

ANNUAL
SUSTAINABILITY
REPORT 2023



QIIB



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His Highness
Sheikh Tamim Bin Hamad Al-Thani
 The Amir of The State of Qatar



1. About this Report

1.1 Report Introduction

The 2023 Annual Sustainability Report illustrates to our stakeholders the key non-financial information covering the Environmental, Social, and Governance (ESG) aspects, showcasing QIIB's sustainability commitment after three decades of service. We have exponentially accelerated our commitment to sustainability in the year 2023 following the initiation of several activities pertaining to sustainable development.

Today, we are delighted to share with you QIIB's Sustainability Report for 2023 as our first comprehensive report highlighting the correlation between QIIB's initiative performance against our ESG Strategy & Framework. Our report aims at establishing transparency, assessing performance, and serving as an accurate index on the Bank's activities and goal achievements.

This report was developed in line with the following guidelines:

- Qatar National Vision 2030,
- Qatar Stock Exchange (QSE) ESG disclosure guidance for listed companies,
- Global Reporting Institute (GRI),
- UN Sustainable Development Goals (SDGs)
- FTSE4GOOD
- MSCI indexes

1.2 A Message from Chairman



QIIB has come a long way in its sustainability journey during the past years, and I'm pleased to release our sustainability report to diligently assess and report our performance as of 2023.

2023 was yet another year that showed how evident sustainability is to the growth of Financial Institutions, we have identified the need to accelerate addressing our Qatari community needs, deliver the expected value for our shareholders, and continue serving our customers by leveraging digital solutions and best practices. We have conducted a thorough diagnostic assessment to enhance the Bank's ESG Framework in a way that can be robust enough to ensure the best possible ESG practices that promotes QIIB in the most manner possible.

We are proud to be a part of this organizations journey for a better tomorrow. I would like to thank our executive management, shareholders, and customers for their key roles in our journey of sustainability. We would not be the organization we are today, and our customers would not receive the exceptional service they have come to expect without our employees, so a very sincere thank you to each and every employee who makes QIIB a world class organization. We will continue to share annually the progress we are making on our sustainability initiatives for the environment, our communities, and the economy.

1.3 A Message from CEO



It is my sincere honour to share this year's Sustainability Report which demonstrates our efforts from the past year in embedding sustainable practices at the heart of our operations. We must all do our part to ensure a sustainable future for the environment, our communities, and the economy.

Recently QIIB published its inaugural Sustainable Finance Framework, which aims to finance projects that contribute to positive environmental and social benefits. The Framework includes eligible green project categories related to renewable energy, clean transportation, energy efficiency, green buildings, pollution prevention and control, environmentally sustainable management of living natural resources and land use, sustainable water and wastewater management; and eligible social project categories related to employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socio-economic crises, access to essential services, affordable basic infrastructure.

We take immense pride in being the pioneer institution in Qatar to issue sustainability sukuk and subsequently list them on the prestigious London Stock Exchange.

Our sustainability strategy aligns with the frameworks set out in the Qatar National Vision 2030, the United Nations Sustainable Development Goals, and the Qatar Stock Exchange's sustainability measures. This year, we have managed to set our sustainability strategic dimensions, highlighting our sustainability objectives as a Bank guided by QCB's financial sector strategic plan in its third version (2023). We are committed to operating as an accountable, transparent, fair, and responsible organization, and have embedded those aspects in our sustainability vision. We firmly believe in sustainability as a solution to some of our biggest challenges and to widen customer access, increase resource efficiency, minimize waste, and deliver better service.

We have successfully refreshed our ESG Strategy considering the Global Reporting Index (GRI) guidelines and other global standards to entrench our ESG Strategy into the core of our operations. We have embedded performance management to contribute to the achievement of QIIB's new ESG integration strategy and to track and report our ESG integration program's performance against various targets and strategic initiatives. Additionally, we have benchmarked our framework against applicable standards and worldwide best practices to ensure the effective delivery of our sustainability journey.

1.4 Sustainability Highlights

The table below provides an overview of some key sustainability figures for QIIB which are further discussed in detail throughout this report.

Indicator	Value
Bank's Years of Operations	30+ Years
Number of Full Time Employees	445
Women in the Bank (%)	17.3%
Qatarization (%)	26%*
Percentage of employees receiving regular performance and career development reviews	98%
Total number of hours of training for employees divided by the number of employees	5.45 Hours/Employee
Employee Turnover	5.6%

Table 1: QIIB's Sustainability Highlights

* Qatarization rate is calculated excluding the support staff category (Office boys, messengers, drivers, Etc.)

2. QIIB At A Glance

2.1 History

QIIB was established in 1991 and is a privately-owned Islamic Bank in the State of Qatar offering personal and corporate Islamic Banking solutions. QIIB is true to its Qatari Heritage and values which acts as a key feature, amongst multiple other attributes, to their family-friendly attitude and personal approach that attracts their customers to choose QIIB as their Banking partner for their personal and business needs.

QIIB was built on three pillars:

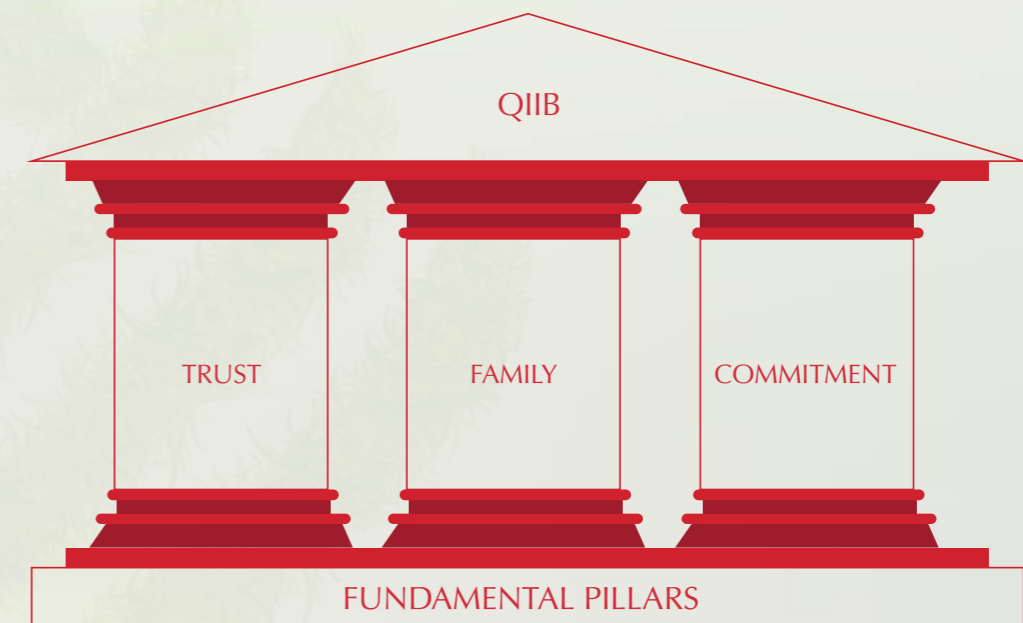


Figure 1: QIIB Fundamental Pillars

QIIB constantly continues to develop these fundamental pillars to align with the needs of their ever-rising customer base. QIIB contributes to the growing market demand by providing Shariaa compliant products and meets all their customer expectations for which is enabled by their forward-thinking approach.

QIIB resumes to adapt with the continual changes of modern Banking by transforming their operating and functioning methods to compliment new environments. QIIB perseveres to deliver market leading innovative Banking solutions developed with their customers' needs in mind. QIIB delivers efficient transactional Banking and Immediate account information to their customers through premium services such as QIIB Mobile Banking, QIIB Internet Banking and QIIB Phone Banking in addition to the conveniently located and welcoming branches across the country.

Regulated by the Qatar Central Bank and highly rated for financial strength and outlook by international rating agencies, we work within local and international standards to deliver the best Sharia compliant deposit, finance and insurance products for our customers.

2.2 Corporate Mission, Vision & Values

Our corporate identity governs our purpose, how we work and our aspirations. It reinforces our commitment to provide financial products and services for our national economy whilst remaining true to the Sharia principles and Qatari roots upon which we were founded.

Mission

To provide Sharia compliant financial services products that meet the needs of our customers, our national economy and our country's vision and to always hold in high regard our customers, the relationships we hold with them and be committed to their aspirations.

Vision

To be the most efficient Islamic financial institution, performing to the best global standards, serving the communities where we have presence, and to be the first-choice Banking partner for national and expatriate citizens of Qatar.

Values

- Embrace our identity as a modern Bank with traditional values.
- Strive for excellence in everything we do and every interaction we have.
- Demonstrate our commitment to our customers and our country.
- Use teamwork to deliver to the highest possible standards.
- Promote an open and honest Banking environment.
- Take ownership and responsibility for the work we do.
- Recognise others for their hard work and achievements.
- Elevate our customer service beyond all expectations.
- Show professionalism and maturity as knowledgeable individuals.
- Take control of our own personal development and aspire to be the best.

2.3 Products and Services

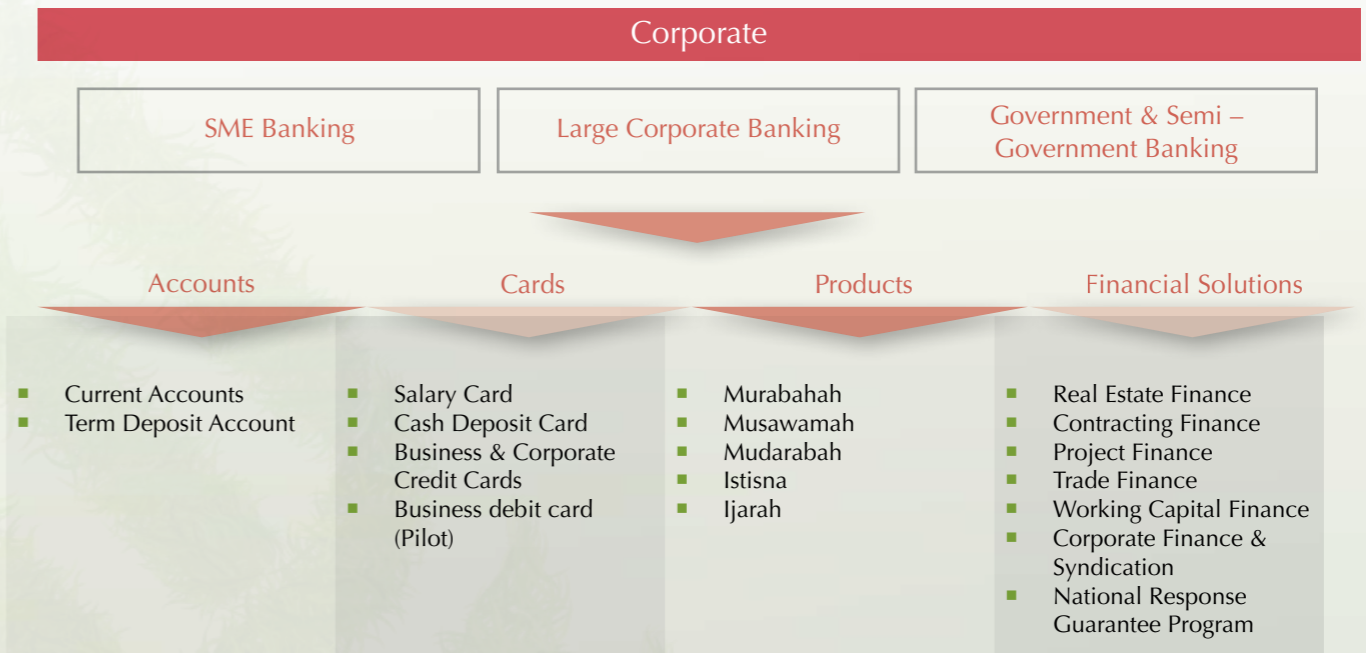
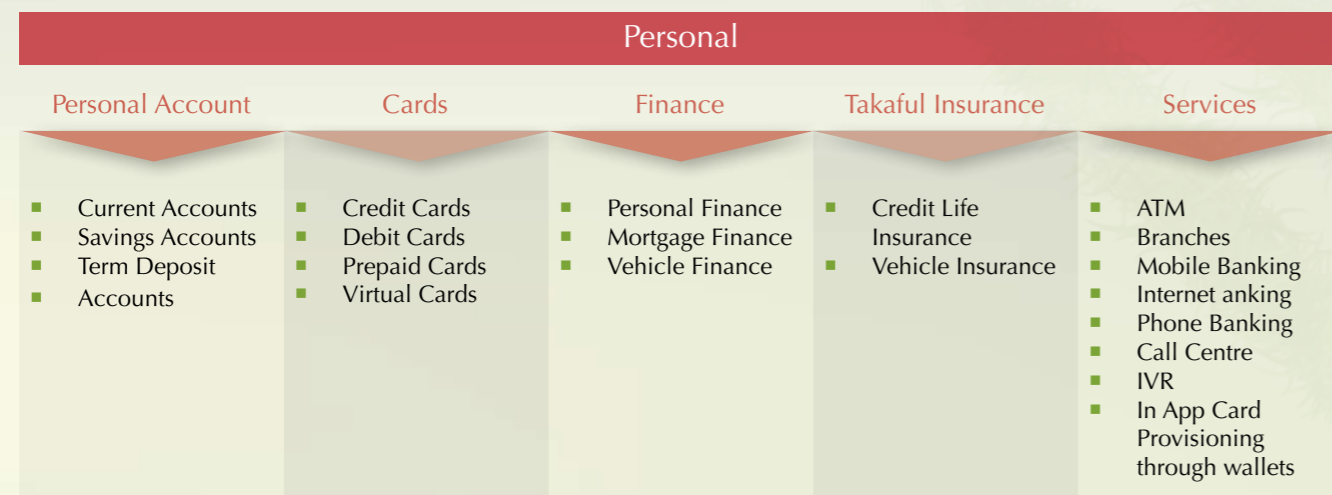


Figure 2: QIIB Products & Services

2.4 Awards and Recognitions

#	Awards & Recognitions	Recognized By
1	ISO 27001:2022 certification	IAF
2	Honoured for outstanding contributions to social responsibility	Qatar University
3	Excellence in Product Design	Visa
4	CITI BANK award for excellence & outstanding performance in processing the straight through process (STPs)	CITI Bank
5	(PCI-DSS) for excelling in Information Security	SISA Company

Table 2: Awards & Recognitions

3. Strategy Direction and Performance

3.1 Sustainability within our business practice

Qatar National Vision 2030

Qatar National Vision (QNV) 2030 was launched in 2008 to transform Qatar into an advanced society capable of achieving sustainable development, in addition to, providing a high standard of living for its population and future generations. The Strategy has identified its goals through the four central pillars: Economic, Social, Human, and Environmental.

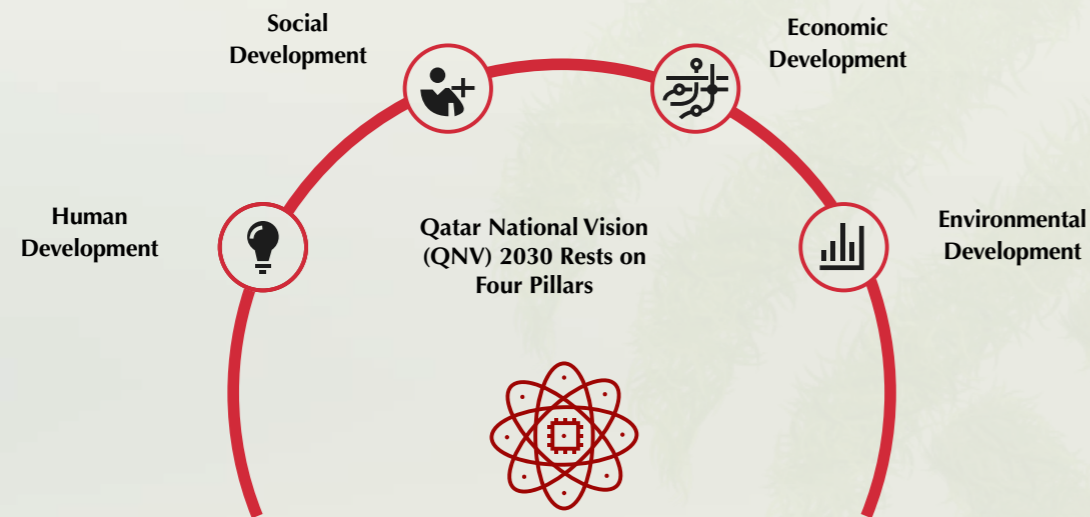


Figure 3: QNV 2030 Pillars

Environmental Development Pillar: Management of the environment such that there is harmony between economic growth, social development, and environmental protection

Social Development Pillar: Development of a just and caring society based on high moral standards, and capable of playing a significant role in the global partnership for development

Human Development Pillar: Development of all Qatar’s people to enable them to sustain a prosperous society

Economic Development Pillar: Development of a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living, all its people both for the present

Our report highlights the relationship between the activities carried out by the Bank in 2023 through its ESG Strategy and Qatar’s National Vision 2030 pillars. The overall objective of both visions is to provide a framework in which sustainability related strategies and implementation plans can be executed.

Qatar International Islamic Bank Strategic Dimensions

The social, economic, and environmental challenges and opportunities are continuously growing, resulting in a need to provide innovative solutions to better address them. That is why we have adopted a holistic ESG strategy towards sustainable development, which accommodates many elements and provides comprehensive engagement with concerned stakeholders.

Sustainability is a balancing act through which business decisions consider the impacts of both financial and non-financial aspects of their performance and consider those impacts in relation to a business’s internal and external stakeholders. The non-financial aspects are often expressed in the form of Environmental, Social, and Governance (ESG) aspects.

The following are QIIB’s ESG Strategy Dimensions which are aligned to the GRI Index, FTSE4GOOD, MSCI indexes, the UN Global Compact, and QNV 2030.

QIIB’s ESG Strategic Dimensions				
	Economic Pillar	Social Pillar	Environmental Pillar	Governance Pillar
Strategic Dimension	Conducting the business in a manner that generates, promotes, and supports positive impacts that returns to all stakeholders, and prevents or mitigates negative implications	Protecting the stakeholders evolving needs and wellbeing, while delivering the highest quality of service excellence.	Upholding the commitments to the preservation of natural resources, the moderation of consumption, and the responsibility in services, products, and operations.	Governing according to Islamic Principles to achieve financial growth, develop Banking services, address risks and opportunities, & conduct stakeholders’ relations.
Strategic Goal	Regional Islamic Finance Leadership	Positive Impact to the Qatari community and all other stakeholders	Green Products and Operations	Sharia Compliant Governance

Table 3: QIIB’s ESG Strategic Dimensions

3.2 Sustainability Objectives

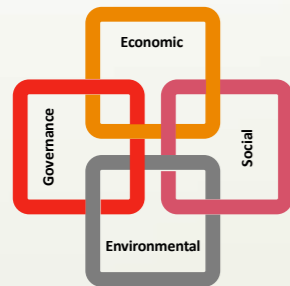


Figure 4: Sustainability Objectives

The Strategic Dimensions are set as QIIB's guiding principles to achieve long and short term ESG Goals. QIIB, as an Islamic Bank, has an inherent purpose to be a positive contributor to the economy. The success of the sustainability program is no less important than the success of the Banking business for which the Bank has achieved a leading role. Therefore, the Bank continues toward updating sustainability concepts and exploring future needs and directions in order to reinforce its role through continuous commitment.

QIIB has identified a set of 62 driving objectives to drive its Strategic Dimensions goals. Those objectives, along with our other ESG Framework components will act as the cornerstone of sustainable growth at QIIB

QIIB's ESG Objectives				
Indicator	Economic Pillar	Social Pillar	Environmental Pillar	Governance Pillar
Financial Capital	1. Enhanced Shareholders Value	6. Fair Interest and Services Fees	8. Protected Balance Sheet against Environmental and Climate Risks	11. Crisis Response Management
	2. Improved Profitability	7. Community Investments	9. Diversified Profitable Green Portfolio	12. Risk management (Control Environment)
	3. Increased Asset Utilization		10. Operational Cost Savings	13. Compliance and Audit (Control Environment)
	4. Expanded & Diversified Revenue			14. Whistleblowing
	5. Optimized Cost Structure			
Social and Relationship Capital (Customers, Communities, Suppliers, Peers)	15. Reliable Risk sharing	21. Responsible Communication	26. Green Products Development	30. Engaged Leadership
	16. Affordable Products	22. Inclusive Services (Women, Youth)	27. Green Financing	31. Conflict of Interest
	17. Responsible Financing	23. Customer Privacy and Safe Transactions	28. Green Investment	32. Transparency and Reporting
	18. Responsible Investment	24. Responsible Supply Chain	29. Advocacy of environmental preservation	
	19. External Employment Creation	25. Sustainable Relation (customer retention/ vendors loyalty/ Community Goodwill/Fair Competition)		
	20. Sustainable Contracting			

QIIB's ESG Objectives				
Indicator	Economic Pillar	Social Pillar	Environmental Pillar	Governance Pillar
Human Capital	33. Sustainable Compensations	35. Protective Working Environment	38. Healthy and Safe Operations	39. Ethical conduct and culture
	34. Fair and Competitive Wages	36. Employees Social Benefits		40. Right to Grievance
		37. Career Development		41. Advise on Ethical Behavior
Manufactured Capital	43. Infrastructure Cost Savings	45. Physical Accessibility and Safety	46. Preservation of natural resources	48. Human Rights and Security
	44. Physical Assets Management		47. Operational Waste	
Intellectual Capital	49. Digital Services Migration	51. Innovative Banking Services	54. Efficient Technological Infrastructure	55. Digitalization (Process Innovation and efficiency, AI, Data Analytics)
	50. Cost Synergies	52. Accessible Services (Digital/ Physical)		56. Data Security
		53. Learning & Development		
Natural Capital	57. Efficient Facility Management	58. Healthy and Safe Operations	59. Environmental and Carbon Footprint	60. Environmental Initiatives
				61. Climate Advocacy
				62. Support National Priorities

Table 4: QIIB's ESG Objectives

3.3 Sharia Compliant Sustainability

QIIB is always working to provide innovative financial solutions in compliance with Islamic Sharia. Islamic financial institutions, through their progressive approaches in developing their line of products and services, are making a positive and sustainable presence in communities.

Qatar International Islamic Bank persists to take all necessary measures to maintain its solid performance through its vision to become a leading Sharia compliant Bank. The crux of ethics is captured in the Banks code of Ethics policy and embedded with the Banks applicable procedures along with Sharia principles of the organization. QIIB Reports on its Sharia’s Supervisory Board, which ensures the compliance of QIIB products, services, and sustainability initiatives to Sharia practices, especially when it comes to the integration of ethics in economic and business aspects.

3.4 Materiality Assessment and Matrix

As part of our sustainability commitment and vision, we have mapped the latest sustainability issues that are material to QIIB to understand their criticality in impacting our internal and external stakeholders. We have followed GRI’s materiality approach to identify the sustainability topics that has significant impact on our Environmental, Social and Governance (ESG) Pillars. In addition, we have aligned our material topics with our strategic dimensions to ensure the topics are reflecting our commitment to the community, sustainability, and creating long term value.

We have reviewed a long list of material issues and shortlisted the material topics based on their importance as shown in Table 4 below. Our initial list of material issues was based on the following factors:

- Qatar National Vision (QNV 30)
- Sharia Principles
- Historical material issues
- Relevant Industry reports
- Regional and Global sustainability trends and challenges

#	Material Topic	Importance to Stakeholders	Importance to Sustainability	Topic Boundary
1	Affordable and Accessible Services	High	High	External
2	Qatarization	High	High	External
3	Anti-corruption and anti-bribery measures	High	High	External
4	Macro-economic Risks Controls	High	High	External
5	Digital technologies	High	High	Internal/External
6	Technology & Innovation	High	High	Internal/External
7	Health and Safety	High	High	Internal/External
8	Transparency and Reporting	High	High	Internal/External
9	Customer Privacy and Data Security	High	High	Internal/External
10	Sustainable and Responsible Operation	High	High	Internal
11	Brand Leadership	High	Medium	External
12	Customer Experience & Service Excellence	High	Medium	Internal/External
13	Financial Growth	High	Medium	Internal/External
14	Governance and Crisis Management	High	High	Internal/External
15	Shari’a Ethics and Compliance	High	Medium	Internal/External
16	Global and regional expansion	Medium	Low	External
17	Green Finance, Environmental Footprint, and Investments	Medium	High	External

#	Material Topic	Importance to Stakeholders	Importance to Sustainability	Topic Boundary
18	Fair and Transparent Vendors Relations	Medium	Medium	Internal/External
19	Investment in local suppliers	Medium	Medium	Internal/External
20	Inclusive Working Environment	Medium	Medium	Internal/External
21	Talent attraction, Engagement, & Retention	Medium	Medium	Internal
22	Community Investment	Medium	High	External

Table 5: Materiality Table

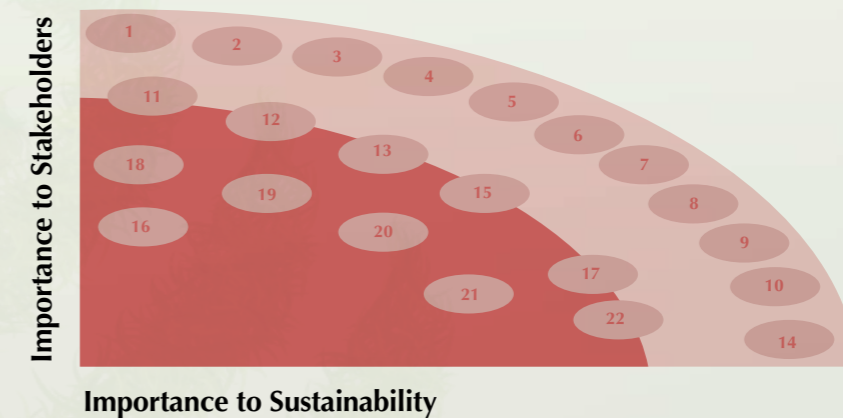


Figure 5: Materiality Heatmap

3.5 Key Corporate Social Responsibility (CSR) Initiatives Highlights

The Year 2023 witnessed an increase in ESG and CSR related investments by the Bank. We have successfully delivered several CSR initiatives, adding to our overall sustainability commitment. We have contributed with almost 23M QAR to the Social & Sport Contribution Fund alone, covering 2.5% of our Qatar Stock Exchange profits. In addition, we have been heavily investing and have been involved in the following initiatives:

#	Initiative/ Institution Name	Description
1	Qatar Banking Studies and Business Administration	Provide support to Qatar Banking Studies and Business Administration Secondary Schools for boys and girls, with the purpose of developing national competencies and empowering citizens in the Banking sector. The Bank also supported the education, qualification and training of Qatari young men and women and provided them with an in-house training in Banking and administration.
2	Promoting Qatari talent	QIIB organised a recruitment event for male and female Qatari candidates, comprising interviews with applicants through the Kawader platform. This event is part of the QIIB’s social responsibility and a contribution to providing added value to the local economy and enhancing youth energy and contribution
3	Hamad Bin Khalifa University (HBKU)	QIIB provided a generous support during the year 2023 to (HBKU), as this support was allocated to achieving the university’s goals in supporting higher education and achieving human development goals. QIIB hosted a career day for students from the Master of Science in Islamic Finance program at the College of Islamic Studies (CIS) at Hamad Bin Khalifa University (HBKU). This came as part of the bank’s corporate social responsibility and commitment to supporting education and cooperating with reputable higher education institutions.

#	Initiative/ Institution Name	Description
4	The 6th International Conference on Entrepreneurship for Sustainability and Impact (ESI)	QIIB sponsored the 6th International Conference on Entrepreneurship for Sustainability and Impact (ESI), held under the patronage of His Excellency Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani, Prime Minister and Minister of Foreign Affairs, Qatar. ESI was organized by The Centre for Entrepreneurship & Organizational Excellence at the College of Business & Economics, Qatar University, and took place from 17 to 19 October 2023. Mr. Mohammed Jamil Hamad, Chief of the Risk Sector at QIIB, participated in a panel alongside prominent opinion makers and economists. The session centred on topics such as financing in Islamic banks, sustainability, and the anticipated role of Islamic banks in promoting green financing and projects aimed at enhancing sustainability.
5	Qatar University Sustainability conference	QIIB honoured at Qatar Social Responsibility Conference and Exhibition held in collaboration with Qatar Social Responsibility Network and Qatar University
6	UNICEF	QIIB participated in a symposium on the role of Islamic charitable work and social responsibility organized by UNHCR. The event was attended by representatives from major companies and organizations interested in charitable endeavours. QIIB's representative at the symposium presented the bank's perspective, highlighting its diverse contributions to charitable initiatives and its various endeavours in the realm of social responsibility.
7	Qatar Secondary School of Banking and Business Administration	QIIB supports the Qatar Secondary School of Banking and Business Administration as part of its commitment to enhancing the engagement of the local community and Qatari people in the banking sector. Additionally, the bank actively participated in career fairs organized by these schools over the past year, with the goal of encouraging students to explore opportunities in banking and acquainting them with the requisite skills for success in the field
10	DERASAT Company for Islamic Banking Research and Consultations	QIIB contributed to the establishment of DERASAT Company for Islamic Banking Research and Consultations, with the objective of advancing Islamic financial instruments and offering guidance to individuals and entities within the Islamic banking sector. The company is dedicated to enhancing the practices of Islamic banking, refining Islamic banking products, and delivering comprehensive services to cater to the needs of Islamic banking clients.
11	Qatar Academy	As part of its CSR strategy, QIIB welcomed two groups of students from Qatar Academy to spend a 'Professional Day' at the bank's headquarters, where they got introduced to various aspects of Islamic banking, banking operations in general and QIIB's services and products in particular.
12	Partnership with Qatar Football Association	We are honoured to host the precious Amir's Cup at QIIB's headquarters in to us, as it is part of a partnership with Qatar football association that started in 2024 and will continue in the coming years and reflects the interest of QIIB to be an effective partner in major sporting events and activities taking place in Qatar. Partnering with Qatar Football Association and our support for football represents our firm commitment to serve our society and promote the values of competition, interaction, cooperation, perseverance, humility and other noble values represented by sports in general.

Table 6: CSR Initiatives

4. Leading Economic Advancement

4.1 Global and National Economic Scene

Despite significant interest rate hikes by central banks to maintain price stability, the global economy has shown remarkable resilience. It's projected that the world economy will continue to grow at a rate of 3.2 percent in 2024 and 2025, maintaining the same pace as in 2023. Global inflation is expected to steadily decline from 6.8 percent in 2023 to 5.9 percent in 2024, and further down to 4.5 percent in 2025, with advanced economies likely to reach their inflation targets sooner than emerging and developing markets.

Qatar has introduced its Third National Development Strategy (NDS3), which includes ambitious plans to boost productivity outside the hydrocarbon sector, drive growth through the private sector, and enhance climate sustainability. Following the economic normalization post-World Cup, a near-term low is anticipated. However, the medium-term outlook is more positive, with growth expected to average around 4.5 percent due to significant increases in LNG production and early benefits from NDS3 implementation.

The Qatar Central Bank (QCB) has aligned its monetary policy with the U.S. dollar peg, improving liquidity management through strategic T-bill issuance, which has enhanced monetary policy effectiveness. QCB's initiatives to reduce short-term foreign asset liability mismatches in banks have promoted longer-term domestic funding. The recently launched Third Financial Sector Strategy aims to deepen financial markets, encourage savings, provide more borrowing and investment options, develop the insurance sector, foster fintech growth, and enhance financial inclusion.

4.2 QIIB Financial Performance

Leveraging our esteemed reputation alongside Qatar's, we have effectively upheld the robustness of our financial standing and ensured steady growth, while forging diverse investment partnerships abroad. Our fiscal report for the year ending December 31, 2023, underscores our adeptness in maintaining both financial stability and profitability. We've concentrated on bolstering operational performance by amplifying our digital channels through a fresh digital transformation strategy. This approach harnesses the opportunities within Qatar's economy and fosters seamless coordination across various business sectors. The success of this strategy is evident in the continual rise of QIIB's indicators, which not only sustain stability but also enhance operational efficiency significantly.

Furthermore, through a combination of robust non-funded income streams and prudent cost containment measures, our bottom-line witnessed a commendable 8.3% growth by end of year 2023. Our net income for the same period amounted to QR1,165 million. In terms of assets, QIIB is the fourth largest listed Islamic Bank in Qatar as of 31 December 2023 and is responsible for roughly 11.6% of the Islamic Banks listed in Qatar. With a market capitalization of US\$ 4.4 Bn as of 31 December 2023, QIIB has the fourth largest market capitalization among all listed Islamic Banks in Qatar on the Qatar Exchange. QIIB's share prices continue its steady growth to QAR 10.69 as at closing 31-Dec-2023

In 2023, the Bank's total assets reached 61.6 billion QAR, compared with 56.4 billion QAR at the end of 2022, representing a 9% growth rate, and its financing activities will amount to 36.5 billion QAR, up from 35.0 billion QAR in 2022. The Bank's operating revenue amounted to QAR 3.6 billion in 2023 as compared to QAR 2.7 billion at the end of the previous year.

The Bank remains efficient and continued to generate positive gross income growth that exceeded the expense growth. Additionally, the cost-to-income ratio remained at a very strong level at 17.9% in 2023. Our 1-year total return has been amounted to 39% assuming the yields in dividends received are excluded. The ROAE increased slightly from 12.1% in 2022 to 12.5% in 2023 indicating a positive sign to the equity investors as they key prioritize profitability and insuring adequate returns for the investors. ROAA has also increased slightly from 1.8% in 2022 to 2.0% in 2023. RORWA has been increased from the past year to 2.29% in 2023 and is expected to increase. The CAR has slightly decreased from 2022 to 2023 however the bank continues to ensure that the Bank has enough capital on reserve to handle the number of losses for possible stage 3 loans. At the end of 2023, coverage of Stage 3 loans stood at 86.6%. Management targets 100% coverage of Stage 3 loans, therefore, guaranteeing coverage ratio to continue to increase going forward.

4.3 Economic Contribution to Qatar’s Economy

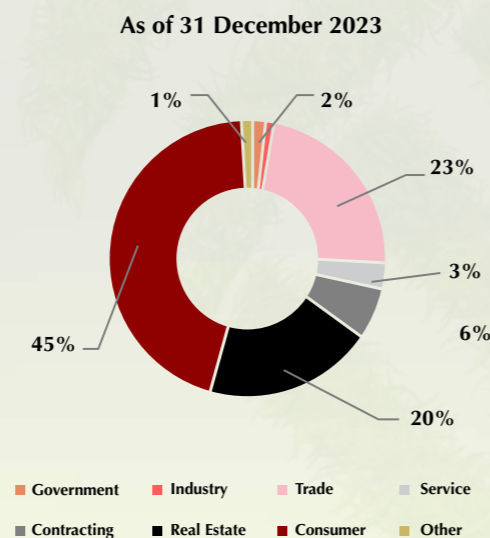
Throughout the year, we worked with a variety of business sectors to fund a number of high-value initiatives that support the nation’s economic growth and are in accordance with our strategic goals. We strongly support SMEs, reiterating our firm belief in the necessity of assisting entrepreneurs in all of their business endeavours, as they contribute significantly to the nation’s economy and represent the future in which we are committed to investing.

QIIB’s strong position in the Banking industry bestowed upon it a specific social obligation. As a result, the Bank continues to support the Qatari community throughout the year by funding a variety of activities and events, donating 2.5% of its net profit to a fund that supports athletic, cultural, social, and humanitarian events. The Bank continued to sponsor the Qatar School of Banking Studies and Business Administration for Boys and Girls, which is seen as critical for the development of national competencies and citizen empowerment for them to operate in the Banking sector. Also, the Bank continued to promote Qatari youth’s training and education by giving Banking and administration courses at the Bank’s different locations across the country. QIIB also played an active role in higher education, signing MOUs with Lusail University and sponsoring Qatar University events. Various additional sporting, cultural, religious, and charitable initiatives have been supported and sponsored by the Bank.

4.4 Sustainable Financing Solutions

By setting up our ESG Framework, we become one step closer in embedding sustainability into our day-to-day operations. Being the second largest Islamic Banking network in Qatar, our sustainability initiatives roadmap has identified several initiatives to be undertaken in order to set QIIB as a local and regional pioneer when it comes to socially responsible lending. In addition, and as part of our commitment to sustainability, our ESG Framework encourages the adoption of sustainable practices to ensure the utmost negative impact on society and the environment, taking into account the related ESG risks.

Sustainable Financing solutions can take many shapes and forms, extending from adopting competitive sustainable financing frameworks, to issuing green sukuk. We currently provide a wide range of financing solutions and services, ranging from SMEs based products, to Large Corporate Banking lending and Governmental/Semi Government Banking based solutions. Financing assets comprise Shariaa compliant financing provided by the Group with fixed or determinable payments. These include financing provided through Murabaha, Mudaraba, Musharaka, Musawama, Ijarah Muntahia Bittamleek, Istisn’a and other modes of Islamic financing. On the investments front, we are working towards achieving the overall goal of excluding investments that are considered to be highly controversial in their business where there are breaches to the United Nations Global Compact. The end goal of our approach aims at reducing the environmental footprint of portfolios and substitute investments with the largest negative impact on society with those that have less of an impact and ensure that the aggregated environmental footprint of these portfolios is below average.

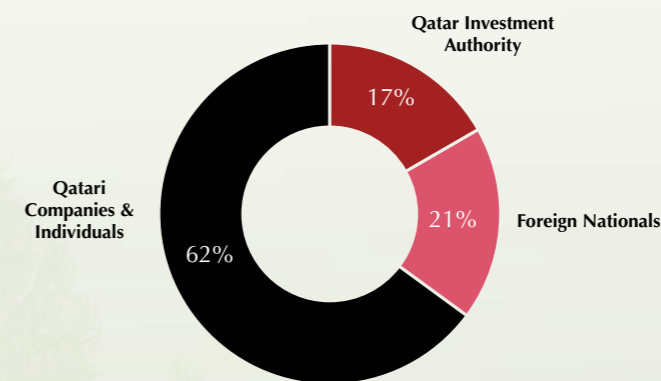


4.5 Sustainable Portfolio Allocation

Looking at our financing portfolio performance, our consumer lending portfolio remains the largest, representing 45% of the total financing book.

We are devoted to expanding our current customer base, keeping our retail clients our priority while providing them with the financing requirements needed. Our second largest financing area in 2023 is the commercial sector, surpassing which was previously the real estate sector which typically holds a risky impact on the climate. We aim to set targets for the Real Estate sector and other significant areas to manage the ESG risks associated with the environmental Impact and will be identifying those risks and reflecting them in our Credit and Risk Policy, supplementing it with additional sector-specific sustainability screening criteria.

Overall, QIIB’s balance sheet sustained growth CAGR of 2.05% between FY 2019 - 2023, notwithstanding slower economic environment. Our Financing book is the largest component of the bank’s total assets representing 59.2% at US\$ 10.0 Bn as at 31 December 2023.



4.6 Stakeholders Engagement

We possess a unique shareholder structure, with Qatari Companies & Individuals owning 62% of the Bank’s shares. Our shareholders engagement is based on their confidence in our brand name strengthened by our strong organic growth since 1991. Our key levers behind our investors’ confidence can be summarized by the following:

- QIIB is increasingly becoming a preferred Banking partner for individuals as well as corporations and financial institutions looking for Sharia-compliant solutions.
- QIIB’s funding is predominantly driven by customer deposits and equity of investment account holders (EIAH) and is backed by the Bank’s own capital.
- QIIB has leveraged its expanding branch network and corporate relationships to steadily grow its deposits base – to be supported further with Corporate e-Banking services.

Our stakeholder’s engagement is governed through a set of internal procedures and is channelled through several communication methods that are tailored to meet our stakeholders’ expectations and deliver the long-term sustainable value they aspire.

#	Stakeholder	Engagement Channel
1	Shareholders and Investors	<ul style="list-style-type: none"> Quarterly financial results Annual General Meetings Interactive and comprehensive disclosures on website Investor’s relations quarterly calls
2	Customers	<ul style="list-style-type: none"> Customer Service Quality Department Mobile and Internet Banking Complaints management Call centre Branches
3	Board of Directors	<ul style="list-style-type: none"> Board meetings Board committees’ meetings Annual General Meetings
4	Regulators and Government	<ul style="list-style-type: none"> Regulatory reporting & Public Disclosures Periodic meetings with Top Management. Inspections & site visits
5	Employees	<ul style="list-style-type: none"> Learning and Development Whistleblowing Ongoing employee engagement survey Performance Appraisal Meetings
6	Suppliers	<ul style="list-style-type: none"> Supplier Audits Tender committees’ meetings
7	Community	<ul style="list-style-type: none"> CSR activities Interactive and comprehensive disclosures on website

5. Creating Social Shared Value

5.1 Serving Our Clients

Value Creation to Clients & Personal Banking

We seek to have a dynamic value creation model that promotes sustainability and ensures our clients are getting the return of value they expect. Modern Banking is changing, and we are transforming the way we work with our clients to match this new environment. Our team continues to deliver market leading innovative Banking solutions developed with our customers' needs in mind.

Regulated by the Qatar Central Bank and highly rated for financial strength and outlook by international rating agencies, we work within local and international standards to deliver the best Shariaa compliant deposit, finance and insurance products for our customers. QIIB Mobile Banking, QIIB Internet Banking and QIIB Phone Banking are all premium services available to all our clients to provide efficient transactional Banking and at a glance account information. At the same time, we recognise our customers benefit from the hands-on and guided approach to Banking which we have always been known and respected for in the community. As a result, we continue to provide our customers with conveniently located and welcoming branches across Qatar.

Our personal Banking services and products are a key pillar in our unique value proposition we deliver to our clients. At QIIB we believe that our first role is to serve the society by offering Islamic products and services of high quality, on appropriate and equitable terms and conditions, which will meet our customer needs and add value to them.

We consider ourselves responsible for developing these products and services on a permanent basis to keep pace with the growing needs of the society in general and various segments in particular. The primary focus is on productive financing, especially in the area of small and medium projects, which provide numerous opportunities for growth and are beneficial to the society.

SMEs and Micro Finance

Through Qatar's National Vision 2030, the state aims to build a vibrant economy through promoting diversification and private sector development. A vibrant SME sector is a strong lever to achieve QNV 2030 goals, playing a major role in enhancing the productivity to the economy. In Qatar, MSMEs constitute key players in the local economy transformation, having the potential to unlock business opportunities and growth. Qatar has witnessed an evolution of the MSME value of accepted credit applications by company size, and growth rate over the past years, showing an increase momentum in the SME Sector as a whole. This has been driven by higher capabilities of companies and the higher acceptance by Banks, including risk appetite.

Addressing SMEs access to finance, one of Qatar SMEs key challenges, requires developing a deep understanding of the SMEs ecosystem & diverse finance situation. With approximately 8% of the SMEs market share in Qatar, we continuously engage with Qatar SMEs and develop new sustainable and innovative products to suit their needs. We developed a new product, called Mazaya, which provide a major "game changing" financial solution to small enterprises. The new end-to-end, cashflow based lending program catered for the SMEs needs by easing the proof of collateral requirements. It helps to meet short term cashflow needs of SMEs, and provide financing that will cover fixed assets, working capital, and overhead costs.

Our dedicated SMEs Banking section continues to provide a number of products and services that are Shariah-compliant and designed to facilitate the SMEs entire needs to maintain and grow their performances.

#	Product/Service	Description
1	Accounts	Current & saving Shariaa compliant accounts
2	Finance	Tailored Islamic finance solutions: <ul style="list-style-type: none"> Working Capital Financing Contracting Finance Corporate Finance & Syndication Project Finance Real Estate Finance
3	Insurance	Takaful insurance Plans
4	Services	Market leading features of e-services and branch support

Table 9: SMEs Products & Services

Digital Banking

The competition in the Digital Banking services has been fierce at all levels, particularly in the development of Banking services to meet the increased demands imposed by present conditions. Specifically, the modernization of the Bank's technological structure and reliance on modern financial activities, such as Alternative Channels, which have seen a large increase in their number of customers.

This digital revolution has resulted in a significant increase in the number of services available to clients via various digital channels. We underline that there is still more work to be done in the future in the field of digital transformation. This aspect is a significant motivator for QIIB to modernize our approach, improve performance, and promote innovation and deliver the best to both Individual and Corporate Customers. Our Mobile Banking remains our customer's preferred method of obtaining financing. We have designed our QIIB Mobile application to be truly "your Bank in your hand". Our customers can conduct local and international transfers, Western Union transfers, Ooredoo & Kahrama payments, along multiple other services using our state-of-the-art application.

Financial Education

With financial education and financial literacy being at the centre of multiple discussions at the different regulatory and development authorities in Qatar, we took the initiatives to work alongside our local ecosystem peers to identify potential solutions and enhancement opportunities. We have identified Financial Literacy as being one of the main challenges facing SMEs in Qatar during our discussions with Qatar Development Bank, and ever since, we have participated in multiple initiatives and activities to increase the financial literacy levels in Qatar.

We have signed a memorandum of understanding for cooperation and exchanging experiences with Lusail University outlining joint cooperation between the two parties, which contributes towards strengthening the role of both entities in attaining their goals, serving the Qatari community, enhancing contribution to development and achieving the objectives of Qatar National Vision 2030. The MoU covers several areas of cooperation, including mutual exchange of experiences and information, which promotes scientific and research cooperation, as well as joint coordination in organising seminars and workshops, giving lectures and training courses, supporting students and disseminating the culture of volunteerism, training and rehabilitation, in addition to other relevant areas.

In addition, we continue our collaboration with our peers at Qatar University on different fronts highlighting our commitment to serving the community, with Financial Education being at the top of our priorities. We continue supporting schools and many educational institutions and wholeheartedly participate in their activities with a view to boost education and facilitate community and nation building.

5.2 Empowering Our Employees

Inclusion and Diversity

We consider our Human Resources Policy to be the Bank's backbone when it comes to inclusion and diversity, as it identifies our commitment in terms of having no limitations in terms of origin, age, gender, colour, or cultural and religious belief when it comes to empowering our employees. We believe that inclusion and diversity is not about slogans, but a real act that needs to be put into practice by institutions and organisations. This will have far-reaching implications on the society and help develop communities and create constructive cooperation between the various parties in our Bank.

At QIIB, we are proud to continue serving our human capital in an excellent, attractive, and advantageous way

Type	Males	Females	Total
Permanent	367	78	445
Outsourced	67	10	77
Qatari Nationals	32	40	72
Qatari Mother	23	11	34

Table 10: QIIB Employees Distribution

As part of our ESG agenda, we have started capturing the data related to employees age diversity. Our team has developed an internal tool to capture the different age groups functioning within the Bank and will be reporting the percentage difference in our next Sustainability Report, including our commitment in hiring youth and the age groups specific retention data. Overall, our employee's retention remains stable at 94.4% in 2023, with around 30 new joiners at different levels to enhance our talent pool and skills calibre across the Bank.

Workforce Wellness

At QIIB, we work continuously with our employees to ensure their wellbeing. Our management sets the tone of having a safe, and stable working environment that is supportive of our employees. We have undertaken multiple initiatives to ensure the smooth processing of the employee's requests and wellbeing related issues. In addition to the implementation of a Human Resources system, we have established a dedicated ticketing system in which the employees can communicate their requests. Employees can get enquiries and apply for compensation, and other wellbeing related matters through our ticketing system which has a defined Service Level Agreement to address and report back to our employees in adequate manner and time.

In addition, and as part of our flexibility commitment, we have also introduced a new category in our Workforce Pro (Attendance system), where employees can identify as "Working from Home". The purpose of this initiative is to allow our employees to adopt to the new, normal circumstances, by having a flexible remote working environment with a full access to the required day to day documents and other operations.

On the other hand, we have also introduced a new initiative for the employees working on site, by providing 50% discount coupons for nearby parking slots for our employees to access. Our employees have provided a very positive feedback towards this initiative, as it contributed positively to their overall wellbeing and state of mind preparing them to have a fruitful working day. As well as, employees whose service has reached twenty-five years are honoured by the management through a ceremony in which an appreciation certificate is granted in addition to a gift of "a sum of money," where the ceremony is covered by the media.

Professional Growth and Career Development

In addition to diversity and inclusion, our Human Resources policy also serves as the cornerstone to our employee's career development. We are committed to invest in our employee's development to enable them to address evolving trends, making significant efforts to accelerate our training agenda in 2023. We are continuously working on enhancing our Employee Value Proposition at QIIB through competitive compensation practices, attractive job titles, and better overall talent management practices

We follow dynamic compensation practices with a comprehensive employee value proposition lens that ensures our employees are getting the return they deserve. We follow a common framework for people practices, such as job grades, job families, and structure change requests to ensure the fair recognition of our employees. Our Compensation package includes diversified benefits, which incentivize our employees to grow professionally.

On the Professional Development front, we ensure to link our employee's performance to a training needs assessment and plan to ensure our employees are well equipped with the essential trainings to provide a quality work. Our annual training plan ensures our employees are developed in their competencies and the overall Bank required needs. The training needs of employees are identified and documented, according to the following criteria:

- Requirements of their present job
- Promotions and transfers
- Skills gaps and/or development needs
- Mandatory training for legal requirement

Commitment to Qatarization

We are continuously working to attract local talent, to enhance productivity and obtain the best possible results. Among our top priorities is Qatarization. Recruiting talented Qataris and assigning them to suitable and responsible positions within the Bank is a high priority for QIIB. We have developed tailored programs and strategies that include Qatarization and empowerment of young Qataris to take their role in the Banking sector and provide them with all necessary means of qualification and training. QIIB has designed comprehensive tailor-made training programmes to help new Qatari recruits properly discharge their duties, improve their skills and develop careers.

Women Empowerment

At QIIB, we strive to enhance gender equality and women's empowerment. With 17.5% of our current workforce consisting of females, we are continuously working on empowering our female workforce to lead the Bank critical operations, and we continue on attracting female talent across our business and support units.

In addition, we have introduced an initiative to provide our female workforce who are currently continuing their higher education with a flexible study leave to foster a supportive and uplifting environment for women.

5.3 Developing Our Communities

Corporate Social Responsibility Approach and Strategic Pillars

At QIIB we are guided by our commitment to our nation in everything we do. We place a significant importance on making a tangible and positive impact on our community and that's why corporate social responsibility is built into our corporate identity and culture. We are proud to contribute to the development of our country and do following three Strategic Pillars:

National Vision: In line with the Qatar National Vision 2030 and the growing importance on developing Qatar as a global sports hub, we are championing a number of sports related activities and contribute to a range of events and conferences focused in this area.

Knowledge development: Our nation's youth are our future leaders and our investment in them today will see them achieve great things for Qatar and further afield. We therefore support a number of schools and hold summer holiday training in financial services at our head office and branches. We have been running the QIIB Career Day since 2013 and have achieved overwhelming success at inspiring and recruiting young Qataris into the workplace.

Social development: We support a range of social development activities that impact the heart of our community. From sponsoring medical conferences and events to supporting charities through local fundraisers, we donate not only financial help, but also volunteer our time and skills.

Since it emerged in 1970 and developed into its current form, Islamic Banking cannot be separated from the concept of community service. It first emerged and grew as a social need then as an economic need. The society seeks financial services that are in line with their values and principles, guarantee the high levels of trust and meet its various requirements in terms of Banking products and services.

At QIIB, we believe Islamic Banking is the most realistic reflection of society's convictions and values in economy as it does not seek quick profits at any price or encourages financial practices that are harmful to individuals and economy. It is an ethical industry that respects society's standards and principles, protects its interests, without seeking enrichment at its expenses and without drowning it with excessive consumption that turned many societies into pure consumers.

Corporate Social Responsibility Programs and Activities

At QIIB, we believe Community Service is an honour and a responsibility, not an option. Serving the country and its people and contributing to its development is one of our key success levers. From sponsoring the International Conference on Partnership and CSR for Islamic Banks and FIs, to various social initiatives that serves our local community, our CSR work was recognized in winning the Banking Excellence for Partnership and Corporate Social Responsibility Award in 2018, 2019, Qatar Social Responsibility award 2023.

In order to consolidate the Islamic Banking experience and spread the knowledge and principles of the Islamic economy and Islamic Banking, the Bank contributed, with other Banks, to the establishment of a study and research company that supports and disseminates knowledge related to the Islamic economy. Furthermore, the Bank provided and is still providing its systematic and continuous support to education by sponsoring many annual activities and events in schools, educational and academic institutions in the State of Qatar, allowing us to be honoured by Qatar Corporate Social Responsibility Network at Qatar University, due to our contribution to the advancement of the educational process and links education to its outputs in the community.

We also support a large number of activities and events that serve the society, namely in sports, culture, heritage, charity and education as well as other non-profit activities which success reflects the economic and profitable institutions' awareness of their corporate social responsibility and the important role they play in achieving the various development goals. QIIB focuses on supporting schools, educational institutions and academic institutions through the Bank's participation in a number of activities as well as on providing them with appropriate resources to conduct activities that enrich and contribute to the development of education. The Bank also supported students' creative projects and welcomed schools that organised professional days in the Bank to deepen the students' knowledge and guide them in their professional life. Moreover, the Bank gives greater attention to human resources, especially Qatari resources, and seek to provide them with care, placement, training and career development opportunities as per the best standards. We are pleased to be among the institutions that play an outstanding role in corporate social responsibility, support innovative initiatives and provide value-added services and products that benefit the largest segment of the society.

Social Media Engagement

QIIB has taken several initiatives to increase its Social Media footprint. We have heavily invested in e-channels and social media pages to inform our customers about the latest updates when it comes to new services and product promotions. Moreover, we have leveraged our social media presence to promote campaigns related to health and fitness, using active customer engagement tools and other incentives such as giveaways to increase our customer penetration levels.

6. Preserving our Environment

6.1 Overview and Introduction

Qatar Ecosystem & the Plan for Sustainable Development 2030

Preserving our environment remains one of the significant long-term threats to our planet. Due to the high usage of non-renewable resources, the world unanimously agreed to reduce the pollution and accelerate the sustainability agenda. To couple with the global momentum, Qatar has established its Ministry of Environment and Climate Change which supported in enabling environmentally sustainable socio-economic development. Today, protecting the environment, global warming, and the depletion of renewable and non-renewable natural resources sets at Qatar's top priorities and National vision.

In line with the goals of Qatar's National Vision 2030, the country has made several efforts to reduce its reliance on the gas and oil industries and transition to a knowledge-based economy, positioning itself as a regional hub for knowledge and high-value industrial and economic activities. This transformation resulted in the launch of a national climate change action plan aimed at achieving a 25% reduction in greenhouse gas emissions by 2030. The plan also envisioned reducing "carbon intensity" of Qatar's liquefied natural gas facilities by 25% by the same year. Qatar is one of the world's largest producers of liquefied natural gas and aims to expand LNG production to 127 million tonnes annually by 2027. Gas production helps combat climate change globally because it can help the world shift from high-polluting fuels like oil and coal to renewable energies. The plan pledged to intensify efforts at carbon capture and storage at its gas production facilities.

Under the National Development Strategy, Qatar has built an energy sector globally recognized for its efficiency in liquefied natural gas (LNG) production, marked by lower emissions compared to its counterparts. Qatar has also achieved remarkable success in the recycling of water, a key scarce resource, treating an impressive 99.7% of wastewater, rendering it suitable for landscape irrigation. Significant advancements have been made in institutional development, notably the efficiency and effectiveness of government institutions and services as reflected in an improvement on the Government Effectiveness Index.

Numerous areas warrant continued environmental development efforts. These encompass further emissions reduction across high impact sectors, curbing national consumption and curtailing CO₂-equivalent emissions imports, bolstering biodiversity protection, improving air quality, and expanding recycling initiatives, in line with Qatar's international commitments and beyond.

Environmental Sustainability - 2030 Targets

- GHG emissions reduced by 25% relative to the business-as-usual scenario by 2030
- 30% of land area & 30% of its marine area protected, 30% of degraded natural habitats restored.
- Groundwater extraction reduced by 70%
- 4-Gigawatt renewable energy capacity
- Per capita water consumption

Qatar's National Vision 2030 (QNV 2030) serves as a framework for the development of national strategies and implementation plans. The National Vision seeks to transform Qatar into an advanced country capable of sustaining its own development and providing a high standard of living for all of its people for future generations by 2030. The importance of constructing a sustainable and environmentally responsible country is emphasized throughout QNV 2030's four core pillars: human development, social development, economic development, and environmental development.

The environmental pillar will become increasingly important as Qatar is determined to deal with both local environmental issues, as well as international environmental issues. Assessing the seriousness of risks and dealing with anticipated changes will necessitate mobilizing resources and coordinating efforts to address problems as they arise. The National Vision 2030 of the State of Qatar prioritizes environmental stewardship in order to build a more sustainable future.

6.2 QIIB Environmental Work Methodology

As part of our ESG Framework, our environmental work methodology is based on multiple measurable KPIs that we have introduced. Our environmental KPIs will be used to track Environmental risks, disclosure, and performance, in addition to measure benefits and outcome of the ESG integration within the Bank activities. The overall purpose of environmental pillar performance management is to contribute to the achievement of QIIB new ESG integration strategy. By developing environmental key performance indicators, QIIB would be able to track and report its environmental program's performance against various targets and strategic initiatives.

We have identified three key levers to govern our methodology implementation:

- Strive to reduce consumption of energy, paper and water as part of the approach towards natural resource conservation
- Minimize the waste footprint of own operations, by recycling and reusing materials where practicable.
- Strive to mitigate environmental risks and impacts associated with the lending operations

In addition, our KPIs and environmental work methodology are set to achieve the following objectives:

- Reduce the Bank's GHG Emissions
- Reduce the Bank's overall energy consumption
- Reduce the Bank's fuel consumption
- Reduce the Bank's water consumption
- Reduce the Bank's total waste generated
- Increase the Bank's waste recycling

6.3 Energy & Water Consumption and Management

We have launched a major initiative to conserve electric energy within our branches and the main office. We have successfully completed a LED transformation project within our main office where we have transferred all our floors lightings into LED lighting. LED lighting produces less waste light and more useful lumens than other lighting technologies. LED transformation projects are usually linked to as much as a 60% to 70% improvement in the overall energy efficiency.

6.4 Greenhouse Gas Emissions

At QIIB, we are still in nascent stage when it comes to measuring and managing Greenhouse Gas Emissions. QIIB is committed to responsible business. We always seek to follow global recommendations and standards, where applicable, in addition to compliance with applicable rules and regulations. Thus, we have identified several Gas related indicators in our ESG Data Collection Tool to start quantifying and measuring GHG emissions, and to report it in the future

6.5 Waste Management

On the waste management front, we have invested heavily in reducing our paper usage and on our Bank wide waste management agenda. In our efforts to become a paperless Bank, we have approved the usage of E-signatures in official Bank operations. Employees can now sign papers digitally, which significantly helped in reducing our paper usage across the Bank.

In addition, we have also outsourced our printers' operations in an effort to manage and reduce paper usage across the Bank. We also introduced a "Clean Desk" policy, where employees are mandated to clean and dispose their waste properly on daily basis.

6.6 Preserving the Environment through Financing

We have proudly financed multiple projects and customers who worked on environmentally friendly activities and who are leading by example on the environmental front, under categories such as pollution prevention, development of green buildings , renewable energy , clean transportation and employment generation .

7. Leadership and Governance

7.1 QIIB's Governance Principles and Framework

QIIB seeks to adopt the best governance standards and practices, as well as, implementing the instructions and guidelines for Banks and financial institutions issued by the Qatar Central Bank on August 2022, and to adhere to the principles outlined therein. The Bank also abides by the principles issued by the Qatar Financial Markets Authority's Corporate Governance Code, Resolution No. 5 of 2016, along with the internal governance regulations and commercial laws, while considering the international standards, practices, and provisions for governance rules for the specifics of the State of Qatar. QIIB's governance goal is promoting culture institutionalization and the application of sound management in the Bank, in addition to, the application of proper standards and Islamic values in all of QIIB's transactions.

The governance standards represent the relevant features of QIIB to fulfil the governance requirements of our obligations towards our shareholders, customers, employees and all stakeholders, thus, strengthening the relationship with them, taking care of their interests and complying with the principles of transparency and disclosure. Defining the role and responsibilities of the board of directors and the executive management whilst training them on an ongoing basis, ensures the existence of mechanisms to enhance the effectiveness of internal control and risk management.

QIIB is committed to reviewing and updating the Code of Business Conduct that embodies the Bank's values and other internal policies and procedures that the members of the Board of Directors, employees and advisors of the Bank must commit to periodically to ensure the Bank's commitment is up to the best governance standards to keep up with current changes whether in practices or the development of relevant procedures and legislation.

In its annual corporate governance report, the Bank seeks to consider the general interest of the shareholders and the interest of the market listed in it. QIIB is dedicated to submitting an annual report that exist to protect investors and to display the extent of compliance to achieve justice and equality among stakeholders. Moreover, the Bank ensures compliance with the rules of transparency and disclosure, making information available to supervisory authorities and stakeholders in a timely manner while upholding the values of the company's social responsibility, and presenting the general interest of the company and its stakeholders.

The Board of Directors works on reviewing and updating the governance applications on an ongoing basis for the principle of trading fairly among shareholders, the development of a code of professional conduct that embodies the Bank's values, in addition to, reviewing its policies, the Bank charters, the policy of transactions with related parties, and the rules for dealing with insiders.

7.2 Board Committees

Executive Committee

The Committee was formed by a decision of the Board of Directors consisting of five members, four of whom are members of the Board of Directors. The CEO is added as a fifth member of the committee who assists the Board of Directors in carrying out the responsibilities related to Banking and optimal investment of the Bank's resources and supervising on the general policies of the Bank, the process of developing the Bank's systems and programs, and the distribution of profits for the owners' accounts.

Responsibilities:

- To supervise the management of the Bank in the event that the board does not meet in frequent periods, and to create a continuous relationship between them and the Board of Directors.
- To manage the Bank and issue approvals for granting local financing within the power entrusted to the committee according to the financing policy approved by the Board of Directors and submitting recommendations to the Board of Directors to enter into external investments, in international financing operations or entering into local and international instruments or international funds.
- Supervising the Bank's general policy, developing the Bank's systems and programs, reviewing the organizational structure and distribution of branches and approval of dividends for holders of deposits and savings accounts on demand.
- The committee presents reports, minutes of meetings, and the contents of its decisions and recommendations in the first subsequent meeting
- The recommendations of the committee during its meetings includes granting credit financing according to the power granted to the committee by the Board of Directors, in addition to topics related to policies, development, and the distribution of profits under the account to depositors

Nomination and Governance Committee

The Committee provides assistance to the Board of Directors in recommending the selection of suitable members to the Board of Directors, reviewing the qualifications and conditions of the candidates for the Board of Directors, and verifying the compliance of the specified conditions for membership of the board, and the Bank's senior management positions. The committee also ensures that the Bank applies the best standards of corporate governance in the Bank and sound management in line with the instructions of the Qatar Financial Markets Authority and Qatar Central Bank.

The committee is formed by a decision of the Board of Directors, consisting of four members, three of the members from among the members of The Board of Directors. The Committee studies and reviews the candidates for appointment of the senior management positions in the Bank.

Responsibilities

- Choosing the persons qualified to join the members of the Board of Directors from the applicants for candidacy for membership of the board without depriving any of the non-independent members to run for candidacy in the Board of Directors and to choose the main officials in the executive management of the Bank according to the qualifications set by the committee for the candidate and the selection of the appropriate person in the appropriate position for each job.
- Develop an appropriate plan to replace or remove the members of the board in line with the Bank's articles of association and the laws of commercial companies and governance instructions issued by the Qatar Central Bank.
- Reviewing human resources general policies to ensure that there is a succession plan for members the Board of Directors and the main officials of the Bank.
- Independently evaluate the effectiveness of the Board of Directors as a whole and the effectiveness of each member of the Board of Directors according to the foundations laid by the committee. Evaluate the performance of key officials in the senior and executive management in the Bank and the extent to which they have achieved the required goal, and to submit this assessment to the Remuneration Committee and the Board of Directors.
- Supervising the preparation and updating of the Bank's corporate governance guide and policies and monitoring its implementation by working with the Executive Management, the Audit Committee, the Sharia Supervisory Board, the competent department of the Bank, and the supervision of issuance of the annual governance report.

Risk & Compliance Committee

The Committee assists the Board of Directors and other supervisory authorities in carrying out the responsibilities related to the administration of the process of reducing the Bank's risks from all financial, operational, and Banking aspects. The committee ensures the effectiveness of the system to limiting the Bank's risks from all aspects through achieving a safe environment for the Bank in general and supervising the risk sector and its departments, as well as, following up on controlling the risks associated with money laundering and terrorist financing operations while supervising the Bank's compliance.

Responsibilities

- Adopting a comprehensive strategy regarding the type and level of acceptable risks for all banking activities, approving it from the Board of Directors, and reviewing and developing it on an ongoing basis.
- Preparing risk and compliance policies and procedures before their approval by the Board of Directors (liquidity / market and credit / operational / reputation / legal risks / strategic risks / anti-money laundering and terrorist financing risks / information security / compliance /ESG .
- Supervising the risk and compliance sector and drawing broad guidelines in order to achieve a balance between risk susceptibility and its impact on the capital required to mitigate it.
- Submitting periodic reports to the Board of Directors through the committee's minutes showing the risk and compliance conditions in the bank, including the risks to which the bank is exposed and any violations of the laws and regulations, monitoring the extent of the executive management's commitment to the approved risk management policies and the extent of its commitment to the laws and regulations .
- Ensuring the presence of a qualified staff team working independently in the risk and compliance sectors.

Remuneration and Compensation Committee

The Committee ensures that justice and independence are achieved in granting remunerations, compensation and incentives in the Bank through sound and objective policies and foundations that depend on what was presented to the Bank and has a positive role in achieving growth in the Bank's revenues with the least possible risk.

Responsibilities

- To supervise the policies and practices of remuneration, compensation and benefits for the Board of Directors, management, senior, executive, and all approved jobs and ensure their compliance with the instructions of the supervisory authorities while taking into account the interest of the Bank and the shareholders and their approval of the best Banking and governance practices after reviewing the evaluation processes carried out by the Nomination Committee for the performance of the members of the Board of Directors and executive management.
- Work with the Risk Committee in evaluating the incentives offered under the evaluation-based reward system risks and that the rewards in the Bank depend on an objective system for measuring performance that is linked to the management framework and the application of internal controls and regulatory requirements in order to evaluate and measure employee performance at different levels including the policy of bonuses and allowances of members of board of directors and executive managers.

Audit Committee

The Audit Committee consists of three members, and the majority of the Audit Committee members are independent members of the Board. All of the members are non-executives and have experience in financial, accounting and auditing matters. The Committee may invite any person who is not a member to attend any meeting, including the CEO, head of the internal audit, the external auditor and any other employee. The audit committee's responsibilities consist of assisting the board of directors (or other supervisory authorities) in carrying out the responsibilities related to the supervision of the process of preparing and presenting financial and internal audit reports and ensuring the effectiveness of the internal control system in the Bank in general.

Responsibilities:

- **Financial statements:** Review of the drafting of the interim and annual financial statements of the Bank and their discussion with the executive management, the external auditor, the budget allocated for this, and the review of the reports prepared by the internal and external auditor.
- **Internal control:** Review the effectiveness and adequacy of the internal control system, the overall risk control, hedging system and the financial control system for the accounting and financial practices of the Bank. Additionally, reviewing the effectiveness of the internal control in the Bank regarding the preparation of annual and interim financial statements, including information technology security and control.
- **Internal Audit:** The committee undertakes all matters related to the internal audit department, such as reviewing and approving the plan, annual internal audit review, make recommendations to the Board of Directors and evaluating the efficiency of employees in the audit sector, as well as, reviewing the effectiveness of the internal audit work and the extent of compliance with the professional standards for the practice of internal auditing.
- **External Audit:** Follow-up on all matters related to the external auditor, such as the recommendation to the Board of Directors for nomination and removal of the auditor, fees, audit results for the tasks assigned to it, reviewing the scope of the audit, and ensuring the independence of the auditors, including any other services provided by the Bank's external auditor.
- **Compliance with Laws and Regulations:** Review the effectiveness of the monitoring system for compliance with laws and regulations and the results of investigations and follow-ups conducted by the administration (including disciplinary measures) regarding cases of non-compliance and the results of examinations that the supervisory bodies may conduct, the results of the auditors' observations and the review of the communication of rules of Conduct to Bank employees. Monitor compliance with employees and obtain periodic updates from the executive management, legal adviser and compliance officer of the Bank on matters relating to compliance with laws and regulations.
- **Access to Information and Records:** The audit committee has unrestricted access to members of management, executive and employees, and has the authority to request any information from employees or third parties to fulfil its responsibilities.
- **Reporting and Issuing Reports:** Issuing periodic reports to the Board of Directors on the activities of the Committee and topics and recommendations related to them.

7.3 Values, Conduct and Conflict of Interest

The Bank has special procedures for disclosure regarding the quarterly and semi-annual financial statements that have been approved by the Board of Directors. The Bank's articles of association include special requirements for disclosure and data to be provided to shareholders. The annual corporate governance report includes a full disclosure to the shareholders of all the required data that may be requested by the shareholder regarding the implementation of good governance and management in the Bank.

The Bank has among its policies to continuously disclose any data or information that requires disclosure to shareholders and investors. It includes the Bank setting its policy regarding dealing with conflict of interest in accordance with the requirements of Paragraph No. 2 of Article 25 of the Corporate Governance Code.

7.4 Governance Structure, Performance and Remuneration

Article (66) of the Bank's articles of association stated that a minimum percentage of 5% of the profits must be distributed to Shareholders. The Bank has a policy for distributing profits to shareholders after noting that the Bank has distributed dividends to shareholders equivalent to 45% of the capital as a return on the share, which is approximately 58% of the net annual profits for the year 2023.

Article 20 of the articles of association also states that the right to receive profits is to the last shareholder in the records the Bank. The shareholder is entitled to his share of the profits in accordance with the Bank's articles of association, the regulations set by the Qatar Financial Markets Authority "QFMA" and the Qatar Stock Exchange "QE", i.e., for the shareholders registered in the shareholders register with the depository at the end of trading day of the general assembly of shareholders.

For the year ended December 31st, 2023, the remuneration of the Chairman and members of the Board of Directors were paid at a rate not exceeding 1.7% of the net profit of the previous fiscal year, including an amount of (14.789.000) Qatari Ryals .

Remuneration for the fiscal year 2023 was distributed equally among the members of the Board of Directors and the share of two members to His Excellency the Chairman, in addition to the allowances for attending the Board meetings. Ten thousand riyals are paid for each meeting attended, with a maximum of 50 thousand riyals for the council or each committee of the board .

The remuneration of the board, and in particular the attendance allowance, depends on the number of the member's participation in the Board of Directors. The financial compensation of the QIIB employees include the executive management amounted to (35.640.000) Qatari Ryals.

7.5 ESG Governance

The methodology for developing our ESG governance structure is based on a holistic approach to sustainability, with a joined-up structure that operates across the Bank. We understand the importance of a clear and robust ESG governance structure, which is an essential component for long-term success. In this regard, the Bank has established a dedicated ESG Committee reporting to the Board of Directors to drive communication and oversee the implementation of the ESG manual and commitments.

The ESG committee is the forum for executive consideration of ESG strategy with the authority to oversee ESG manual implementation. The ESG Committee shall meet every quarter and is headed by the Chief Executive Officer. The day-to-day implementation of the ESG Manual shall be a Bank-wide activity involving coordination of the ESG unit within Risk Sector with all the control, corporate, and operation functions. The roles and responsibilities of the committee can be summarized by the following:

- Review and recommend strategies to implement the ESG manual and related procedures.
- Defines and drives the implementation of the ESG strategy.
- Analyse the operational impact of the ESG proposed strategies on the Bank.
- Approve proposed strategies.
- Review and approve manual exceptions.
- Define risk tolerance and accept or reject the risk related to ESG that impact the Bank operations
- Review and initially approve the Bank's annual sustainability report and CSR report.

7.6 Audit and Control Environment

The internal audit sector is considered as the third line of defence and one of the most important control sectors in the Bank. The internal audit reports directly to the Audit Committee by appointing the head of the audit sector - after the approval of the Qatar Central Bank. The Audit Committee is solely responsible for appointing the internal audit staff and determining their salaries and remunerations, promotions or termination of their services, and all administrative or financial matters related to these employees in accordance with the resource policies approved by the Board of Directors in order to achieve complete independence of the internal audit department. The internal auditors are specialists in audit matters and have high professional and personal qualifications which contribute to improving the Bank's performance level.

The Bank enjoys an integrated, sound and effective internal control system in terms of design and application. This system is continuously evaluated and improved to increase its effectiveness whenever it becomes clear. The existence of control gaps or opportunities, both in terms of policies and procedures, allows the Bank to update and review these policies and procedures periodically to verify its sufficiency and suitability. The Bank follows up on the latest Banking and financial technologies and any developments in electronic services, to update the electronic systems implemented in most of the Bank's operations that aid in reducing errors and fraud opportunities. Additionally, the Bank has specialized sectors in the field of internal audit compliance and risk management, which gives the effectiveness of the intrusive audit process:

- The existence of an effective audit committee emanating from the Board of Directors that supervises the internal and external auditors to enhance their independence and submit reports periodically and regularly on the units and activities under review. The adequacy and effectiveness of the internal control system is continuously reviewed by the audit group. According to an annual plan under the supervision of the financial sector and with the support of the supervisory sectors in the Bank as aspects of internal control are reviewed periodically by the external auditors as well as examinations carried out by the Qatar Central Bank.
- Paying the Bank's management sufficient attention to the results of the internal control system review, which is represented in the extent of its adequacy and the effectiveness of some control measures, especially if there are cases of failure. The Bank is diligent with any observations that are seriously revealed and works to follow up on correcting them by setting controls to ensure that they are not repeated.

7.7 Protection of Shareholders' and Stakeholders' Rights

The Bank equalized the shareholders in the rights arising from the ownership of the share in regard to the applicable laws and regulations. According to the updated Bank's articles of association, there is no discrimination from a shareholder to other shareholders, including voting on the decisions or in voting for the selection of members of the Board of Directors

The articles of association provide information that the board of directors must deliver to the shareholders access to information and may be requested in a manner that does not harm the interests of the Bank. Article 37 ensures availability of information to shareholders before a week from the shareholders' general assembly meeting to enable them to exercise their rights in addition to publishing quarterly, semi-annual and annual financial statements in the local newspapers, on the Bank's website, and on the Qatar Stock Exchange website

The articles of association stipulate in Article 77 that the shareholder has the right to obtain information, as each shareholder has the right to receive information that enables them to exercise their rights in full, without prejudice to the rights of other shareholders or harm the interests of the Bank.

7.8 Regulatory Compliance and Anti-Financial Crimes

Compliance Culture

QIIB is dedicated to fostering a culture of commitment and ethical conduct, crucial to its sustainability principles and strategies. This commitment is reflected in the Compliance & Anti-Financial Crime sector's annual plan. The "Tone from the top" approach shows clear support from the board and senior management. QIIB provides multiple channels for reporting violations or suspicions. The sector's independence optimizes performance in maintaining a sustainable compliance environment and ethical conduct.

Regulatory Compliance

The Compliance & Anti-Financial Crimes sector observes regulatory compliance as essential to sustainability. Regulatory instructions form the foundation of the bank's regulatory framework, aligned with leading international standards. QIIB adheres strictly to KYC, due diligence, and customer identification regulations, incorporating global best practices. The board enforces strict policies against bribery, corruption, and conflicts of interest which is overseen by the Compliance & Anti-Financial Crimes sector.

Anti-Money Laundering & Counter-Terrorist Financing & Arms Proliferation

QIIB utilizes industry-leading methodologies to monitor and analyse customer data and behaviours, assigning risk scores and detecting suspicious activities through automated systems. Reported cases are investigated, and authorities are notified timely. A comprehensive risk-based approach coupled with industry leading risk assessments and mitigations is implemented.

Fraud Detection and Prevention

QIIB collaborates with law enforcement, regulatory authorities, and industry partners to stay updated on fraud trends and threats. Advanced fraud monitoring tools and strong internal controls prevent unauthorized access and fraud along with ongoing fraud risk assessments.

In summary, QIIB's comprehensive approach to compliance and anti-financial crimes ensures ethical conduct, regulatory adherence, and robust fraud prevention, reinforcing the bank's sustainability and integrity. Ongoing training and workshops ensure effective Compliance & AFC responsibilities at all bank levels.

7.9 Risk Management (Resilience, Cyber security and data privacy)

Business continuity and Resilience management

is a QIIB framework which provides the ability to respond to disasters in a way that guarantees the interests of the Bank, its assets, customers and reputation through studying key impacts of an interruption and the provision of mechanisms, plans and policies to ensure the ability to respond to these situations. With the cooperation of various stations to develop alternative procedures and work sites to ensure its effectiveness by conducting the necessary periodic drills in addition to preparing the continuity plans, and coordination of the recovery and remedial actions.

Cyber Security management

Is a QIIB framework that covers cyber security events that may affect the bank, its clients, business partners, or staff. Cyber security framework is designed to enable a quick and effective response to cyber-attacks with an objective to minimise the loss, leakage, or disruption, and to use insights gained from handling of incidents to continuously improve bank's cyber security capabilities.

Data privacy

Is a QIIB framework for advising on and monitoring the lawful collection processing and use of personal data by the bank's business divisions. This framework also defines data protection principles and sets consistent requirements and minimum control standards to comply with applicable data protection laws and regulations.

8. Appendices

8.1 Qatar Stock Exchange ESG Performance Metrics

In recent years, sustainability factors have become increasingly important. More and more, investors are looking at the extent to which companies are able to operate and develop their businesses in a sustainable way. Due to this, Qatar Stock Exchange ("QSE") introduced an ESG Guidance to assist listed companies wishing to incorporate ESG reporting into their existing reporting processes. We have mapped our sustainability report and our substantiality performance to QSE ESG reporting Guidelines as per the below:

ESG Category	QSE Area	Measure	2023 Response
Environmental	Environmental Policy	Does the company publish and follow an environmental policy? Yes/No	Yes
	Environmental Impacts	Any legal or regulatory responsibility for an environmental impact: Yes/No If yes, explain	No
	Energy Consumption	Total amount of energy usage in MWh or GJ	4,698 MWh
	Energy Intensity	Amount of energy used per M3 of space, and per FTE	7.17 MWh/FTE
	Carbon/GHG Emissions	Total amount of Carbon and Green House Gas emissions in metric tons	TBC
	Primary Energy Source	Specify the primary source of energy used by the company	Electricity
	Renewable Energy Intensity	Specify the percentage of energy used that is generated from renewable sources	0%
	Water Management	Total amount of water consumption, and details in respect of recycling if any, in M3	6902 M3
	Waste Management	Total amount of waste generated, recycled or reclaimed, by type and weight /kg	124800
Social	Full Time Employees	Number of full-time employees	441
	Employee Turnover Rate	Percentage of employee turnover	7.2%
	Employee Training Hours	Total number of hours of training for employees divided by the number of employees	5.45 Hours/Employee
	Health	Does the company publish and follow a policy for occupational and global health issues? Yes/No	No
	Injury Rate	Total number of injuries and fatal accidents relative to the number of FTEs	0
	Human Rights Policy	Disclosure and adherence to a Human Rights Policy	Yes
	Human Rights Violations	Number of grievances about human rights issues filed, addressed and resolved	0
	Child & Forced Labour	Does the company prohibit the use of child or forced labour throughout the supply chain? Yes/No	Yes
	Women in the Workforce	Percentage of women in the workforce	17.9%
	Qatarization	Percentage of Qatari nationals in the workforce	24%
Community Work	Number of hours spent, and/or other community investments made as a percentage of pre-tax profit	2.5% – 3%	
Local Procurement	Percentage of total procurement from local suppliers	75.25%	

ESG Category	QSE Area	Measure	2023 Response
Governance	Board – Diversity	Percentage of Board seats taken by women	0%
	Board – Independence	Percentage of Board seats taken by independent directors	33.3%
	Board – Separation of Powers	Specify whether the CEO is allowed to sit on the Board, act as the Chairman, or lead committees	No
	Voting Results	Disclosure of the voting results of the latest AGM	Yes
	Gender Pay Ratio	Ratio of median male salary to median female salary	0.85:1
	Incentivized Pay	Specify the links between (executive) remuneration and performance targets	Yes
	Ethics Code of Conduct	Does the company publish and follow an Ethics Code of Conduct? Yes/No	Yes
	Supplier Code of Conduct	Does the company publish and follow a Supplier Code of Conduct? Yes/No	NO
	Bribery/Anti-Corruption Code	Does the company publish and follow a Bribery/Anti-Corruption Code? Yes/No	Yes

Table 11: QSE Indicators Mapping