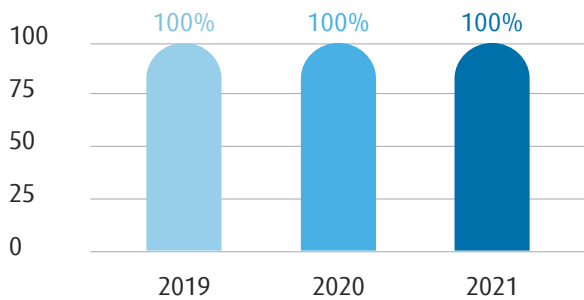
Number of customer complaints filed with QIB



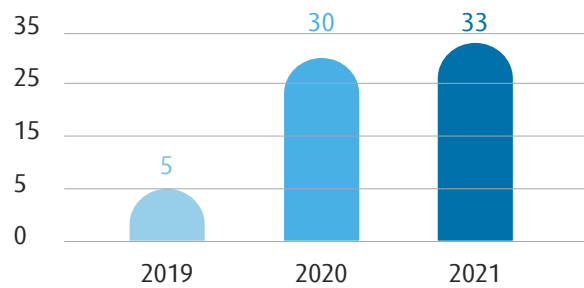
% of customers that complained out of total



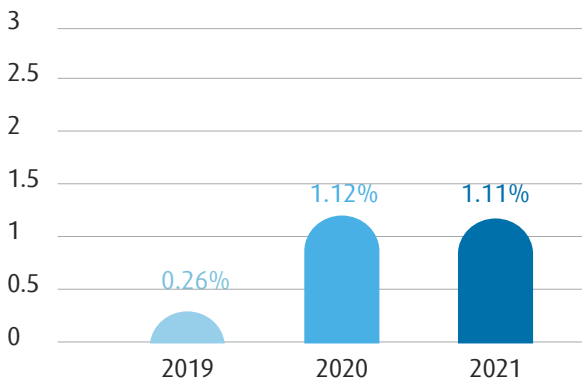
Percentage of customer complaints resolved by QIB



Number of customer complaints filed with QCB

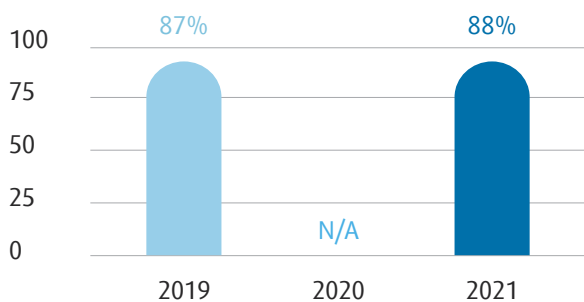


Percentage that resulted in investigation by QCB



Customer Satisfaction

Overall Customer Satisfaction





The world's digital connectivity will be increasing steadily as new platforms and technologies arise. The banking sector has ever-expanding digital prospects, so it is imperative that we remain vigilant in preventing cyber-attacks and making sure that our clients' data is handled securely. As such, QIB has put extensive efforts in maintaining robust information security and data privacy management.

Our Approach

We rely on financial, business, and personal information to best serve our customers. Accordingly, our top priority is to ensure that all sensitive information is safe and confidential.

QIB's data privacy and security policy provides transparent measures to handle personal information of our customers. The policy describes the nature of the information that QIB collects through its website, services, and information requests and how this personal information will be handled and stored.

We identify and address threats, e.g. data security, by implementing our Continuous Vulnerability Assessment Program, in addition to external security assessments on our infrastructure and apps. This program continuously tracks and evaluates vulnerabilities within our assets, which allows us to collaborate with relevant stakeholders on remediation, minimize the risk of attack and follow-up on relevant industry resources and regulatory intelligence on new threats, vulnerability information, and remediation plans.

Our Information Security department focuses on strong anti-fraud and cyber threat controls, as most customer transactions became digital. Our advanced breach and fraud detection techniques and monitoring tools, used to identify suspicious activity and prevent data losses, helped us to contain security breaches and maintain our performance.

Information security (Infosec), under our Risk department, monitored data use and ensured complete security of data and customer data privacy, while our employees worked and connected to the Bank's systems remotely during the recent pandemic.

To ensure that all our employees and contractors are updated on data security and confidentiality, mandatory Information Security eLearning sessions (on data privacy, data protection, etc.) are carried out twice per year.

In addition, we work with reputable global cybersecurity leaders to conduct Threat Hunting and Threat Monitoring Programs to monitor our key assets. At various levels, including global, regional, Qatar and QIB specific, we periodically review our partners regarding their ability to respond to potential threats to the financial services industry.

Our 'Security Tips' page on QIB's website helps the community with information on safe online banking, mobile banking, ATM banking and ways to avoid identity theft.

All our customers are further supported via our social media pages and monthly awareness SMSs.

Responsible Procurement and Supply Chain

A responsible procurement and supply chain is essential to ensuring business continuity, sustainability, and minimizing social and environmental impacts. As part of our responsible procurement practices, we engage and work with suppliers to manage risks and enhance our positive impacts.

Our Approach

In our globalized, increasingly digitalized and technologically advancing age, QIB, along with most customer-centered businesses, relies on third parties. Recently, there has been a significant evolution of Vendor Management concepts, which are a vital part of business operations. These concepts are becoming included on the agenda by our Executives and the Board.

Our vendors, whom we consider strategic assets, play an important role in strengthening our business; mutually beneficial, strong, and long-lasting relationships with our vendors and suppliers are vital. At the same time, we need to remain risk-averse, because they often have access to sensitive information through the products / services they provide.

Our Vendor Management Policy outlines the expectations governing our arrangements with vendors, and details the

foundational elements of the vendor management program – a program that guides on how to manage vendors clearly, consistently, and comprehensively.

Prior to entering into an agreement with a vendor, planning assessments are undertaken to which include an assessment of the vendor on social and environmental criteria including information security implications, human rights, and negative environmental impacts, amongst other risks.

We periodically undertake internal audits to review our vendor management to ensure that our strategy and our vendor management practices overlap, and to confirm that our third-party relationship management (including risk management) is effective.

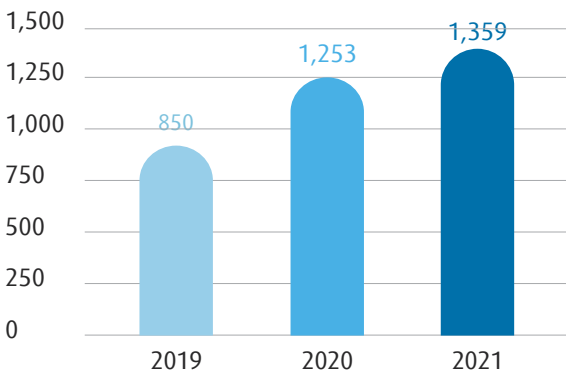
As a rule of engagement, all our vendors and suppliers undergo environmental and social audits by esteemed firms, and the same factors are incorporated into our contracts and agreements.

As a leading Qatari institution, our focus has been on helping local market and businesses, on the back of the global and national economic downturn caused by the pandemic.

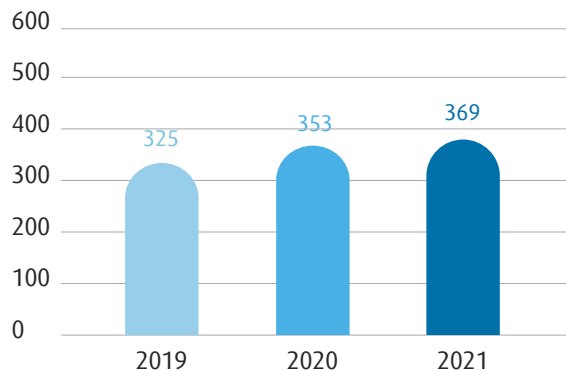
Due to the remote working directives, QIB has been focusing on procuring locally in response to the increased need for applications, software, hardware, and other digitally enabled products and services. In 2021, 1,359 Qatari (local) suppliers represented over 95% of our annual spending on procurement.

Local suppliers

Total number of local suppliers engaged

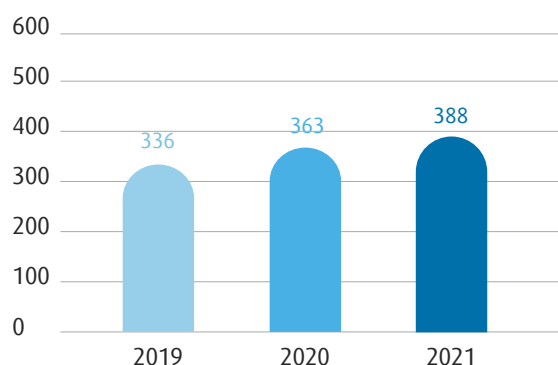


Procurement spending on local suppliers (million QAR)



Local suppliers

Total procurement spending (million QAR)



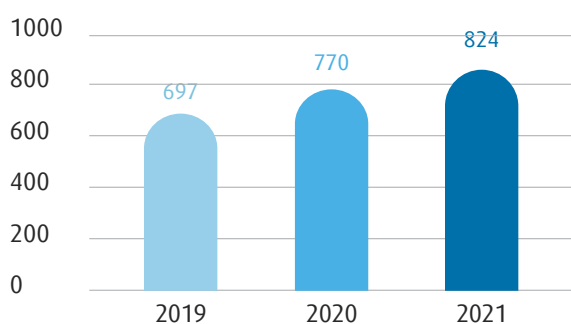
All supplier contracts and agreements include the supplier code and human rights policy.

QIB embeds environmental and social factors - as non-quantified assessment points - into the procurement process for major procurement categories.

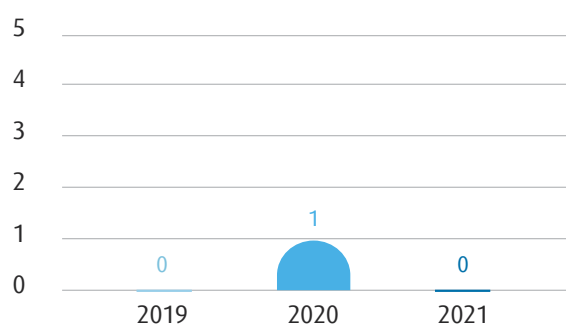
As a Bank, QIB undertakes Audits of suppliers. The primary focus is procurement related aspects and compliance to the terms and conditions of the agreements. In this process we also lookout for any non-compliance aspects of environmental and social performance.

Suppliers audit

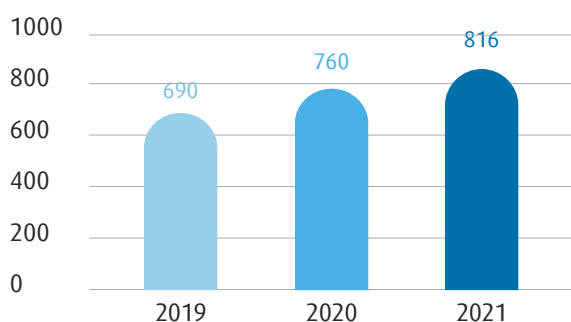
Number of suppliers that are subject to audit



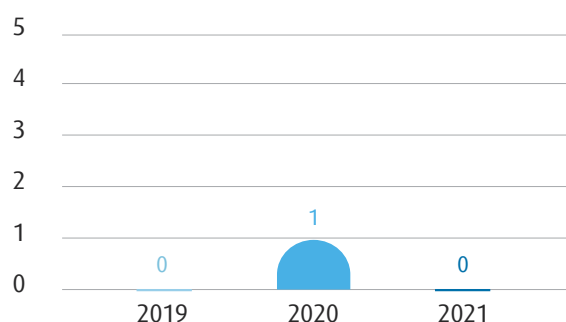
Number of suppliers identified as having significant actual and potential negative impacts



Suppliers with which improvements were agreed upon as a result of audit



Suppliers with which relationships were terminated as a result of audit



Direct Environmental Impact



QIB is determined to improve its environmental impact and to protect the natural environment, recognizing the importance of sound climate change mitigation needed to safeguard the environment, societies, and economies.

Our Approach

Although our direct environmental footprint is relatively small given the size and nature of activities and operations, we are aligned with the environmental pillar of the Qatar National Vision 2030. Hence, we concentrate on energy efficiency, water, and waste reduction, and using our spaces and resources efficiently to reduce greenhouse gas emissions and improve our environmental footprint.

Our energy reduction and resource efficiency improvement activities, carried out annually, include process redesign, conversion and retrofitting of equipment, operational changes, and staff training.

To date, we have installed motion sensors and replaced all lights to LED to reduce energy usage of our branches. However, reducing water usage is difficult because most of our branches are inside shopping malls with shared amenities, whose water usage we can't control.

QIB has a Recycling and Conversation Policy in place, which aims to reduce energy usage by responsible use of air conditioning and prioritizing low-energy lighting where possible, reduce, reuse, recycle waste and materials, increase staff engagement in recycling and waste reduction programs, and minimize paper use, reduce printing, and encourage digital, instead of paper delivery. Our Fuel Portal (E-WOQOD) allows us to track and monitor the fuel consumption of all fleet on a regular basis.

It is our goal to continue saving resources and we have embarked on an important sustainability initiative in this regard. In partnership with the Tarsheed initiative, which is a national initiative of Qatari General Electricity & Water Corporation (Kahramaa) encouraging sustainability, energy and water efficiency, and environmental improvement of Qatari households, workplaces and individuals, we are determined to stay focused on improving our environmental footprint.

Energy and GHG Emissions

Our energy efficiency efforts align, among other things, with the Qatar National Vision 2030.

Our energy reduction and resource efficiency improvement activities to date included process redesign, conversion and retrofitting of equipment, operational changes, and staff training.

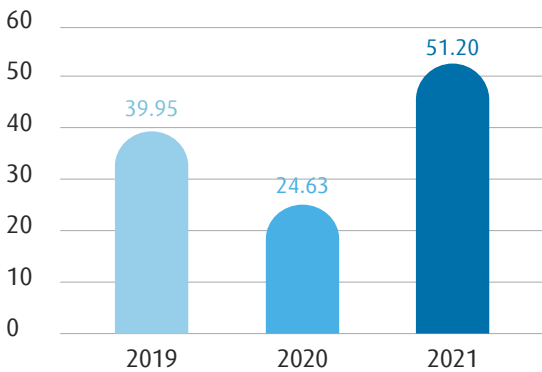
To reduce energy usage of our branches, QIB gradually installed motion sensors and incrementally replaced all lights to LED on our premises.

While our energy reduction in 2020 was largely a result of the pandemic as most of our branches were closed, we are determined to keep reducing energy usage and not exceed pre-pandemic levels in 2021.

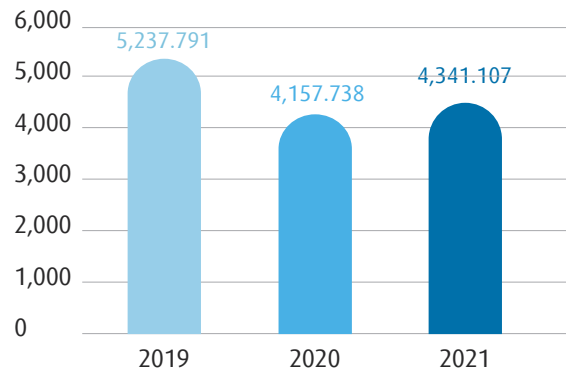
QIB currently doesn't use renewable energy. However, we are partnering with the Tarsheed initiative, a national initiative of Qatari General Electricity & Water Corporation (Kahramaa) promoting - among other sustainability movements - energy efficiency of Qatari households, workplaces, and individuals.

Carbon Footprint

Direct GHG emissions (Scope 1) (tonnes of CO₂eq)



Indirect GHG emissions (Scope 2) (tonnes of CO₂eq)



Water Management

Although most of our branches are in shopping malls with shared amenities, which prevents us from reducing water, we have been active in water conservation and provision in other ways.

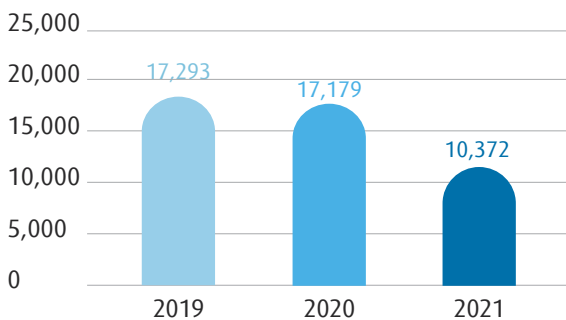
We are partnering with the Tarsheed initiative, a national initiative of Qatari General Electricity & Water Corporation (Kahramaa) promoting - among other sustainability initiatives - water efficiency of Qatari households, workplaces, and

individuals. This is done through water efficiency tools such as tap aerators and motion sensors.

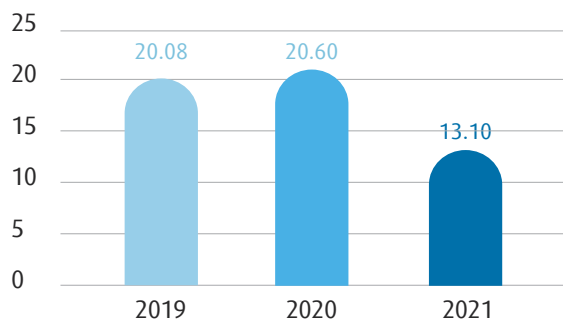
As a bank, we are involved in water desalination projects. Qatar Electricity and Water Company (QEWC), our key client, manages water supply and water conservation projects.

Water Consumption

Total water consumption (m³)



Water consumption intensity (m³ / employee)



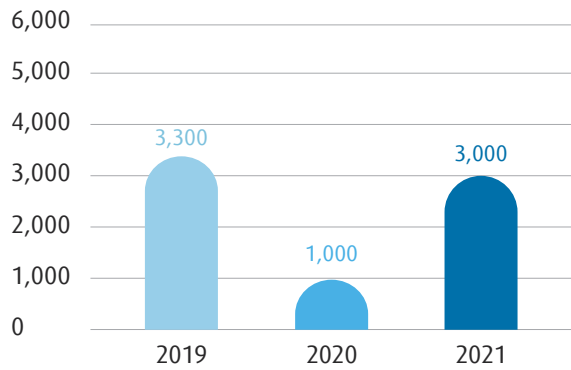
Waste Management

Waste reduction is managed by our Recycling and Conservation Policy, which aims to reduce, reuse, recycle waste and materials where possible and increase staff engagement in recycling and waste reduction programs.

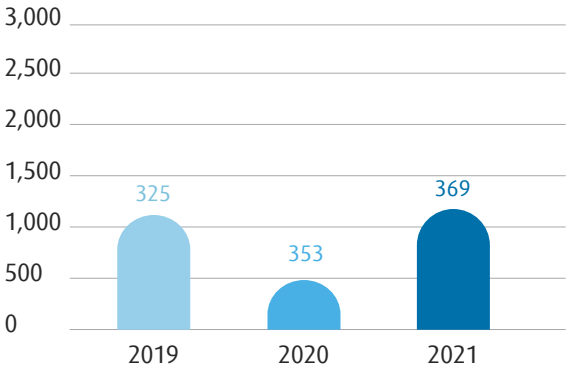
We strive to use recycled materials as much as possible; all our vendors and suppliers have been asked to supply recycled materials in the bank's procurement process.

Waste Consumption and Generation

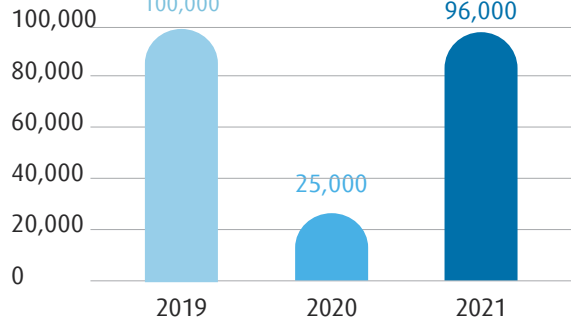
Total paper consumption (kg)



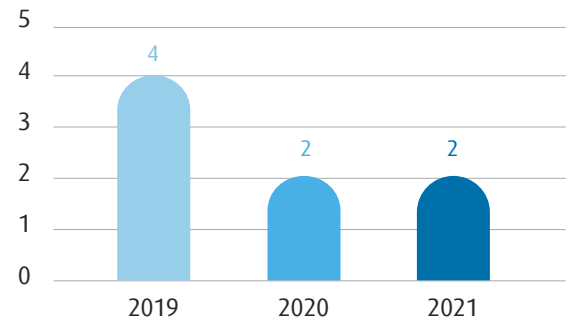
Total paper recycled (kg)



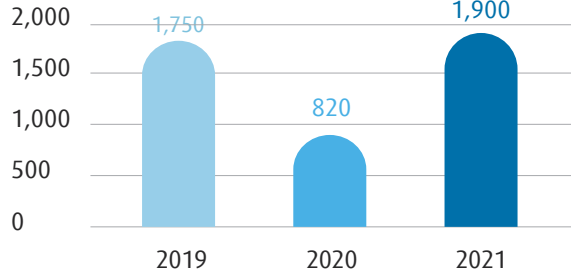
Total waste produced (kg)



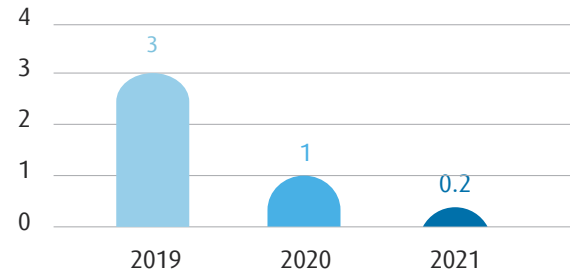
Total IT products recycled (tons)



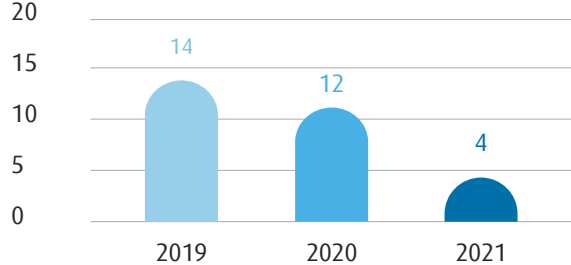
Printer cartridges (number)



Fluorescent light tubes (tons)



Personal computers (tons)



Governance, Ethics, and Risk Management

The foundation of our corporate culture, ethical business practices, and regulatory compliance is represented by QIB's strong governance structure and risk management system.

With a strong foundation, we are able to determine QIB's functions and responsibilities, manage risks, ensure transparency and disclosure, uphold and encourage equality and justice, maintain strong controls, regulate shareholder practices, and stimulate broader societal development.

Overall, this foundation underpins our continuous improvement and high performance, with the goal of creating and increasing value for our shareholders.



Governance, Ethics, Compliance & Risk



Our Approach

QIB's Governance Code establishes the necessary regulations that reduce and mitigate conflicts of interest. The main principles of our Governance Code ('the Code') are transparency, accountability including acknowledgement of responsibility, and justice and equality. All employees and Bank officials uphold the principles on good faith, honesty, and openness.

QIB's Code also operates a control mechanism that meets international standards and ensures accountability for the bank's performance and impacts. This goes in tandem with our alignment with Sustainable Development Goals, such as decent work and economic growth, and environmental conservation.

Our Governance Code bans all forms of discrimination based on race, gender, and religion, and ensures that all shareholders and employees have the same rights.

It is the Board of Directors' ultimate responsibility to direct, supervise, and control the Bank's strategic operations and to deliver sustainable value to shareholders and stakeholders within an accountable and effective regulatory framework.

In our Board-approved Corporate Governance Framework, we have outlined activities, responsibilities, policies, and procedures for managing and monitoring compliance, ethics, and risks across the bank. Each of our employees is expected to be aware of the Bank's Code of Ethics and to act in accordance with our vision and principles. As such, we ascertain that all of our employees receive ethics training and understand the importance of sound governance practices.

Our Board Nominations Policy, also set out by the Corporate Governance Framework, fully aligns with the Qatar Central Bank (QCB), the QFMA, and Commercial Company Law requirements. The policy ensures that all candidates are identified, assessed, and selected on a "best fit" basis.

Reflecting best practice and applicable regulatory guidelines, including those of the QCB, QIB's Board of Directors and Senior Executive Management team are determined to uphold the highest standards of corporate governance.

Board Diversity and Independence	2019	2020	2021
Executive members of the Board of Directors*	5	5	5
Non-executive members of the Board of Directors**	4	4	4
Female members of the Board of Directors	0	0	0
Male members of the Board of Directors	9	9	9
Independent members of the Board of Directors	0	0	0
Non-independent members of the Board of Directors	9	9	9

*Executive board member is a member of one of the board's committees but not a part of the executive management team.

**Non-Executive member is not a member of any of the board's committee

that is involved in any management responsibilities within the bank including but not limited to committees on facilities, investment, treasury or any other executive committee.

Internal Compliance, Audit and Reporting

The Internal Control Department is commissioned with overseeing the implementation and auditing of the Internal Control System (ICS). The ICS develops a mechanism for exercising control, determining the functions and competencies of our various departments and sections, the rules and procedures regulating responsibilities, the programs for informing and educating employees on the importance of abiding our Code of Conduct, the internal control works, and our risk management plans.

The Compliance Division, which reports directly to the Audit & Risk Committee, is commissioned by the Bank's governance to support compliance Executives with ensuring full compliance with local and international regulations. The team assumes an active role in reviewing policies and laws and the Board's competencies adopted to ensure full adherence to the requirements of QCB and QFMA.

There have been zero incidents of non-compliance with QCB and other laws and regulations since 2019.

Our Internal Audit department ensures that our operations are running as smoothly as possible, to the highest level of ethical conduct. The department enriches our internal controls, procedural systems, service quality, and offers advice on to how to update our training programs and upgrading plans. The Internal Audit team carries out analyses of accounting audit reports and detects any weaknesses therein, regularly prepares and submits quarterly reports on the control and supervision procedures over financial affairs, investments, risk management, and ICS implementation. The Department makes proper recommendations as to the changes to be introduced to consolidate governance, risk management, and internal controls and compliance.

Reporting on all corrupt practices is framed by our Whistleblowing Policy, which covers fraudulent activities such as unlawful and improper payments and breaches of internal policies and guidelines. The notifier has the right to keep their identity anonymous and the anonymity of the notification does not hinder the evaluation process. If the notifier provides their identity information, this is kept confidential during and after the investigation.

Internal compliance monitoring and reporting	2019	2020	2021
Number of inquiries, complaints, or issues received by the Whistleblower Team through email, an internal monitoring or reporting system	N/A	0	4
Percentage of inquiries, complaints, or issues received by Whistleblower Team through email, an internal monitoring or reporting system that were substantiated	0	0	100%

Risk Management

In line with our deepening sustainability commitments, ESG factors are embedded into our Credit & Investment policy and risk assessment processes.

QIB's ESG due diligence is done using a purpose-built ESG toolkit derived from international best practices. The toolkit allows the bank's in-house teams to evaluate financing requests in accordance with international standards and conduct an ESG evaluation which will result in a score. The toolkit encompasses two main steps: ESG categorization and ESG rating.

When a Corporate Client, Project or Investment is proposed for financing or investing, QIB, as part of its ESG due diligence, categorizes the ESG risk level. The Corporate Client, Project and Investment level risk classification presents three layers of risks: High/Medium/Low – representing the ESG risk levels across QIB sectors.

All Corporate Clients and Investments identified as medium or high risk by the ESG risk classification matrix are reviewed through the QIB ESG due diligence toolkit which qualifies and quantifies key ESG factors. QIB's ESG toolkit assesses 17 ESG criteria, including environmental management certifications, human rights commitments and measures, anti-corruption conduct, and allegations screening.

When a project is proposed for financing, and is classified as High or Medium risks, the Project is assessed in alignment with the International Finance Corporation's (IFC) Performance Standards.

For each of the key ESG criteria identified, we assess key questions related to company's commitments and measure deployed to uphold their obligations while managing ESG risks. The evaluation is based on publicly available information, including companies' websites, annual reports, sustainability reports, third-party reports, etc., as well as direct engagement with clients.

The QIB ESG due diligence toolkit also supports QIB in categorizing ESG risks for Projects in alignment with the Equator Principles. It also supports QIB in identifying Corporate Clients, Projects and Investments with environmental or social benefits.

Besides, we are committed to combat corruption, fraud, bribery, and terrorism financing and have implemented the following practices and procedures:

AML/CFT: QIB has extensive Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) policies and procedures in place that oversee and mitigate AML/CFT risks. We track potentially suspicious transactions with an automated AML/CFT transaction monitoring system. For onboarding and payments,

the bank uses a Name and Payment Screening System to ensure compliance with legal and regulatory requirements. All employees receive AML/CFT training every year.

Antibribery and Corruption: The prevention of bribery and corruption practices is of utmost importance to us to uphold our Bank's and Qatar's reputation. We enhance our management systems by investing in the Financial Crime Compliance unit, which reports to the Compliance division, that is responsible for implementing an Anti-bribery and Corruption Policy Framework in addition to other measures to mitigate financial crime.

Fraud Prevention: QIB's Enterprise Risk Management (EFRM) unit implements Use Cases (UCs) based on data analysis and fraud trends pertained to external fraud for phishing and smishing cases. ERFM closely monitors and enhances UCs to reduce false positive alerts and improve efficacy. The unit circulates advisories internally to explain the Fraud Triangle, three-legged model outlining three components that increase the risk of fraud (opportunity, incentive, and rationalization), and to create awareness on the importance of creating anti-fraud culture in the Bank.

Portfolio level review: ESG risk categories

We have integrated a new ESG-specific risk categorization and analysis process.

Three ESG risk categories have been identified:

High risk: The client's business activities may give rise to significant or long-term environmental and social risks and impacts.

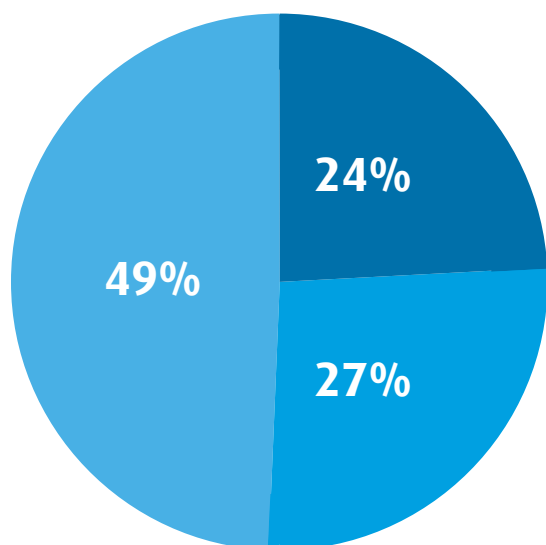
Medium risk: The client's business activities have limited environmental and social risks and impacts.

Low risk: The client's business activities have minor / few environmental and social risk and impacts associated with them.

QIB has initiated a high-level review of the bank's portfolio and classification of transactions into high/medium/low ESG risks based on sector of activities and location. This initial review has allowed QIB to: i) Identify high ESG risks transactions and ii) Identify Corporate Clients, Projects and Investments with clear environmental or social benefits.

A majority of QIB's portfolio and transactions are classified as low risk and there is limited exposure to high-risk sectors limiting key ESG related risks such as stranded assets.

Risk classification (by exposure)*



24% of QIB total exposures are classified as high risk
 27% of QIB total exposures are classified as medium risk
 49% of QIB total exposures are classified as low risk

* based on QIB portfolio of 351 clients for all transactions above QAR 10 million

Fraudulent Transaction Activity

Key Performance Indicator (KPI)	2019	2020	2021	
Amount of fraudulent transaction activity (total value of account holder transactions refunded to account holders due to fraud) (QAR)	OpRisk Net Loss (In Thousands)	0	0	10
	Chargeback Cases (In Thousands)	QAR 882	QAR 980	QAR 1,267
Percentage of activity from card-not-present fraud (%)	100%	100%	100%	
Percentage of activity from card-present and other fraud (%)	0%	0%	0%	

While a new Enterprise Fraud Management system is being implemented company-wide, the EFRM unit implemented Use Cases (UCs) relating to external fraud cases involving Vishing and Smishing as per data analysis and fraud trends. To reduce the false-positive alerts, EFRM keeps closely monitoring and improving the UCs.

To foster cybersecurity:

- Advisories explaining the Fraud Triangle as well as the importance of fostering an Anti-Fraud Culture in the bank have been distributed by the EFRM.
- Our customers regularly receive awareness messages with assurances that their confidential, personal, or financial information will not be shared.
- Visa/MasterCard alerts on newly identified fraud campaigns are closely monitored by QIB, and the necessary action is taken.

Cybersecurity

Our Information Security Governance Framework ensures that the Policies & Procedures are underpinned by the principles of ISO 27001, PCI-DSS, Cloud Security Alliance, and NIST Cybersecurity Framework.

We maintain that the bank needs to be able to detect and respond to cyber risks & vulnerabilities. Under the guidance of our Global Cybersecurity Leader, Attack Simulation Assessment [Red Team / Blue Team Assessment] is conducted every year.

We perform a 24/7 Threat Hunting / Threat Monitoring Program to proactively monitor our Bank's critical assets, having partnered with esteemed global cybersecurity experts.

Every six months, all staff and contractors participate in our mandatory Information Security e-Learning on cybersecurity; the range of topics includes Data Protection and Data Privacy.

- As part of its monitoring of merchants for suspicious transactions and activities, QIB blocks the merchant based on analysis and investigation if the merchant is mostly involved in fraud transactions.

Our Capital Management Policy embeds results of mandatory and voluntary stress tests into capital planning, capital adequacy planning, long-term corporate strategy, and other business initiatives.

The Policy provides a decision-making architecture governing capital planning and management, guiding on how to embed inputs and stress testing exercises from the ICAAP - a regulatory mandated requirement - into the Bank's capital management decisions. In addition, it provides guidelines for maintaining capital adequacy in accordance with the Board's risk appetite approval.

Financial & Economic Performance



Our Approach

Despite recent significant challenges, in particular the pandemic, we keep maintaining and increasing our financial strength in a sustainable way.

Our QIB-wide journey towards digital transformation continues. This journey was accelerated by the pandemic and helped us meet the challenges posed by lockdowns and other discomforts. Digitalization helps us to deepen our sustainability commitments without sacrificing our responsibilities to meet the needs of our stakeholders.

The objective of our diversification is to find new growth areas that contribute positively to our profitability and drive shareholder value.

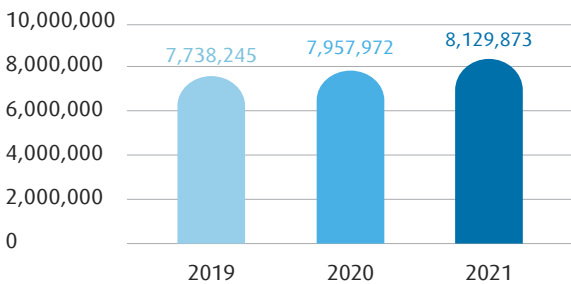
Our Performance

Despite pandemic-related challenges, QIB maintained growth during 2021. It is evident from both the growth of our profit as well as QIB's total assets increasing by 11% to over QAR 193 billion, making us the fifth largest Islamic bank in the world by assets.

(QAR in Thousands)

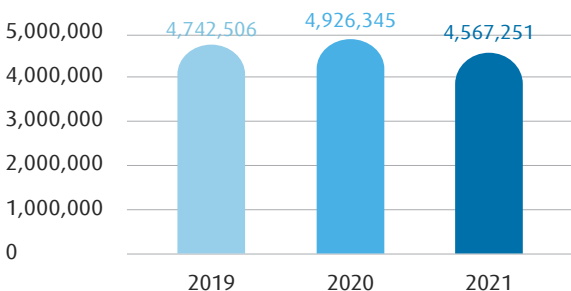
Direct economic value generated

Total Revenue

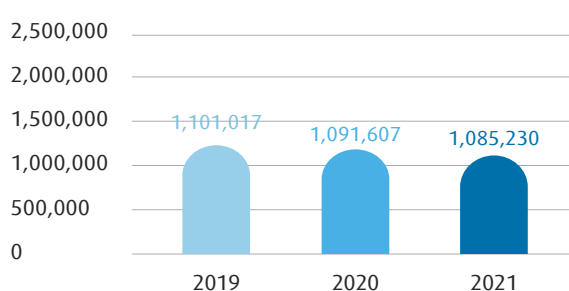


Economic value distributed

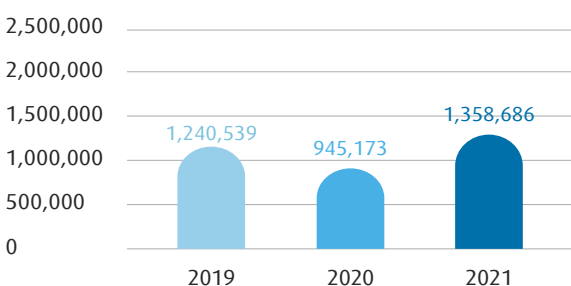
Total expenses



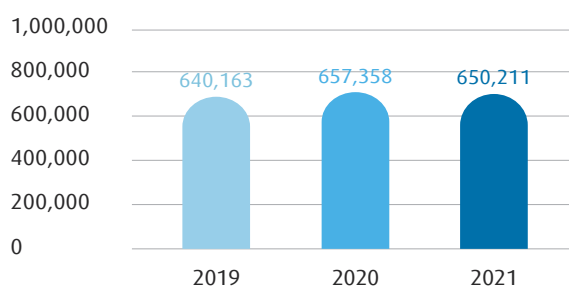
Operating costs



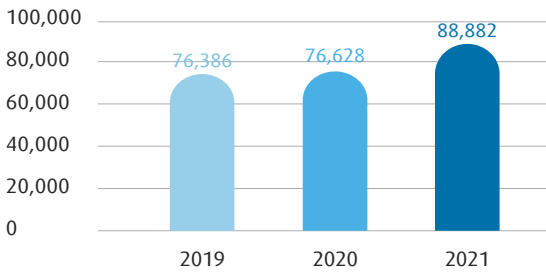
Dividends paid to shareholders



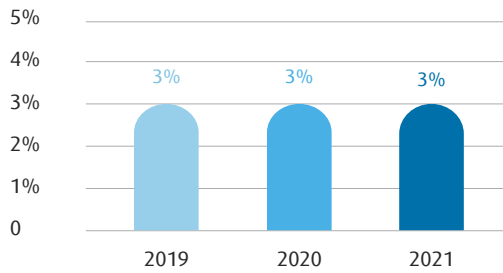
Total wages and benefits paid



Donations and sponsorships

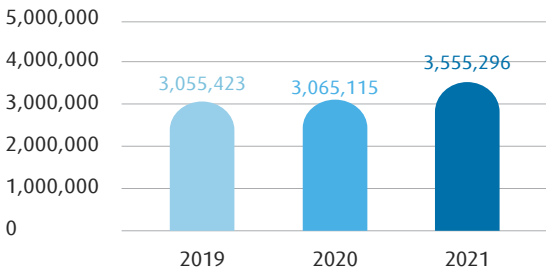


Community investment as a % of pre-tax profit (%)

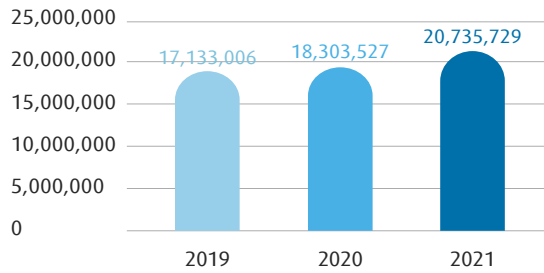


Economic value retained

Net profit for the year

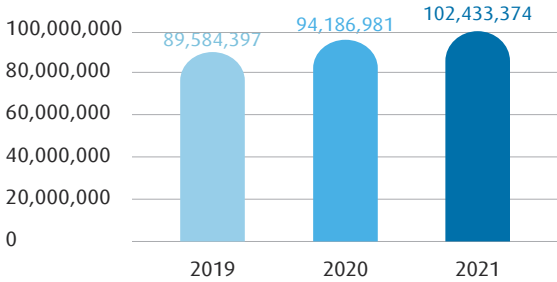


Shareholders' Equity



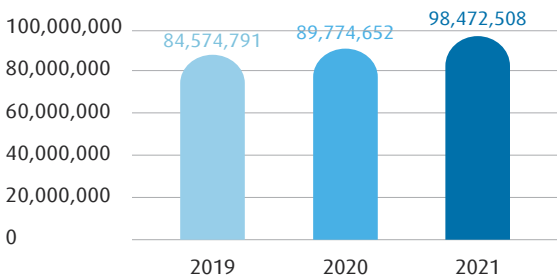
Value of financing portfolio by size (QAR in Thousands)

Corporate and institutional banking

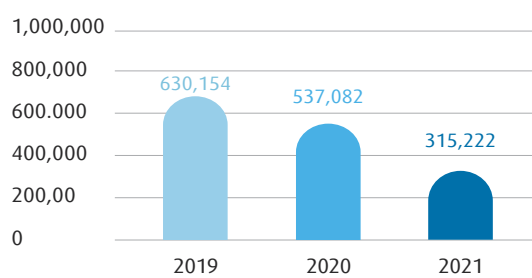


Value of financing portfolio by Region (QAR in Thousands)

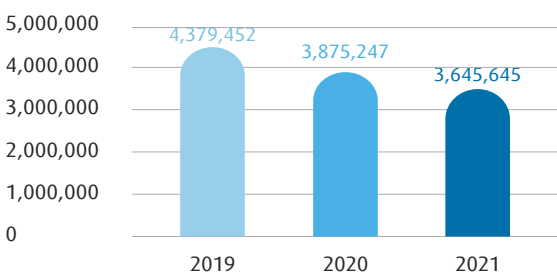
Qatar



Middle East & Northern Africa



Others



Empowering Our People

To achieve high job satisfaction, we stay focused on creating an environment where employees can grow and advance their careers. The health and safety of our employees is our priority, and our human resources team is highly valued.



Workforce Development and Wellbeing



Our employees' wellbeing, personal and professional development, and ability to reach their full potential is our priority. Best outcomes are achieved by high-performing and engaged teams that are full of motivated and goal-oriented people.

Our Approach

QIB prides itself in being an inclusive, equal opportunity employer, and in our merit-based employment environment, we aim to attract candidates of various backgrounds who can improve business outcomes and promote innovation. Safety, fairness, respect, inclusion, collaboration, and teamwork are the tenets by which our work environment flourishes.

To attract and retain the best talent and to create an invigorating work culture, we offer our employees a range of benefits. Additionally, QIB's Official Grievance process allows people to share their concerns via a well-structured grievance mechanism.

In compliance with the Qatari Labour Law, we communicate any important changes made to our benefits to our employees, and we ensure that they are notified about any changes in their employment status within a standard notice period.

QIB's Learning Policy governs our training programs, and our comprehensive Learning Management System effectively

manages all employee training fulfillments. Our employees' training and career development is driven by our QIB Learning & Development Program, which focuses on specific training based on peoples' functions, responsibilities, and employment level. This program draws on external knowledge to develop our workforce's capabilities by satisfying QIB's business needs and complementing other corporate training. The program offers both a business-focused and an individual development-focused curriculum, where both technical and soft skills are covered. We provide our employees with extensive coaching and mentoring that result in a bespoke career development plan.

To protect our employees during the pandemic, we adopted a remote working strategy. We ensured that virtual meeting tools and VPN access were provided during the stay-at-home period, allowing our staff to transition to remote working without compromising on our performance. Our employees were also encouraged to fill out surveys about their experience and views on remote working.

Diversity and Equal Opportunities

At QIB, our Policy and Procedural guidelines ensure that all employees are treated equally, regardless of their age, race, religion, gender, disability, or marital status. Anyone found to be discriminating, bullying, or harassing others will face disciplinary action that can escalate to termination.

We are also committed to empowering women across the organization. We are proud to report that, across all management levels, we have a female representation of about 27%, showcasing our progress in incorporating greater gender diversity in the workforce.

Workforce overview	2019	2020	2021
Total workforce	861	835	792
Full-time employees	861	835	792
Top management employees	24	24	25
Middle management employees	229	234	229
Lower-management employees	576	547	519
Non-management employees	32	30	19
Trainees and sponsored students	40	28	16
Number of nationalities	36	36	36
Employees age 18-30	107	95	82
Employees age 31-50	600	584	572
Employees age 51+	154	156	138
Male employees	646	623	578
Female employees	215	212	214
Female employees in lower management	187	181	182
Female employees in middle management	27	30	31
Female employees in top management	1	1	1

New hires and turnover

2019

2020

2021

Total New employee hires	58	17	17
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Total new employees by age

Age 18-30	40	11	1
Age 31-50	16	5	15
Age 51+	2	1	1

Total employees by gender

Male	24	7	16
Female	34	10	1
Employee turnover (voluntary and involuntary)	51	56	60
Age 18-30	15	8	6
Age 31-50	26	16	29
Age 51+	10	32	25
Male	32	50	45
Female	19	17	15
Senior management	4	2	0
Middle management	20	12	16
Lower management	30	32	42
Non-management employees	1	10	2

New hires and turnover

2019

2020

2021

Contract staff

Employee turnover (voluntary and involuntary)	5.92	6.70	7.4
Employee turnover (voluntary)	43	28	40
Age 18-30	7	4	6
Age 31-50	30	16	29
Age 51+	6	8	5
Male	29	18	28
Female	14	10	12
Top management	3	2	0
Middle management	15	6	8
Lower management	25	17	31
Non-management employees	0	3	1
Employee turnover (%)	4.99	3.35	4.95

Grievance mechanism

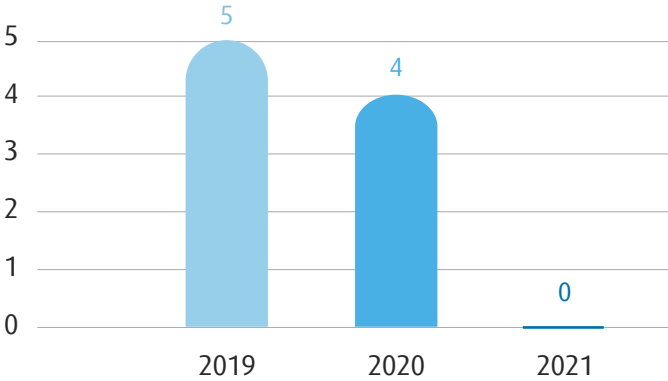


QIB has an Official Grievance process, which oversees any grievances filed by our employees. The process ensures that a Grievance Investigation is opened, where a Grievance Committee is established to dissect each complaint and impose

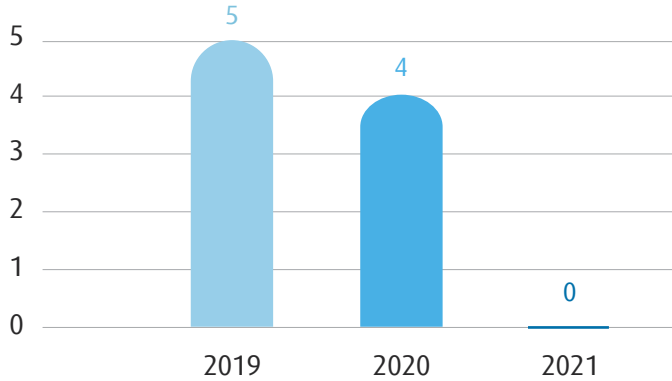
the appropriate penalties in line with QIB's Human Capital Policy and procedures. There were no grievances filed in the 2021 reporting period.

Grievances

Number of grievances filed in the reporting period



Number of these grievance addressed or resolved



Training & Career Development

The key to a highly skilled workforce lies in improving employees' skills and expanding their capabilities. In 2021, we managed to deliver an average of 35.18 training hours per employee.

Training	2019	2020	2021
Total training delivered (hours)	27,422	32,734	27,865
Top Management employees	2,957	3,255	2,102
Middle management employees	6,343	7,192	7,894
Lower management employees	13,221	14,000	17,300
Non-management employees	4,901	8,287	1,569
Male employees	20,664	24,895	20,482
Female employees	6,778	7,839	7,383
Average training per employee (hours)	31.8	39.2	35.18
Senior management employees	23.65	27.82	119.30
Middle management employees	26.76	28.53	80.84
Lower management employees	26.92	28.74	31.22
Non-management employees	16.9	35.11	49.03
Male employees	24	29.77	35.37
Female employees	24.03	30.62	37.10

All our full-time employees are eligible for regular performance reviews so they can gain valuable insights on their performance and improve upon any gaps accordingly

Performance reviews*

2019

2020

2021

Percentage of employees who received a performance and career development review	76.16%	83.41%	92.6%
Top Management employees	19	23	24
Middle management employees	200	216	217
Lower management employees	389	405	490
Non-management employees	31	30	18
Male employees	503	523	551
Female employees	136	151	198

*Performance reviews exclude newly hired employees who did not complete their 6-month of probation period as well as those who resigned before end of the reporting year.

Benefits

Our employees and their families are covered by our medical insurance policies. Additionally, we offer life insurance policies to all employees that cover up to 12 times their basic salary in the event of death due to accidents or illnesses, or total disability.

Upon the completion of one year of service at QIB, expecting mothers are entitled to a fully paid maternity leave of 50 days, including pre and postnatal periods. In 2021, QIB saw 100% return to work and retention rates for our new mothers.

QIB provides other benefits to its employees such as social allowance, relocation allowance, Haji and Umrah leave.



Employee incentive	2019	2020	2021
Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	10.6%	11.1%	11.6%

Maternity leave	2019	2020	2021
Number of female employees that took parental leave	22	11	14
Number of female employees who returned to work after parental leave ended (return to work)	22	11	14
Number of female employees returned from parental leave who were still employed twelve months after return to work (retention)	20	11	14
Return to work rate (%)	100%	100%	100%
Retention rate (%)	90%	100%	100%

Health and Safety

We recognize that employee health, safety, and wellbeing are paramount to a well-functioning workplace.

To this end, QIB embraces the following beliefs:

- Ensuring the health, safety, security and welfare of all its employees whilst at work environment.
- Ensuring that visitors to the Bank’s premises are not exposed to risks to their health and safety.

- Identifying hazards, assessing risks and managing those risks accordingly, the Bank has adopted plans for firefighting, Crisis & Disaster management, Safety and full medical care & Health Insurance through renowned Insurance provider for the benefit of all permanent staffs.



Localization



As Qatar’s largest Islamic bank, we are determined to develop our country and empower its people by offering career opportunities to Qatari nationals.

Our Approach

Our Emerging Banker program, in line with our Qatarization strategy, is designed to attract, retain, train and motivate local talent (including graduates) to work in the private banking sector. In 2021, 22 emerging bankers have been identified and enrolled in the program. The program offers a plethora of

initiatives, such as intensive learning programs, department rotation, professional certification, and mentoring sessions, to help young professionals kick start their careers.

Graduates who pass the final graduate assessment, managed by our Human Capital Group, are offered a permanent position at the Bank.

Qatari nationals are encouraged to apply for any available roles via our Careers portal. To date, 27% of our total workforce is comprised of Qatari nationals.

Nationalization (Qatar)	2019	2020	2021
Nationalization of Top Management (%)	21%	17%	16%
Nationalization among total workforce (%)	28%	27%	27%
Total number of national employees	239	221	212
Number of female national employees	159	144	138

Positive Community Impact

Through our Corporate Social Responsibility (CSR) vision is an integrated part of our business operations and stakeholder engagement, at QIB we aim to contribute to the development of our community while also aligning with Qatar's National Vision. Through investment, sponsorship, and volunteer programs QIB works to achieve its social and environmental objectives.



Community Support and Investments



At QIB we work on establishing effective communication with all sectors of our society to ensure that we establish successful community collaboration. We also play an active role through QIB's Zakat Committee and ensure to that we sponsor a variety of core activities to help and support our local communities.

Our Approach

For community support, we have focused on developing and endorsing activities, conferences, exhibitions, and events in areas of culture, education, health, sport, and many others. Charitable contributions, guided by our Donations and Sponsorships Policy, are made via Qatari-authorized institutions, and follow state guidelines and visions.

Giving back to the community has been one of our key beliefs and a top focus since our inception through our Donations and Sponsorship policy we support various activities related to many causes.

Programs that QIB has sponsored to date include:

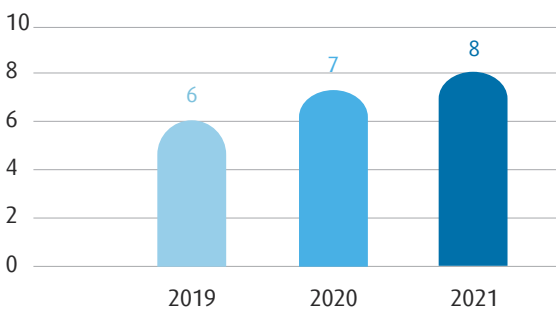
- Education initiatives
- Cultural activities
- Health activities
- Sports sponsorship
- Donations for humanitarian activities

We succeed in investing around 14% more in our community in 2021 in comparison to last year. Our community-focused campaigns included blood donation campaign, and distribution of food baskets both done in partnership with reputable institutions.

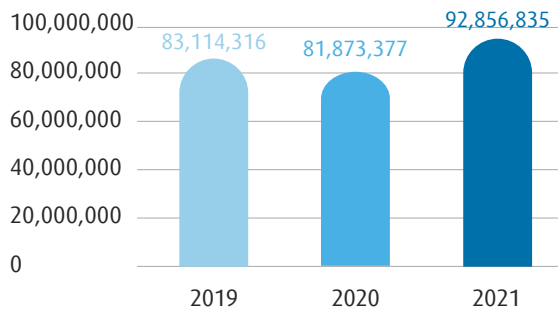
Even though we have managed to sponsor an extra project this year, our number of volunteers dropped and that is due to the pandemic restrictions.

Community Investments

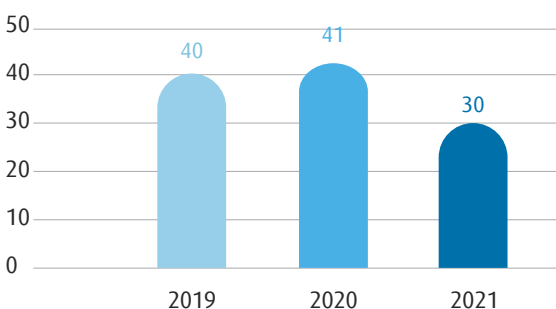
Number of projects sponsored



Amount of community investment (QAR)



Number of volunteers



In the year ahead we plan to sponsor several external activities such as AgriteQ and EnviroteQ Exhibitions 2022 that we believe will bring so much value to our community, while also aiming to take part in few internal activities to strengthen our employees drive to give back to and take care of the environment.

QIB adheres to internal requirements to ensure compliance with local regulations and alignment with both our CSR vision and the state of Qatar's National Vision. For that we have a number of internal KPIs that we review, update and track continuously to measure the effectiveness of our approaches.

Social Responsibility

Involvement in the welfare of the families of in the communities where we serve is of utmost importance to us. We consider it both our duty and our privilege to be supporting the community that has been our home for years, and we believe that its prosperity is key to our success. To showcase this support in 2021, we engaged in several CSR initiatives.

During the pandemic, and in partnership with the Ministry of Public Health (MoPH) and Hamad Medical Cooperation, we ran national awareness campaigns both internally and externally focusing on public health and safety to raise the community, employees and customer's awareness on the importance of precautionous daily safety habits such as handwashing and wearing masks to ensure. Non the less, internal initiatives were kicked off too, to educate our employees on the best practices and importance of following safety protocols and taken preventative actions to protect themselves.

Other community-focused campaigns QIB took part in included blood donation campaign in partnership with Blood Centre at Hamad Medical Corporation, and the distribution of food baskets done in partnership with Qatar Charity.

Furthermore, this year during Ramadan, we joined forces with Qatar Charity and sponsored the Iftar Project for workers in the industrial area.

Special Certificates of Deposit for COVID-19 Frontliners

Our exclusive, digitally provided Certificate of Deposit was offered to frontline workers until October 2021, recognizing their role in protecting the community during the pandemic. The benefits included help with long-term savings, exclusive returns, and a higher-than-expected profit rate. Frontline workers, particularly medical and police personnel from the Ministry of Interior, Ministry of Public Health, hospitals, volunteers, and healthcare professionals from other private sectors benefited from the initiative.

Ongoing COVID-19 Public Awareness Campaigns

Since there were ongoing pandemic repercussions, QIB has continued running internal and external awareness campaigns to inform employees, customers, and the general public on how they can best protect themselves and act responsibly, and on the best practices and importance of following safety protocols and personal prevention.

Financial Inclusion & Accessibility



As an inclusive, community-oriented institution, QIB provides financial-management education and other support to low-income people.

Our Approach

As part of increasing financial inclusion, QIB offers products and services catering to typically disadvantaged individuals, in addition to catering to all irrespective of gender, age, ethnicity, marital status, nationality, religion, or profession. Accordingly, by having QIB branches and ATMs located in less economically privileged areas, we ensure our services are accessible to all regardless of their level of familiarity with banking services.

Account Type	Description	Performance
Student Accounts	University students can now quickly and easily open their first banking account and get familiar with various banking products and services. They also can get a Misk savings account, debit card, and an opportunity to win cash prizes. They can also receive a Student Credit Card (a special QIB product) and a new onboarding Mobile App without needing to visit a bank.	The number of student accounts reached 1,411 in 2021, a 31% increase over the previous year.
Domestic Workers Digital Accounts	To help domestic workers In Qatar to become more financially independent QIB introduces a digital banking solution to give them the opportunity to open a bank account through the Mobile App at no cost, and even with zero balance.	The number of domestic workers account increased by 7.6 times from 2020 to 2021 and reached 1,330.
Remittances (Western Union)	Our Mobile App now facilitates instant remittances worldwide. Our customers can send money to over 200 countries through Western Union Money Transfer 24/7 without having to visit our branches.	Helping all locals and expats to connect with the global economy.
Wage Protection System Accounts	As per Qatar's Ministry of Labor and Social Affairs (MoLSA), QIB introduced QCB's Wages Protection System (WPS) a specialized banking services for low-income workers to ensure timely wages transfer. Through this service migratory workers can manage their finances efficiently.	WPS accounts increased 11% to in 2021 to reach 208,011.

Front liner Certificate of Deposit	Our exclusive, digitally delivered Certificate of Deposit was made available to frontline workers until October 2021, in recognition of their contribution to community safety during the pandemic. The advantages included long-term savings assistance, exclusive returns, and a higher-than-expected profit rate.	The initiative benefited frontline workers, particularly medical and police personnel from the Ministry of Interior, the Ministry of Public Health, hospitals, and other private sectors.
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How Money Works	Cooperating with Injaz Qatar, we held our annual financial literacy program on money management for students in secondary schools and in Qatar University. This program is designed to raise awareness about finance and business, inspire future generations, and give QIB staff an opportunity to volunteer.	This year, the program was delivered remotely due to the pandemic, but we still managed to reach 1,629 students from 82 schools and universities across Qatar. The remote sessions were delivered to 838 participating students, who were supported by 41 QIB volunteers.
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Financial accessibility & inclusion **2019** **2020** **2021**

Number of WPS accounts	167,451	187,804	208,011
Number of student accounts	885	1,077	1,441
Number of domestic worker accounts	0	175	1,330
Number of participants in financial literacy initiatives for individuals with limited previous banking experience	434	829	838

Appendices



Appendix A. QSE ESG Dashboard

QSE indicator 2019 2020 2021

Environment

Any legal or regulatory responsibility for an environmental impact? Yes/No	No	No	No
Does the company publish and follow an environmental policy? Yes/No	No	No	No
Energy used (Gj/employee)	51.65	42.28	46.54
Percentage of renewable energy used (%)	0	0	0
Specify the primary source of energy used by the company	Electricity	Electricity	Electricity
The total volume of water recycled/reused in m ³ by the organization per year	N/A	N/A	N/A
Total amount of energy used (Gj)	44,471	35,301	36,858
Total greenhouse gas emissions (tons)	5,277.741	4,182.368	4,392.307
Total waste produced (kg)	100,000	25,000	96,000
Total water use (m ³)	17,293	17,197	10,372

Social

Average hours of training per employee (hours)	32	39	35
Disclosure and adherence to a Human Rights Policy? Yes/No	Yes	Yes	Yes
Does the company prohibit the use of child or forced labor throughout the supply chain? Yes/No	Yes	Yes	Yes
Does the company publish and follow a policy for occupational and global health issues? Yes/No	Yes	Yes	Yes
Employee turnover rate (%)	5.92	6.7	7.4
Employee wages & benefits (USD million)	175.78	180.44	178.14
Nationalisation rate (%)	28	27	27
Number of grievances about human rights issues filed, addressed and resolved	0	0	0
Pre-tax profits invested in the community (%)	3	3	3
Spending on locally-based suppliers (%)	97	97	95
Total number of injuries and fatal accidents (contractors)	0	0	0
Total number of injuries and fatal accidents (employees and contractors)	0	0	0
Total number of injuries and fatal accidents (employees)	0	0	0
Total workforce (FTE)	861	835	792
Women in the workforce (%)	25	25	25

QSE indicator

2019

2020

2021

Corporate Governance

CEO pay ratio	N/A	N/A	N/A
Disclosure of the voting results of the latest AGM. Yes/No	No	No	Yes
Does the company publish and follow a Bribery/Anti-Corruption Code? Yes/No	Yes	Yes	Yes
Does the company publish and follow a Supplier Code of Conduct? Yes/No	Yes	Yes	Yes
Does the company publish and follow an Ethics Code of Conduct? Yes/No	Yes	Yes	Yes
Executive compensation linked to performance indicators. Yes/No	Yes	Yes	Yes
Female directors on the board (%)	0	0	0
Independent directors on the board (%)	0	0	0
Median male salary to median female salary (%)	N/A	1.13	1.24
Role separation of Chairman and CEO. Yes/No	Yes	Yes	Yes
Sustainability report published. Yes/No	No	Yes	Yes
Use a firm in third-party assurance of non-financial information. Yes/No	No	No	No

Appendix B. GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or direct answers
GRI 101: Foundation 2016		
General Disclosures		

Organizational profile		
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	8, 9
102-3	Location of headquarters	8
102-4	Location of operations	4, 8
102-5	Ownership and legal form	8, 9
102-6	Markets served	8, 9
102-7	Scale of the organization	8, 9, 51
102-8	Information on employees and other workers	51-53
102-9	Supply chain	37, 38
102-10	Significant changes to the organization and its supply chain	There were no significant changes during the reporting period
102-11	Precautionary Principle or approach	45, 46
102-12	External initiatives	10
102-13	Membership of associations	10
Strategy		
102-14	Statement from senior decision-maker	5, 6
102-15	Key impacts, risks, and opportunities	45, 46
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	8
102-17	Mechanisms for advice and concerns about ethics	44
Governance		
102-18	Governance structure	43
102-19	Delegating authority	43
Stakeholder engagement		
102-40	List of stakeholder groups	15, 16
102-41	Collective bargaining agreements	Collective bargaining agreements are illegal in Qatar
102-42	Identifying and selecting stakeholders	15, 16
102-43	Approach to stakeholder engagement	15, 16
102-44	Key topics and concerns raised	20, 21
Reporting practice		
102-45	Entities included in the consolidated financial statements	9, 47, 48
102-46	Defining report content and topic boundaries	4
102-47	List of material topics	14, 20, 21
102-48	Restatements of information	There were no restatements of information during the reporting period
102-49	Changes in reporting	No changes
102-50	Reporting period	4
102-51	Date of most recent report	1 January 2020 - 31 December 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	4
102-54	Claims of reporting in accordance with the GRI Standards	4
102-55	GRI content index	67, 68
102-56	External assurance	Not assured

GRI 102: General Disclosures 2016

GRI Standard	Disclosure	Page number(s) and/or direct answers
Material Topics		
GRI 200 Economic Standard Series		

Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	47
	103-2	The management approach and its components	47
	103-3	Evaluation of the management approach	47
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	47
Market Presence			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	58
	103-2	The management approach and its components	58
	103-3	Evaluation of the management approach	58
GRI 202: Market Performance 2016	202-2	Proportion of senior management hired from the local community	58
Indirect Economic Impacts			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25, 26
	103-2	The management approach and its components	25, 26
	103-3	Evaluation of the management approach	25, 26
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	26
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	37, 38
	103-2	The management approach and its components	37, 38
	103-3	Evaluation of the management approach	37, 38
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	18, 23, 37
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	45
	103-2	The management approach and its components	45
	103-3	Evaluation of the management approach	45
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	46
	205-2	Communication and training about anti-corruption policies and procedures	45

GRI Standard	Disclosure	Page number(s) and/or direct answers
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GRI 300 Environmental Standards Series

Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39, 40
	103-2 The management approach and its components	39, 40
	103-3 Evaluation of the management approach	39, 40
GRI 302: Energy 2016	302-1 Energy consumption within the organization	18, 65
	302-3 Energy intensity	18
Water and Effluents		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40
	103-2 The management approach and its components	40
	103-3 Evaluation of the management approach	40
GRI 303: Water and Effluents 2018	303-5 Water consumption	40
Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	39, 40
	103-2 The management approach and its components	39, 40
	103-3 Evaluation of the management approach	39, 40
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40
	305-2 Energy indirect (Scope 2) GHG emissions	40
Waste		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	40, 41
	103-2 The management approach and its components	40, 41
	103-3 Evaluation of the management approach	40, 41
GRI 306: Waste 2020	306-3 Waste generated	41
Supplier Environmental Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37, 38
	103-2 The management approach and its components	37, 38
	103-3 Evaluation of the management approach	37, 38
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	38

GRI Standard	Disclosure	Page number(s) and/or direct answers
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GRI 400 Social Standards Series

Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52, 53
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	56
	401-3 Parental leave	57
Labor/Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	50
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	57
	103-2 The management approach and its components	57
	103-3 Evaluation of the management approach	57
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	65
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50
	103-2 The management approach and its components	50
	103-3 Evaluation of the management approach	50
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	55
	404-3 Percentage of employees receiving regular performance and career development reviews	56
Diversity and Equal Opportunity		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	50, 51
	103-2 The management approach and its components	50, 51
	103-3 Evaluation of the management approach	50, 51
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51
	405-2 Ratio of basic salary and remuneration of women to men	66
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	60
	103-2 The management approach and its components	60
	103-3 Evaluation of the management approach	60
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	60-63
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	37, 38
	103-2 The management approach and its components	37, 38
	103-3 Evaluation of the management approach	37, 38
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	38
Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	36
	103-2 The management approach and its components	36
	103-3 Evaluation of the management approach	36
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	35

