



# QNB Group Environmental and Social Risk Management Policy Framework

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## Summary Profile

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## 1.0 Our Commitment

QNB is committed to integrating long-term environmental and social (“E&S”) considerations into our business practices to promote sustainable value creation. We understand the significant role we play in society by adopting responsible business practices and promoting sustainability through our financing activities.

Sustainability, at its core, refers to conducting business in a way that meets the needs of the present without compromising the ability of future generations to meet their own needs. This means integrating long-term E&S Risk (“ESR”) considerations into our business practices and decision-making processes to promote lasting value creation, especially in our financing activities.

E&S factors encompass a wide range of considerations. Environmental factors focus on issues such as climate change, resource depletion, and pollution. Social factors, on the other hand, relate to the impact on people, including Labour practices, community relations, and human rights. By integrating E&S considerations into our financing process, we actively mitigate the environmental and social risks that could arise from the transactions we finance. Our due diligence process ensures that potential risks are identified early and managed effectively, while helping our clients adopt sustainable practices. This holistic approach supports long-term sustainability by fostering ethical behaviour alongside environmentally conscious actions, which ultimately strengthens our clients’ resilience and contributes to our long-term financial performance.

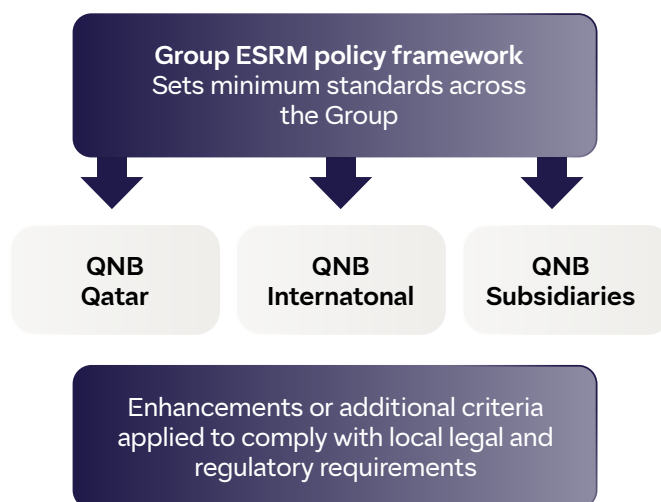
## 2.0 Purpose and Scope

The QNB Group Environmental and Social Risk Management (“ESRM”) Policy Framework has been developed to outline QNB’s approach to managing E&S risks across its financing activities, especially for transactions that could potentially have a significant impact on the environment or society. The policy framework ensures that these risks are properly assessed and managed, and the bank avoids financing transactions that do not meet the established E&S standards.

The policy framework sets forth minimum standards for the identification, assessment, and management of ESR in corporate and project finance transactions that meet our threshold criteria (as defined in Section 6.1). These (in-scope) transactions require a full ESR assessment to ensure comprehensive due diligence.

## 3.0 Coverage and Target Audience

This policy framework applies to all QNB Group operations, including our headquarters in Qatar and all international branches and subsidiaries where QNB holds a majority stake, and aligns with the bank’s sustainability policy and E&S commitments, ensuring that QNB’s lending decisions reflect its broader responsibility to society and the environment. Local branches may introduce additional criteria to meet local legal and regulatory requirements, but these must align with the overarching principles outlined in this policy framework. In cases where local regulations or policies are more stringent than Qatar, those local requirements will take precedence.



## 4.0 Internal and International Standards

This policy framework is aligned and implemented in conjunction with the established QNB Group policies and frameworks listed below:

- QNB Group Sustainability Policy
- QNB Group Wholesale and Institutional Banking Credit Policy
- QNB Sustainable Finance and Product Framework
- QNB Group Code of Ethics and Conduct
- QNB Group Human Capital Policy
- QNB Third Party Supplier Code of Conduct
- QNB Third Party Risk Assessment Framework
- QNB Group Enterprise Risk Management Policy
- QNB Group Disclosure and Transparency

Our principles and sustainability approach have been developed in accordance with national and international laws and regulation. In addition, we support and recognise the following conventions, standards and initiatives as part of our responsible framework:

- Qatar National Vision 2030
- United Nations Global Compact
- United Nations Sustainable Development Goals (SDG)
- United Nations Guiding Principles for Business and Human Rights
- International Labour Organisation's (ILO) Declaration of Fundamental Principles of Rights at Work
- World Bank Environment, Health and Safety Guidelines
- Global Reporting Initiative (GRI)
- International Capital Markets Association (ICMA) Green and Social Bond Principles, and Sustainability Bond Guidelines
- International Finance Corporation (IFC) Performance Standards

## 5.0 QNB Group's Environmental and Social Commitments

QNB Group is dedicated to integrating environmental and social considerations across its operations, ensuring responsible business practices. To achieve this, we commit to the following principles:

- We will adhere to all relevant environmental and social laws and regulations in every geography where we operate.
- We will respect human rights, promote diversity and inclusion, and comply with applicable labour laws, ensuring that our business activities, operations, and financing decisions do not contribute to human rights violations.
- We recognize the direct and indirect impact of our operations on the environment and society. Where feasible, we will implement measures to mitigate negative impacts, focusing on resource consumption and addressing challenges related to climate change.
- We will support sustainable and responsible development through our products, services, and financing activities, as well as by influencing sustainability in our supply chain.
- We will not knowingly finance or engage in projects or activities that are illegal or likely to cause adverse, irreversible, and detrimental effects on the environment or society, as outlined in our Exclusion List (Section 8.0).
- We will guide, collaborate with, and encourage clients and third parties, where appropriate, to actively manage their E&S risks and support the transition to a green economy, following the guidelines outlined in Appendix 1: ESR Sector-Specific Guidelines.
- We will apply risk-based categorization to all designated projects and transactions, integrating environmental and social risk assessments into our due diligence processes.
- We will build internal capacity to manage sustainability and E&S risks, demands, and inquiries, while also establishing and promoting E&S related projects and initiatives.
- We will transparently disclose our environmental, social, and sustainability performance through public reporting, and engage with internal and external stakeholders to understand their expectations through appropriate communication channels.
- We will incorporate E&S and sustainability principles into employee training programs, ensuring that all staff understand and adopt these key commitments.

## 6.0 ESR Screening Process

QNB understands that financing activities, particularly in sectors such as large infrastructure, industrial developments, and corporate transactions, carry inherent environmental and social risks. As a responsible lender, QNB is committed to identifying, assessing, and mitigating these risks through its ESR Screening Process.

The ESR Screening Process is designed to evaluate the potential environmental and social impacts of the transactions we finance. By working closely with our clients, we ensure that these risks are managed effectively, supporting sustainable business practices. Our goal is to ensure that all lending decisions within the scope of this policy framework align with our commitment to sustainability, minimizing potential harm while promoting positive outcomes for both the environment and society.

### 6.1 Scope of Transactions Subject to ESR Screening

Given the scale of our operations as an international bank, QNB handles a large volume of transactions across various markets. While we are continually enhancing our capabilities, we focus our ESR screening on transactions that meet specific thresholds to ensure a rigorous and efficient evaluation process. This targeted approach enables us to apply our resources effectively, prioritizing transactions with significant environmental and social impacts. Accordingly, we conduct screening for transactions that meet the following criteria:

- Corporate Loans: all new Term Loans where the total facility is equal to or above USD 25 million and has a tenor of minimum 2 (two) years.
- Project Finance Loans: all new Corporate Project Finance (non-recourse) loans with a QNB credit/ loan amount equal to or above USD 10 million (or where total syndicated facility is equal to or above USD 100 million) and a tenor of minimum 2 (two) years.

By concentrating on these in-scope transactions, we ensure that our E&S risk assessment is both comprehensive and impactful.

## 6.2 ESR Screening Process

Once a transaction is identified for screening, QNB follows a structured process to assess its environmental and social risks. The transaction is assigned an ESR Categorization Rating (Low, Medium, or High) based on this assessment. This risk categorisation helps guide decision-making, ensuring that medium or higher-risk transactions undergo additional scrutiny and mitigation. The screening consists of the following step:

- 1. ESR Exclusion List Screening** (all in-scope Transactions): The first step is to screen the transaction against QNB's Exclusion List (Section 8.0), which identifies sectors and activities that QNB will not finance under any circumstances. If the transaction involves any of the excluded activities, it will be immediately rejected.
- 2. ESR Restricted Sectors & Prohibited Activities** (all in-scope Transactions): If the transaction passes the Exclusion List screening, it is reviewed to ensure compliance with the guidelines on QNB's Restricted Sectors and Prohibited Activities (Section 9.0). These are sectors QNB may consider financing under strict conditions, but certain high-risk activities within these sectors are completely prohibited. Transactions in these sectors receive heightened scrutiny at this stage.
- 3. ESR Sector-specific Guidelines** (all in-scope Transactions): After the initial screening, the transaction is assessed against the Sector Guidelines (Appendix 1) for industries that are particularly exposed to higher environmental, climate, and social risks. These guidelines provide further insights into whether the transaction should be classified as medium or high risk based on this qualitative analysis and ensure that all sector-specific risks are addressed appropriately.
- 4. ESR Categorization List** (all in-scope Transactions): The transaction is also cross-checked against the ESR Categorization List (Appendix 2), which classifies sectors, sub-sectors, and activities based on their inherent environmental, social, and climate-related risks. This step helps indicate whether the transaction falls into the low, medium, or high-risk category.
- 5. ESR Transaction Assessment** (all in-scope Transactions): A further assessment is conducted to evaluate the potential environmental and social impacts of the transaction. This involves identifying any adverse risk events through market analysis and specialized external research tools that capture real-time data on environmental factors such as pollution, resource usage, and impacts on local communities, as well as emerging social risks. These risks, whether newly developed or likely to arise, could potentially increase the overall ESR, including reputational risk to QNB if not properly mitigated. For example, the risk rating identified in step 4 could escalate from medium to high.
- 6. ESR Client Assessment** (Medium & High Risk Transactions): If the transaction is classified as medium or high risk, a thorough ESR Client Assessment is carried out. This involves evaluating the client's environmental and social performance, track record, and ability to manage E&S risks. Client questionnaires and external data sources are used to gather this information, which helps finalize the risk evaluation.

### 6.2.1 Transaction Assessment

**Focus:** On the specific environmental and social risks associated with a particular transaction. It evaluates the risks inherent to the project or activity being financed, such as pollution, community displacement, or resource use.

**Scope:** This is more granular and specific to the nature of the transaction and its potential impacts on the environment or society.

**Due Diligence:** The due diligence for a Transaction Assessment includes:

- **Project-Specific Risks:** Identifying potential risks like pollution, deforestation, or impacts on local communities that arise from the specific project.
- **ESRM Questionnaires (for projects):** Focused questions related to the environmental and social risks of the specific transaction.
- **Real-Time Data Tools:** Tools to capture data about adverse risk events such as recent environmental incidents or community protests.
- **Mitigation Measures:** Analysing the measures the client or project developer plans to implement to reduce identified risks.
- **Site Visits (for projects):** For high-risk transactions, site visits are often required to evaluate the actual conditions on the ground and the project's likely impact.

### 6.2.2 Client Assessment

**Focus:** On the overall environmental and social performance of the client or counterparty. It evaluates the company's ability to manage E&S risks across all of its operations, not just within a single transaction.

**Scope:** This is a broader assessment of the client's historical compliance with environmental and social standards, policies, and their track record in managing such risks.

**Due Diligence:** The due diligence typically includes:

- **ESRM Questionnaires:** Client responses to structured questions on their E&S policies, track record, and ongoing commitments.
- **KYC Data:** Information gathered through Know Your Customer processes to ensure the client complies with regulatory standards.

- **Public Data and Reports:** Third-party reports, NGO concerns, or media coverage that might raise red flags related to the client's E&S performance.
- **Historical Performance:** A review of the client's past performance in managing E&S risks and any prior incidents or violations.
- **Site Visits (if applicable):** Direct observation of the client's operations to assess risk factors.

### 6.3 Outcome: ESR Categorization Rating

After the full screening, transactions are categorized based on their E&S risk levels. QNB's ESR categorisation follows the guidance as laid out by the International Finance Corporation (IFC).

Risk Category	Description of Risk
<p><b>Low Risk (category C)</b></p>	<p>Business activities with minimal or no adverse environmental or social impacts or risks.</p>
<p><b>Medium Risk (category B)</b></p>	<p>Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.</p>
<p><b>High Risk (category A)</b></p>	<p>Business activities with potential significant adverse environmental or social impacts or risks that are diverse, irreversible or unprecedented.</p>

The Medium and High Risk classifications indicate that the client or project is likely to be associated with significant and potentially complex environmental and social (E&S) risk factors. These risks will require further assessment and mitigation. Transactions falling into these categories will undergo additional evaluation at the counterparty level, such as site visits, client questionnaires, and the development of action plans. These measures are implemented by the bank to manage E&S risks, which will be closely monitored throughout the transaction lifecycle.

Clients and projects that pass the ESRM screening process will proceed to the standard credit risk screening and due diligence as part of the overall QNB approval process.

### 6.4 Post Sanction ESR Monitoring

While the ESRM Screening process is applied during the on-boarding phase for new customers, ESR assessments are also conducted as part of the annual credit review for existing customers. Monitoring therefore applies to all transactions that have passed the screening process and been approved. For transactions classified as High Risk, or as required by the bank, more frequent monitoring may be carried out.

The frequency of monitoring is contingent on the initial ESR risk categorization:

- **Low Risk:** ESR Screening is required every 5 years.
- **Medium Risk:** ESR Screening is required every 3 years.
- **High Risk:** ESR Screening is required annually.

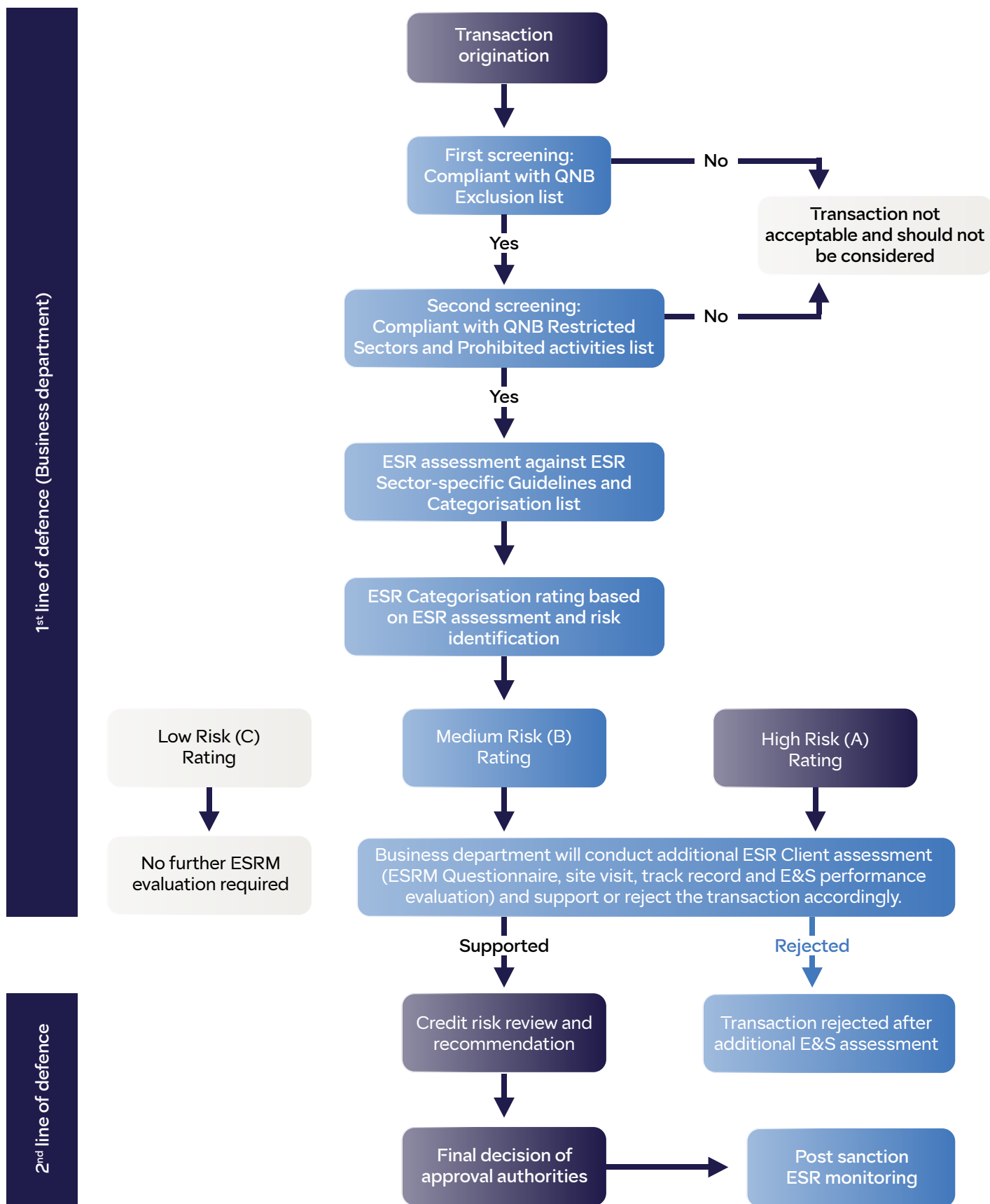
Monitoring for transactions also follows the credit risk review cycle, as outlined in QNB's Corporate Credit reviews and renewals procedures. A full ESR assessment will be required if any of the following occur:

- There are material changes to the transaction (e.g. an increase in exposure or transaction structure).
- Previous ESR advice stipulated such a condition cannot be fulfilled or requires an amendment or waiver (subject to the materiality of the request).
- The Approval Authority proposes additional actions that could not be met, such as in response to a material incident; or
- If adverse market developments or other risks are identified during the annual review, prompting the Credit Department to request another full ESR assessment.

In any of these scenarios, the review may include a reassessment of mitigation measures and specific actions associated with the transaction, ensuring that environmental and social risks are managed throughout the transaction's lifecycle.

## 6.5 ESR Screening Process Map

A high-level process map is illustrated below and further explained in the upcoming sections.



## 7.0 Roles and Responsibilities

### 7.1 First Line of Defence: Business Division (Relationship Managers)

The Business Division (RMs) holds the primary responsibility for applying QNB's ESRM Policy Framework. Both the local business department in international branches and the centralized Group International Corporate Banking Department ("GICBD") at Head Office play a key role in ensuring compliance with the policy framework. It is their duty to ensure that transactions comply with relevant sector policies and that this compliance is demonstrated to the satisfaction of the sanctioning authority. Specifically, RMs are tasked with:



- **Verification:** Ensuring that the client and transaction fall within the scope of the ESRM Policy Framework and applicable sector policies.
- **ESRM Screening:** Completing the ESRM Screening Process. If ESRM Screening is delegated to the KYC team, the RM must support the KYC analyst in gathering any required information that may not be publicly available.
- **Risk Evaluation:** For Medium or High ESR transactions, ensuring that mandatory evaluations are conducted as per the ESRM Policy Framework and and/or other relevant frameworks or policies.
- **Information Gathering:** Collecting relevant information from the client and external consultants to complete the ESR evaluation for Medium and High Risk transactions. This information must be included in the credit proposal where relevant.
- **Documentation:** Providing all required documentation to the Credit Risk Department or Group Credit Department, including the ESRM Due Diligence Form. This form outlines the transaction details, risk identification, mitigation measures, risk categorization, and the recommendation, including justification for the assigned risk categorization and why the transaction should be supported.
- **Monitoring:** Actively monitoring the client's actions, ensuring compliance with ESRM Policy Framework, and tracking the client's progress on any strategies aimed at reducing involvement in restricted activities.
- **Condition Compliance:** Monitoring and reporting on the client's fulfilment of any conditions imposed by the Approval Authority during the regular review cycle.

## 7.2 Second Line of Defence: Credit Risk Department

The Credit Risk Department ("CRD") serves as the second line of defence, supporting the Business Department by verifying that transactions comply with QNB's ESRM Policy Framework. The CRD's role includes:

- Verifying the ESR due diligence performed by the Business Department, ensuring that all relevant policies and guidelines have been followed.
- Reviewing and validating the ESR Risk Categorization Ratings and confirming that the assigned risk level is appropriate based on the due diligence findings.
- Providing feedback and recommendations to the Approval Authority, addressing any potential risks identified during the assessment.

In addition, the centralised Group Credit Department ("GCD") at Head Office works in tandem with the local credit departments in international branches to ensure that all transactions are aligned with QNB's environmental and social risk standards. GCD essentially provides an added layer of validation for assessments conducted by international branches, and ensures that the ESR due diligence is thorough, the risk categorization is accurate, and any potential risks are properly addressed before a recommendation is made to the relevant Approval Authority. This ensures consistency and adherence to group-wide ESRM standards.

## 7.3 Approval Authority: Senior Management and Credit Committees

Senior management and credit committees hold ultimate responsibility for approving or rejecting transactions that fall within the high-risk category. At QNB, subsidiaries have their own processes and procedures with credit committees that can approve transactions. For international branches, all transactions are escalated to Head Office for final approval, ensuring proper oversight and alignment with QNB's risk management framework.

## 8.0 Exclusion List

QNB Group is committed to support the transition to cleaner energy and sustainable development. However, QNB follows a strict list of sectors and activities that it will not finance under any circumstances. These are activities deemed too harmful or risky to the environment, society, or legal compliance. For example, activities involving controversial weapons, human rights violations, or illegal environmental practices would typically be on this list. Any transaction involving these activities is automatically rejected.

### 8.1 Prohibited Sectors & Countries

- **Alcohol:** Production, distribution, or trade of alcoholic beverages as a principal activity.
- **Gambling:** Engagement in gambling activities, establishments, or equivalent enterprises.
- **Tobacco:** Activities related to the growing, trading and manufacturing of tobacco and related products (including next generation products such as e-cigarettes and other types of nicotine consumer products such as chewing tobacco).
- **Mining and Resource Extraction:** Any mining or resource extraction activities that cause environmental harm or violate human rights.
- **Forestry:** Illegal logging or deforestation, and any activities leading to large-scale degradation of forests, particularly in protected or high-conservation-value areas.
- **Fossil Fuels:** While QNB is committed to supporting the transition to cleaner energy, we will not finance specific segments within the fossil fuel sector that pose significant risks to the environment. These include:
  - New thermal coal mining or thermal coal-fired power projects;
  - Fossil fuel extraction projects without credible transition plans toward cleaner energy;
  - Any projects involving the exploration or production of oil or gas in sensitive environmental areas, such as the Arctic or other protected ecosystems.
- **Sanctioned/ Embargoed Countries:** Activities in countries sanctioned or embargoed, as classified by relevant regulatory authorities, where business operations would breach international sanctions.

## 8.2 Prohibited Activities

- **Land and Resource Infringement:** Activities that illegally infringe upon the ownership of land or resources without Free, Prior, and Informed Consent (FPIC)<sup>1</sup> of Indigenous Peoples or local communities.
- **Indigenous Peoples' Rights:** Production or activities that impinge on lands owned or claimed by Indigenous Peoples without their full, documented consent.
- **Human Rights Violations:** Activities involving human rights violations, including harmful or exploitative forms of forced labour or child labour.
- **Asbestos:** Production, use, or trade in unbounded asbestos fibres or asbestos-containing products (with the exception of bonded asbestos cement sheeting where the asbestos content is less than %20).
- **Illegal Products and Activities:** The production or trade of products or engagement in activities deemed illegal under host country laws, international conventions, or agreements, or subject to international phase-out or bans, such as:
  - Transboundary movement of waste prohibited under international law<sup>2</sup>
  - Trade in wildlife or production of wildlife products prohibited under the Convention on International Trade in Endangered Species (CITES)<sup>3</sup>
  - Ozone-depleting substances<sup>4</sup> not permitted by national regulations (e.g. Montreal Protocol)
  - Production or trade in pharmaceuticals or pesticides/herbicides subject to international bans<sup>5</sup> and local legislation
  - Production or trade in products containing polychlorinated biphenyls (PCBs)<sup>6</sup>
- **Controversial Weapons:** Manufacturing, maintenance, storage, or trade of the following controversial weapons or their specific components:
  - Nuclear weapons
  - Companies involved in the production of nuclear weapons domiciled in countries not member of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)
  - Nuclear weapons manufacturing companies domiciled in NPT member countries that focus on defence/ protection-related activities
  - Depleted uranium ammunition
  - Biological and chemical weapons
  - White phosphorus
  - Anti-personnel landmines
  - Cluster munitions
- **Small Arms and Light Weapons<sup>7</sup>:** Manufacturing or trade of small arms and light weapons for use by:
  - Private individuals, private sector entities, or non-governmental groups in any country
  - Government agencies (e.g., police, military) in any country except the State of Qatar
- **Radioactive Materials:** Production or trade in radioactive materials, except for use in electricity generation or in the purchase of medical or quality control equipment where the radioactive source is deemed trivial and/or adequately shielded.
- **Trade Violations:** Trade in goods without the necessary export or import licenses, or other authorizations from relevant countries of export, import, or transit.
- **Protection of Biodiversity and Cultural Heritage:** Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage<sup>8</sup>.
- **Other Illegal or Unacceptable Activities:** Any other activities that are illegal or considered socially unacceptable or unhealthy in the home market.

## 9.0 Restricted Sectors and Prohibited Activities

All in-scope activities that pass the Exclusion List screening and meet the financing materiality threshold are subject to a second E&S screening for Restricted Sectors and Prohibited Activities. While QNB may consider financing such sectors under stricter conditions and enhanced scrutiny, there are specific high-risk activities within these sectors that are excluded from financing. For example, in sectors like Energy, QNB may finance certain projects, but will not finance high-risk activities such as new coal mining or projects in environmentally sensitive areas.

The screening for these Prohibited Activities is definitive, meaning these activities are entirely excluded from financing, and are outlined below. However, other activities within these Restricted Sectors that are not explicitly prohibited may still be considered for financing under strict conditions.

<sup>1</sup> Free, Prior and Informed Consent (FPIC) is a specific right granted to Indigenous Peoples recognized in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). FPIC allows Indigenous Peoples to provide or withhold/ withdraw consent at any point, regarding projects impacting their territories. Under international law, UN member states and UN agencies have a duty to ensure FPIC is applied and sought in order to respect indigenous rights.

<sup>2</sup> Reference documents are: Regulation (EC) No 2006/1013 of 14 June 2006 on shipments of waste; Decision C (107/2001/Final of the OECD Council concerning the revision of Decision C(39/92/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal.

<sup>3</sup> CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora is multilateral treaty to protect endangered plants and animals from the threats of international trade. Its aim is to ensure that international trade (import/ export) in specimens of animals and plants included under CITES does not threaten the survival of the species in the wild. State of Qatar is part of the CITES convention (joined in 2001) and require relevant export or import permits prior to international trade in specimens of wild animals and plants. The governing entity for CITES regulation in Qatar is Ministry of Environment and Climate Change.

<sup>4</sup> Ozone depleting substances are chemicals (such as chlorofluorocarbons CFCs, halon, methyl bromide CH3Br, carbon tetrachloride CCl4 etc.) that destroy the earth's protective ozone layer. Production and import of these chemicals is controlled by the Montreal Protocol. State of Qatar ratified the Montreal Protocol on substances that deplete the ozone layer.

<sup>5</sup> Reference documents are EU Regulation (EEC) No 92/2455 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or sale have been banned, withdrawn, severely restricted or not approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.

<sup>6</sup> PCBs: Polychlorinated biphenyls - a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1985-1950.

<sup>7</sup> Small Arms and Light Weapons (SALW): any portable firearms (e.g. handguns, rifles, carbines, sub-machine guns, assault rifles and light machine guns), including crew served machine guns and high-explosive projectile weapons. The definition includes the ammunition for these portable firearms as well as weapons (and its ammunition) that are designed and/or used for recreational purposes.

<sup>8</sup> Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.

Restricted Sector	Prohibited Activities
Animal welfare	<ul style="list-style-type: none"> <li>• Use of endangered species or non-human primates for testing purposes or experimentation</li> <li>• Trafficking and trade of endangered species<sup>9</sup> for commercial purposes</li> <li>• Any types of animal fights for entertainment</li> <li>• Live animal testing for non-medical purposes</li> <li>• Operating fur farms</li> <li>• Trading or manufacturing fur products</li> </ul>
Energy	Unconventional Oil & Gas Activities: <ul style="list-style-type: none"> <li>• Activities related to Tar sands exploration/ production/ upgrading including pipeline infrastructure dedicated to exclusive use of transporting oil from oil sands (i.e. not blended with other fossil fuels)</li> <li>• Oil/tar sands trading</li> <li>• Arctic and Antarctic offshore drilling/ exploration/ production</li> <li>• Shale Oil &amp; Gas mining/ exploration</li> <li>• Exploration, development or production of Oil &amp; Gas in Ultra-Deepwater (wells &gt; 1500m)</li> <li>• Shipment of oil or other hazardous substances in tankers which do not comply with International Maritime Organization (IMO)<sup>10</sup> requirements</li> </ul>
	Nuclear energy <sup>11</sup> : <ul style="list-style-type: none"> <li>• High-level nuclear waste processing, transportation or storage activities</li> </ul>
	Thermal Coal-fired power <sup>12</sup> : <ul style="list-style-type: none"> <li>• Thermal coal-fired power production and distribution where electricity generation is used for general electric purposes (i.e. to the power grid)</li> <li>• New thermal coal-fired power plant development or extending the useful life of an existing plant</li> </ul>
Fisheries	<ul style="list-style-type: none"> <li>• Drift net fishing in the marine environment using nets in excess of 2.5 km in length</li> <li>• The use of explosives or toxins related to the catching of marine and fresh water species and shellfish</li> <li>• Commercial whaling</li> <li>• Shark finning</li> </ul>
Forestry and agricultural commodities	<ul style="list-style-type: none"> <li>• Production or trade in wood or other forestry products other than from sustainably managed forests</li> <li>• Timber from illegal logging operations</li> <li>• Deforestation and/or burning down tropical rainforest</li> <li>• Removal of primary or High Conservation Value (HCV) forests</li> <li>• Palm oil plantation owning, producing or trading<sup>13</sup></li> </ul>
Genetic Engineering	<ul style="list-style-type: none"> <li>• The development of genetic engineering or genetic modification on humans</li> <li>• The development of genetic engineering or genetic modification on animals for non-medical purposes</li> </ul>
Metals and mining	<ul style="list-style-type: none"> <li>• Mining, trading and processing diamonds where there is no explicit evidence of compliance with the Kimberley Process Certification Scheme<sup>14</sup></li> <li>• Mountain-top removal (MTR) mining</li> <li>• Mining, trading and processing dedicated to uranium</li> <li>• Mining of thermal coal, including lignite coal<sup>15</sup></li> </ul>
Infrastructure (Protected Areas)	<ul style="list-style-type: none"> <li>• Activities posing serious threat and irreparable damage to UNESCO World Heritage sites<sup>16</sup></li> <li>• Wetlands registered by the Ramsar Convention<sup>17</sup></li> <li>• Activities posing serious threat and irreparable damage critical natural habitats registered by the International Union for the Conservation of Nature (IUCN) Category I and II<sup>18</sup></li> </ul>
Maritime (Ship recycling <sup>19</sup> )	Any activity related to: <ul style="list-style-type: none"> <li>• The beaching of ships</li> <li>• Cash buyers of end-of-life vessels (i.e. financing a buyer of scrap vessels)<sup>20</sup></li> <li>• Ship recycling yards, ships traded or transported for dismantling to these yards and buyers of scrap originating from these yards, unless the scrapping process is monitored or certified as operating responsibility by an independent party acceptable to QNB.</li> </ul>

<sup>9</sup> Endangered species are defined as species listed in the appendix I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the IUCN Red List of Threatened Species [www.iucnredlist.org](http://www.iucnredlist.org)

<sup>10</sup> The International Maritime Organization (IMO) is a specialised agency of the United Nations responsible for regulating maritime transport. Its remit includes maritime safety, environmental concerns, legal and technical matters and the efficiency of shipping. State of Qatar ratified the IMO convention in 1977.

<sup>11</sup> Reference to: Appendix 1: ESR Sector-specific Guidelines under Energy sector - QNB's approach to Nuclear power activities

<sup>12</sup> Reference to: Appendix 1: ESR Sector-specific Guidelines under Energy sector - QNB's approach to Thermal coal-fired power activities

<sup>13</sup> Palm oil: clients which are Roundtable on Sustainable Palm Oil (RSPO) certified, or in the process of becoming a member are excluded from this list.

<sup>14</sup> Reference to: Appendix 1: ESR Sector-specific Guidelines under Metals and mining sector and [www.kimberleyprocess.com](http://www.kimberleyprocess.com) for detailed information.

<sup>15</sup> Reference to: Appendix 1: ESR Sector-specific Guidelines under Metals and mining sector - QNB's approach to Thermal coal mining

<sup>16</sup> Reference to: [www.whc.unesco.org/en/list/](http://www.whc.unesco.org/en/list/)

<sup>17</sup> The Ramsar Convention is an international treaty (under the auspices of UNESCO) that provides the framework for the conservation and wise use of wetlands and their resources ([www.ramsar.org/sites-countries](http://www.ramsar.org/sites-countries)).

<sup>18</sup> Reference to registered protected areas: [www.iucn.org/theme/protected-areas/about/protected-area-categories](http://www.iucn.org/theme/protected-areas/about/protected-area-categories)

<sup>19</sup> Ship recycling (ship breaking) is heavy and hazardous industry that exposes both workers and the environment (coastal areas) to a great number of risks (high exposure to toxic waste and substances such as asbestos, mercury, lead, cadmium, toxic oils etc.)

<sup>20</sup> Cash buyers are companies operating in the trade of end-of-life vessels (scrap vessels). Once a vessel reaches the end of its service life, most ship owners sell their vessel to Cash buyer (scrap-dealer) who then re-sell the vessel to ship recycling yards. By using Cash buyer, as middle man, ship owners seek to obtain the highest price and potentially avoid international regulations, financial and E&S risks related to selling ships for dismantling.

## 10.0 Implementation

The ESRM Policy Framework document is publicly available, demonstrating QNB's ongoing commitment to E&S matters and sustainable practices. This Policy Framework is complemented by, and is in conjunction with, the other relevant QNB Group policies, country specific ESRMs (which at a minimum must adhere to the overarching Group ESRM standards), procedures and guidelines that have been established to implement sustainable business practices across the Bank.

## 11.0 Reporting, Disclosures and Transparency

In conjunction with the QNB Group Disclosure and Transparency Policy, and where necessary, QNB Group will disclose and report its E&S performance in accordance with relevant local and global reporting standards, provided that such disclosure and reporting do not contradict with the provisions set out in the regulations in effect.

## 12.0 Dialogue with Stakeholders

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

## 13.0 Governance

Governance and escalation will be aligned with, and integrated within, the QNB Group Wholesale and Institutional Banking Credit Policy and associated procedures.

This Policy Framework and appendices are approved by QNB's Group Chief Risk Officer ("GCRO"), and in the event of update or revision, will be subject to their review and approval.

QNB will produce an annual update on the overall execution of the Group's sustainability strategy and performance. The Bank's sustainability performance will be reported in the QNB Annual Report and/or a standalone QNB Sustainability Report, in accordance with the Global Reporting Initiative (GRI) Standards and Qatar Stock Exchange "Guidance on ESG Reporting".

## 14.0 Amendments and Evolution

This Group ESRM Policy Framework and constituent components herewith are subject to update and revision as required, in accordance with market standards, industry changes, and the Bank's risk appetite.

QNB pledges to revisit and evolve the Group ESRM Policy Framework over time, including assessment of product and sector coverage.

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## Appendix 1: ESR Sector-specific Guidelines

QNB recognises that certain industry sectors and activities are more likely to be exposed to environmental, climate and social risks that need to be taken into consideration during ESR screening process.

In alignment with QNB's commitment to sustainable lending practices, the following sector guidelines has been developed aiming to identify key risks and set minimum standards to E&S practices in certain sectors:

- 1) Energy
- 2) Metals and mining
- 3) Construction and real estate
- 4) Transportation
- 5) Manufacturing

QNB will work with clients to guide and promote E&S improvements and aims to avoid entering into business engagements that do not comply with QNB's standards and commitments. Furthermore, QNB supports and encourages clients to use, or transition towards, internationally recognised standards and best practices to manage their environmental and social risks and impacts.

These sector specific guidelines are an extension of the ESRM Policy Framework and should be followed when financing related transactions and companies.

### 1. Energy sector

<b>Scope of activities</b>	<p>The Energy sector refers to clients engaged in the following activities:</p> <ul style="list-style-type: none"> <li>• Oil and gas upstream, midstream and downstream activities and services, both onshore and offshore, including petrochemicals;</li> <li>• Electric power generation from fossil fuels (coal, oil &amp; gas);</li> <li>• Electric power generation from renewable energy sources (wind, solar, hydro, geothermal and biomass);</li> <li>• Heat generation from renewable energy (biomass, geothermal and solar) and waste (industrial and commercial processes) sources;</li> <li>• Bioenergy (solid biomass and liquid and gaseous biofuels) used as an alternative to fossil fuels;</li> <li>• Nuclear power activities;</li> <li>• Transmission, distribution and storage of energy products, including heat and power.</li> </ul>
<b>Key sector-specific E&amp;S risks</b>	<p>Clients operating in Energy sector face an increasing expectations in meeting energy needs whilst raising human welfare and minimising the impact to the environment. Greenhouse gas emissions from fossil fuel-based energy sector activities make a substantial impact to global warming and climate change. Focusing on cleaner and renewable energy sources other than fossil fuels might help in avoiding environmental impacts, specifically from air pollution and GHGs.</p> <p>On the other side, QNB recognises that the renewable energy sector has associated human rights risks attached to it through the manufacture and origination of components and raw materials that are sourced from regions where the use of forced labour, slavery and child labour in the supply chain has been identified by the United Nations. This includes source materials such as polysilicon used in solar panels, cobalt used in lithium-ion batteries, and copper used for wind and solar power projects.</p>
<b>Key sector-specific E&amp;S risks</b>	<p>Specific risks in the different Energy subsectors include:</p> <p><b>Oil and gas</b></p> <ul style="list-style-type: none"> <li>• Explosions and fires resulting from oil and gas leaks, equipment malfunctions or human errors;</li> <li>• Chemical exposure due to handling a variety of toxic or flammable chemicals;</li> <li>• Adverse impacts on natural habitats and protected areas, including offshore marine habitats;</li> <li>• Air emissions, including significant GHG generation and release of toxic gases such as sulphur and nitrogen oxides;</li> <li>• Water contamination and water use in water-scarce areas;</li> <li>• Effects of practices like hydraulic fracturing of shale.</li> </ul> <p><b>Coal-fired power</b></p> <ul style="list-style-type: none"> <li>• Air pollution, including significant GHG generation and release of toxic gases (sulphur and nitrogen oxides) and heavy metals (lead, mercury and nickel);</li> <li>• Leakages associated with carbon capture storage;</li> <li>• Ash dams and coal waste mismanagement in coal power plants;</li> <li>• Large volumes of water pumping/ extraction for cooling operations which affects water flow and quality.</li> </ul> <p><b>Nuclear power</b></p> <p>Nuclear power plants play a significant role in total energy supply worldwide by producing low-carbon energy with nearly zero carbon dioxide or other GHG emissions. Nevertheless, there are significant E&amp;S risks associated with nuclear energy. These are mainly linked to exposure to radiation due to accidents, mismanagement of nuclear waste or lack of security:</p> <ul style="list-style-type: none"> <li>• Processing, transportation and storage of radioactive waste;</li> <li>• Regulatory oversight, independence, quality of reporting and disclosure, especially in emerging markets;</li> <li>• Potentially large-scale impacts on environment and human lives in case of accidents like meltdown.</li> </ul>

## Key sector-specific E&S risks

### Hydroelectric power

Dams contribute in providing renewable energy, flood control, and water services. However, they might also cause direct or indirect, sometimes irreversible, social and environmental damage to local communities and ecology, such as:

- Ecological damage, damage to local fisheries, reduction of water quality and disruption of river flow patterns;
- Economic and physical displacement of people for the reservoir, access to water-use rights;
- Dams are detrimental to carbon sinks in wetlands and ocean, deprive ecosystems of nutrients and can destroy habitats;
- Safety issues related to dam failure or malfunctioning, badly maintained dams can also create a flood risk.

### Biofuels

Biofuels are biodegradable and inexhaustible fuels derived from biomass materials (biological raw materials, plants or animal waste). While recognizing the validity of the use of biofuels on the pathway to the low-carbon economy of the future, there are environmental, climate and social risks that need to be taken into consideration when financing biofuel related transactions and companies:

- Physical climate & environmental risks including land use and deforestation, impacts on biodiversity, use of pesticides, water use, GHG and air emissions;
- Energy transition risk like policy risks (abrupt changes in regulatory framework), technology risks (new technologies providing renewable energy making the demand for biofuels decline);
- Human rights risks related to involuntary land acquisition or land grabbing.

### Other renewable energy

Renewable energy is a cleaner form of electricity generation derived from natural sources that are replenished at a higher rate than they are consumed. However, the development of wind, solar and geothermal power generation may have E&S impacts that need to be carefully considered:

- Impacts on legally protected areas or critical natural habitats or ecosystems due to land conversion, introduction of alien species;
- Noise, visual impacts and odour;
- Labour impacts related to the sourcing of raw materials needed in solar power (and in particular to the use of polysilicon);
- Use of toxic chemicals such as pesticides, mercury, arsenic and boron;
- Impacts on rights to land and livelihoods of communities, including indigenous peoples, where large tracts of land are acquired for wind and solar farms.

## QNB's approach and standards

### QNB's approach to Thermal coal-fired power activities

QNB will not engage with clients operating thermal coal-fired power plants, where electricity generation is used for general electric purposes (i.e. to the power grid). This includes single-source coal power plants, diversified utility companies (DUCs), thermal coal mines, thermal coal mining companies and dedicated-use infrastructure such as terminals for exclusive thermal coal use. QNB will not provide financing for any new or expanded thermal coal-fired power plant development. This includes general corporate financing where client's main activity includes thermal coal-fired power operations and all project financing.

QNB may provide finance to existing clients towards phase-out and reducing their thermal coal portfolio (including decommissioning facilities or retrofitting of existing facilities to help them transition away from thermal coal; however, QNB will not directly finance retrofit activities that prolong the life of existing thermal coal facilities).

### QNB's approach to Metallurgical coal activities

Metallurgical coal, which is used in steel-making process may be selectively considered for finance (on case by case basis) as there is no alternative on the market. This extends to metallurgical coal-related mining, commodity finance, commodity hedging and dedicated storage terminals for metallurgical coal. The QNB's risk appetite for financing of Metallurgical coal activities is very limited and subject to stringent E&S due diligence.

### QNB's approach to Nuclear power activities

Outside of the prohibited nuclear activities related to nuclear waste (as outlined in the Policy Framework under 9.0 Restricted sector and Prohibited activities), it is allowed to consider financing for, and engage in client relationships with, companies that are active in the nuclear energy sector and/or in the design, construction, completion or maintenance of nuclear power facilities or equipment, provided all of the following conditions are met:

- a) The Nuclear power assets and/or operations of a company are predominantly located in an E&S low risk country (i) that has ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and (ii) where nuclear power accounts for less than 10% of country's primary energy consumption, and
- b) Company has a strong track record, with no controversies.

Due to the mentioned risks associated with nuclear energy, QNB's risk appetite for Nuclear power plants remains limited and would be subject to stringent E&S due diligence including a reputational risk assessment.

## 2. Metals and mining sector

### Scope of activities

The metal and mining sector refers to clients engaged in:

- The development, construction, operation, maintenance and decommissioning of installations for extraction, development, production, processing, smelting, refining and storage of mining products;
- Materials covered by mining include base metals, precious metals, coal, uranium, ferrous and non-ferrous metals, diamonds, limestone, rock salt and specific minerals used in fertilizers.

### Key sector-specific E&S risks

Key identified risks include:

- E&S footprint of the mining operations can occur at local, regional and global scales through direct and indirect practices (such as erosion, formation of sinkholes, loss of biodiversity, threatened or endangered species, contamination of soil, groundwater and surface water by chemicals emitted from mining processes, noise and vibrations);
- Emissions, both airborne (noise, dust, gas emissions, including SO<sub>x</sub>, NO<sub>x</sub> and CO<sub>2</sub>) and ground and surface water-based (sediment levels, cyanide, heavy metals including acid-rock drainage);
- Water consumption, disposal and impact on aquifers and freshwater sources, including tailings management;
- Production and processing of metals are power-intensive and lead to GHG emissions and particulate matter into the air;
- Impacts and risks related to land rights, project-induced resettlement and impact on vulnerable groups such as indigenous people, migrant workers or children;
- Labour risks including health, safety and security of workers;
- Impacts due to improper disposal of wastewater from cooling water, storm water, rinse water and other process effluent streams.

### ONB's approach and standards

QNB will carefully monitor and manage E&S impacts associated with metals and mining sector. Metals and mining clients face an increasing challenge in meeting expanding needs for mining products while safeguarding human welfare and minimising negative impact on the environment. QNB encourages clients in the metals and mining sector to seek continuous improvement in environmental, health and safety management and to follow best practices.

**The following activities in the Mining and metal sector are prohibited and QNB will not engage in any related financing or business:**

- **Mining, trading and processing diamonds where there is no explicit evidence of compliance with the Kimberley Process Certification Scheme.**

The Kimberley Process (KP) is an international certification scheme that regulates and govern the production and trade in rough diamonds. It aims to prevent the flow of conflict diamonds, while helping to protect legitimate trade in rough diamonds. Conflict diamonds are rough diamonds used by the rebel movements or their allies to finance armed conflicts aimed at undermining legitimate governments.

The Kimberley Process participants are states and regional economic integration organization that are eligible to trade in rough diamonds. Under the scheme's requirements, the participants may only import or export rough diamonds to or from other participants. The exporting authorities in both country of export and the destination country require KP certificate to certify a shipment of rough diamonds as "conflict-free" and to confirm that the exporter meets all KP requirements. State of Qatar joined the scheme in 2021 and committed to follow the scheme's process.

- **Mountain-top removal (MTR) mining**

Mountain-top removal includes a surface mining activities where the mining operation removes an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill. By removing substantially all of the overburden off the bench it creates a level plateau or a gently rolling contour, with no high walls remaining, capable of supporting higher and better post-mining land use.

MTR technique negatively impacts the environment. Practices of explosion and digging release many pollutants to the surrounding which have negative effects on all ecosystems and reduces freshwater resource that supports biodiversity.

- **Mining of thermal coal, including lignite coal**

Thermal coal mining causes extensive degradation to natural ecosystems such as forests and can scar the landscape irreparably.

Thermal coal, also known as "steaming coal", is any coal mainly used in power and heat generation, which mainly includes lignite and subbituminous coal:

- Subbituminous coal is black in color and dull (not shiny), and has a higher heating value than lignite;
- Lignite coal, also known as "brown coal", is the lowest grade coal with the least concentration of carbon.

Thermal coal's high carbon and sulphur content means it is a major contributor to GHG emissions and global warming.

QNB will not provide financing for any new or expanded thermal coal mining activities. This includes general corporate financing where client's main activity includes thermal coal mining and all project financing.

QNB may provide finance to existing clients towards phase-out and reducing their thermal coal portfolio (including decommissioning facilities or retrofitting of existing facilities to help them transition away from thermal coal; however, QNB will not directly finance retrofit activities that prolong the life of existing thermal coal facilities).

### 3. Construction and real estate sector

<p><b>Scope of activities</b></p>	<ul style="list-style-type: none"> <li>• Construction of residential and commercial buildings, heavy and civil engineering construction, utility systems and infrastructure construction</li> <li>• Real estate activities</li> </ul>
<p><b>Key sector-specific E&amp;S risks</b></p>	<p>Key human rights, environmental and climate change related risks in the sector include:</p> <ul style="list-style-type: none"> <li>• Workers' rights and health and safety (particularly during construction);</li> <li>• Extreme weather events which could potentially have a financial/physical impact on assets;</li> <li>• Need for extracting and/or sourcing large quantities of water;</li> <li>• Impact on land and biodiversity;</li> <li>• Impact on the local communities in terms of loss of land, impacts on livelihood opportunities and social/cultural practices;</li> <li>• Impact on community health and safety as a result of transportation of goods related to construction activities;</li> <li>• Environmental impact on communities, including noise, waste and other forms of pollution, both during and after construction;</li> <li>• Supply chain risks, including forced or child labour.</li> </ul>
<p><b>ONB's approach and standards</b></p>	<p>QNB encourages clients to seek continuous improvement in environmental, health and safety management and to move towards best practices. The clients in construction sector are required to be compliant with local environmental and social legislation, regulation and building permit requirements.</p> <p>The following operations in the construction and real estate sector are prohibited and QNB will not engage in any related financing or business:</p> <ul style="list-style-type: none"> <li>• Operations located in or significantly impacting UNESCO World Heritage Sites<sup>1</sup>, wetlands registered by the Ramsar Convention<sup>2</sup> and critical natural habitats registered by the International Union for the Conservation of Nature (IUCN) Category I and II<sup>3</sup>.</li> <li>• Operations or any newly developed asset that involves illegal logging, deforestation or burning down of tropical forest, or removal of primary of High Conservation (HCV) forests.</li> </ul>

<sup>1</sup> Reference to: [www.whc.unesco.org/en/list/](http://www.whc.unesco.org/en/list/)

<sup>2</sup> The Ramsar Convention is an international treaty (under the auspices of UNESCO) that provides the framework for the conservation and wise use of wetlands and their resources ([www.ramsar.org/sites-countries](http://www.ramsar.org/sites-countries)).

<sup>3</sup> Reference to registered protected areas: [www.iucn.org/theme/protected-areas/about/protected-area-categories](http://www.iucn.org/theme/protected-areas/about/protected-area-categories)



## 4. Transportation sector

<p><b>Scope of activities</b></p>	<ul style="list-style-type: none"> <li>• The transportation sector is divided into air, road, rail or sea/river transportation with further segmentation between passenger and freight transport.</li> <li>• Participants in each segment include infrastructure operators, and passenger and freight transport companies.</li> </ul>
<p><b>Key sector-specific E&amp;S risks</b></p>	<p>Freight and passenger transporters and infrastructure providers are exposed to material E&amp;S risks across their value chains:</p> <ul style="list-style-type: none"> <li>• Transport consumes large amounts of energy, primarily fossil fuels, which leads to emissions of greenhouse gases and other exhaust gases to air;</li> <li>• Waste management: waste and pollution stem from the combustion of fossil fuels, accidental spills of cargo, and the (single) use of packaging for freight and containers/accessories for passenger catering. An additional challenge for transporters is proper end-of-life equipment management;</li> <li>• Noise pollution from large transport vehicles and airplanes could impact human health and local communities;</li> <li>• Transport infrastructure such as harbors can have a significant impact on water quality. Release of bilge and ballast water from ships, solid waste, oil, detergents and other hazardous chemicals are harmful to human health and the environment;</li> <li>• Use of land and preservation of biodiversity: land use is important for companies or public enterprises operating infrastructure with a large footprint, especially toll road networks, which tend to be widespread. And this is likely to become more pronounced as regulation on ecosystem protection and restoration becomes more stringent. Risk of remediation for biodiversity or restitution for intensive land use may also be relevant for (air)ports, as expansion may prove a challenge given that operations are typically near urban areas.</li> <li>• Safety in operations: the health and safety of employees and passengers is critical given that the transportation industry sees regular incidents and accidents, especially on roads. Air transport accidents are much rarer.</li> <li>• Human rights related risks have been identified in the supply chain of vehicle manufacturing concerning health and safety of employees, and specifically the risks related to the manufacturing of components for electric vehicles related to child labour and health and safety in the cobalt mining sector supporting the transportation (automotive) sector.</li> </ul>
<p><b>ONB's approach and standards</b></p>	<p>QNB encourages clients to seek continuous improvement in environmental, health and safety management and to move towards low emission transportation. The clients are required to be compliant with local environmental and social legislation, regulation in the transportation sector.</p> <p>The following operations in the transportation sector are prohibited and QNB will not engage in any related financing or business:</p> <ul style="list-style-type: none"> <li>• Transboundary movements of waste prohibited under international laws ;</li> <li>• Operations located in or significantly impacting UNESCO World Heritage Sites, wetlands registered by the Ramsar Convention and critical natural habitats registered by the International Union for the Conservation of Nature (IUCN) Category I and II;</li> <li>• Operations or any newly developed asset that involves illegal logging, deforestation or burning down of tropical forest, or removal of primary of High Conservation (HCV) forests.</li> </ul>

4 Reference documents are: Regulation (EC) No 2006/1013 of 14 June 2006 on shipments of waste; Decision C (107/2001/Final of the OECD Council concerning the revision of Decision C(39/92/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal.

## 5. Manufacturing sector

### Scope of activities

The manufacturing sector refers to the transformation of materials and goods, production, assembly or trading of:

- Food manufacturing
- Paper manufacturing
- Non-metallic mineral product manufacturing
- Textiles and apparel
- Furniture and related products
- Electrical equipment and appliances
- Computer and electronic manufacturing
- Non-maritime transportation equipment manufacturing
- Machinery manufacturing
- Primary metal manufacturing
- Metal product manufacturing
- Chemical manufacturing
- Miscellaneous manufacturing

### Key sector-specific E&S risks

Given the wide scope of activities within the manufacturing sector, there is a broad array of potential risks that pose substantial environmental and social footprint. Furthermore, there are a number of sustainability challenges within the manufacturing sector in the medium to long-term associated with the transition to lower impact business models that may affect some clients. The practice of outsourcing and subcontracting to operations in emerging markets complicate supply chains in manufacturing, thereby making it more difficult to appreciate the extent of a particular company's connection to environmental and social impacts. Maintaining responsible operations and supply chains is therefore a challenge for the sector; more particularly for those whose products are manufactured in emerging markets, where regulations may be weak or not enforced.

Key risks that need to be taken into consideration when financing manufacturing related transactions and companies:

- Non-compliance with environmental permits and regulations;
- Water mismanagement, significant use of water in processing and in production units impacting the availability of water to local communities and the environment;
- Significant carbon dioxide and other exhaust gases can be emitted;
- Waste disposal and discharge, and end-of-life recycling and disposal of goods and products (particularly electrical and electronic equipment);
- Product safety, including the use of hazardous substances (e.g. pesticides, fertilizers and fuels, lubricants, microplastics and other chemicals), product failures, water and soil pollution;
- Odours in food processing and pharmaceutical industry (where organic matter may be fermented);
- Chemical manufacturing may expose local communities to toxic chemicals in water, food, air and soil;
- Potential adverse human rights impacts including forced and child labour, unsafe working conditions including workers' health in regions with no regulation;
- Workers exposure to (micro)biological risks in the agro and food-processing and potential exposure to radiation (e.g. particulate monitors in smelting, x-ray machines in cement mixing and in the textiles industry can emit radiation);
- Product traceability and labelling to counter illegally produced products;
- Legality of supply chain and ethical sourcing of raw materials;
- Food (meat) product treatment: risk of structural fraud with outdated meat, mislabelling (e.g. horsemeat sold as beef), illegal additions (e.g. sulphite), lack of hygiene;
- Animal food manufacturing can potentially create risks to animal and human health and safety (e.g. mismanagement of farming may incubate disease or transfer infectious agents to humans, antibiotic resistance, foodborne illness, adverse impacts of pandemic, air pollution);
- Fair and ethical relationships with suppliers while maintaining competitive consumer prices;
- Non-living wages, forced relocation, use of immigrant and migrant labour with minimal or no benefits or protection under labour regulation;
- Risk of boycotting and negative publicity (e.g. animal welfare and ethical issues surrounding luxury goods).

## ONB's approach and standards

QNB expects clients in the manufacturing sector to seek continuous improvement in environmental, health and safety management and to move towards best practices which may be general or industry-specific. QNB will continue to support the sector as it transitions through due diligence, risk assessment and sharing of knowledge as well as actively supporting investments in sustainable projects.

A number of manufacturing activities are highly regulated (e.g. chemicals) and as part of our risk assessment we require from clients to comply with applicable environmental licences, approvals and requirements. QNB will not support clients and transactions where we become aware of material regulatory breaches.

In order to conduct in-depth assessment for engagements with a potentially higher E&S impact, the following approach may be relevant for the manufacturing sector:

- Verification of the client's labour conditions in alignment with the ILO's (International Labour Organization) eight Fundamental Conventions to the greatest extent possible.
- It may be important to determine the client's efforts to obtain internationally recognized certificates related to hazardous substances, its resource use efficiency, pollution (water and soil) and GHG emissions. In animal food manufacturing, the client should follow the best practices and regulation in environment, health, safety and animal welfare management.
- Supply chain risks should be included in further evaluation, particularly where trade finance instruments are offered. Assessment should focus on:
  - The extent the company discloses, analyses and mitigates the E&S risks in its supply chain;
  - The E&S supply chain track record of the client and its primary supply base (identification of accidents/incidents, legal penalties, protests or other allegations and how have these been managed);
  - Having a due diligence in place which shows an understanding of how to identify severe potential risks in its supply chain and appropriate measures to mitigate these based on the severity and likelihoods of these impacts;
- Where relevant, set up acceptance criteria in its selection and monitoring of suppliers.

## Appendix 2: ESR Categorisation list

The E&S Risk (“ESR”) Categorisation list presents indicative ESR category guidance associated with sectors and sub-sectors which have been classified into low/ medium/ high risk category. The medium and high indicative categorisation implies that the client/ project will most likely be associated with significant and potentially complex ESR factors that will need to be further assessed and mitigated.

The list also indicates which sectors and activities are excluded from QNB financing based on the Exclusion list and Prohibited activities outlined in the ESRM Policy Framework.

The list and sectoral categorisation is subject to regular updates based on the international best practices and QNB’s E&S standards and internal assessment.

Category and subcategory	E&S risk category
<b>A) Agriculture, forestry and fishing</b>	
A.1) Crop and animal production, hunting and related service activities	
A.1.1) Growing of non-perennial crops	
Growing of cereals (except rice), leguminous crops and oil seeds	Medium
Growing of rice	Medium
Growing of vegetables and melons, roots and tubers	Medium
Growing of sugar cane	Medium
Growing of tobacco Note: This activity is prohibited and excluded from QNB financing.	Excluded
Growing of fibre crops (for example, jute, flax, hemp, cotton)	Medium
Growing of other non-perennial crops (for example, growing of flowers, flower seeds, production of cut flowers and flower buds)	Medium
A.1.2) Growing of perennial crops (that is, plants that last for more than two growing seasons, such as grapes, tropical and subtropical fruits, citrus fruits, bush fruits and nuts, apples, cherries)	Medium
A.1.3) Plant propagation (for example, growing of plants for planting, ornamental purposes, including turf for transplanting)	Low
A.1.4) Animal products	Medium
Raising of dairy cattle	Medium
Raising of other cattle and buffaloes	Medium
Raising of horses and other equines	Medium
Raising of camels and camelids	Medium
Raising of sheep and goats	Medium
Raising of swine/pigs	Medium
Raising of poultry	Medium
Raising of other animals (for example, dogs and cats) Note: The keeping of animals for the primary purpose of fur production or any activities involving fur production is excluded from QNB financing.	Medium
A.1.5) Mixed farming	Medium
A.1.6) Support activities to agriculture and post-harvest crop activities	

Support activities for crop production	Medium
Support activities for animal production Note: The keeping of animals for the primary purpose of fur production or any activities involving fur production is excluded from QNB financing.	Medium
Post-harvest crop activities	Medium
Seed process and propagation	Medium
A.1.7) Hunting, trapping and related service activities Note: The keeping of animals for the primary purpose of fur production or any activities involving fur production is excluded from QNB funding. In addition, trade in wildlife or the production of or trade in wildlife products prohibited under CITES are excluded.	High
A.2) Forestry and logging	
Silviculture and other forestry activities	High
Logging	High
Gathering of wild growing non-wood products	Medium
Support services to forestry	Medium
A.3) Fishing and aquaculture	
Marine fishing Note: Drift net fishing in the marine environment using nets in excess of 2.5 km in length is prohibited and excluded from QNB funding.	High
Freshwater fishing	High
Marine aquaculture	High
Freshwater aquaculture	High
<b>B) Mining and quarrying</b>	
B.1) Mining of coal and lignite	
Mining of hard coal Note: Thermal coal mining is excluded from QNB funding.	Excluded
Mining of lignite Note: Thermal coal mining is excluded from QNB funding.	Excluded
B.2) Extraction of crude petroleum and natural gas	
Extraction of crude petroleum	High
Extraction of natural gas	High
B.3) Mining of metal ores	
Mining of iron ores	High
Mining of uranium and thorium ores Note that activities involving uranium are excluded.	High
Mining of other non-ferrous metal ores	High
B.4) Other mining and quarrying	
Quarrying of stone, sand and clay	High

Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	High
Operation of gravel and sand pits; mining of clays and kaolin	High
Mining of chemical and fertiliser minerals	High
Extraction of peat Note: Thermal coal mining is excluded from QNB funding.	High
Extraction of salt	High
Other mining and quarrying not otherwise classified (abrasive materials, asbestos, siliceous fossil meals, natural graphite, natural asphalt, natural solid bitumen) Note: Thermal coal mining is excluded from QNB financing. In addition, the manufacture, placing on the market and use of asbestos fibres or asbestos-containing product are prohibited.	High
B.5) Mining support service activities	
Support activities for petroleum and natural gas extraction	High
Support for other mining and quarrying, for example, exploration services, geological observations, draining and pumping services Note: Thermal coal mining is excluded from QNB financing.	High
<b>C) Manufacturing</b>	
C.1) Manufacture of food products	
C.1.1) Processing preserving of meat and production of meat products	
Processing and preserving of meat	Medium
Processing and preserving of poultry meat	Medium
Production of meat and poultry meat products	Medium
Processing and preserving of fish, crustaceans and molluscs	Medium
C.1.2) Processing and preserving of fruit and vegetables	
Processing and preserving of potatoes	Medium
Manufacture of fruit and vegetable juice	Medium
Other processing and preserving of fruit and vegetables	Medium
C.1.3) Manufacture of vegetable and animal oils and fats	
Manufacture of oils and fats	Medium
Manufacture of margarine and similar edible fats	Medium
C.1.4) Manufacture of dairy products	
Operation of dairies and cheese making	Medium
Manufacture of ice cream	Medium
Manufacture of grain mill products, starches and starch products	Medium
C.1.5) Manufacture of bakery and farinaceous products	

Manufacture of bread, manufacture of fresh pastry goods and cakes	Medium
Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	Medium
Manufacture of macaroni, noodles, couscous and similar farinaceous products	Medium
Manufacture of other food products (sugar, cocoa, chocolate and sugar confectionery, tea and coffee, condiments and seasoning, prepared meals and dishes, homogenised food preparations and dietetic food, and other food products)	Medium
C.1.6) Manufacture of prepared animal feeds	
Manufacture of prepared feeds for farm animals	Medium
Manufacture of prepared pet foods	Medium
C.2) Manufacture of beverages (distilled alcoholic beverages, wines, cider and other fruit wines, beer malt, mineral waters and soft drinks)	
Distilling, rectifying and blending of spirits	Excluded
Manufacture of wine from grape	Excluded
Manufacture of cider and other fruit wines	Excluded
C.3) Manufacture of tobacco products	
C.4) Manufacture of textiles	
Preparation of spinning of textile fibres	Medium
Weaving of textiles	Medium
Finishing of textiles	Medium
Manufacture of other textiles (for example, knitted and crocheted fabrics, made-up textile articles, except apparel, carpets and rugs, cordage, rope, twine and netting, non-wovens and articles made from non-wovens, except apparel, other textiles and industrial textiles)	Medium
C.5) Manufacturing of wearing apparel	
Manufacture of wearing apparel, except fur apparel (e.g. leather clothes, workwear, outerwear, underwear, other wearing apparel and accessories)	Medium
Manufacture of articles of fur	Excluded
Manufacture of knitted and crocheted apparel (knitted and crocheted hosiery, other knitted and crocheted apparel)	Medium
C.6) Manufacture of leather and related products	
Tanning and dressing of leather, manufacture of luggage, handbags, saddlery and harnesses; dressing and dyeing of fur	Excluded
Tanning and dressing of leather; dressing and dyeing of fur	Excluded
Manufacture of luggage, handbags and the like, saddlery and harnesses	Medium
Manufacture of footwear	Medium
C.7) Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	
Sawmilling and planing of wood	Medium
Manufacture of products of wood, cork, straw and plaiting materials (veneer sheets and wood-based panels, assembled parquet floors, other builders' carpentry and joinery, wood containers, other products of wood; manufacture of articles of cork, straw and plaiting materials)	Medium

C.8) Manufacture of paper and paper products	
Manufacture of pulp	Medium
Manufacture of paper, paperboard and articles of paperboard	Medium
C.9) Printing and reproduction of recorded media	
Printing and service activities related to printing	Medium
Reproduction of recorded media	Low
C.10) Manufacture of coke and refined petroleum products	
Manufacture of coke oven products	High
Manufacture of refined petroleum products	High
C.11) Manufacture of chemicals and chemical products	
Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms (industrial gases, dyes and pigments, other inorganic and organic basic chemicals, fertilisers and nitrogen compounds, plastics in primary forms, synthetic rubber in primary forms) Note: Production of or trade in hazardous substances deemed illegal under host country laws or regulations or international conventions and agreements are excluded from QNB financing.	High
Manufacture of pesticides and other agrochemical products Note: Production of or trade pesticides/herbicides deemed illegal under host country laws or regulations or international conventions and agreements are excluded from QNB financing.	High
Manufacture of paints, varnishes and similar coatings, printing ink and mastics	High
Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations	High
Manufacture of other chemical products (explosives, glues, essential oils, other chemical products) Note: Production of or trade in hazardous substances deemed illegal under host country laws or regulations or international conventions and agreements are excluded from QNB financing.	High
Manufacture of man-made fibres	High
C.12) Manufacture of basic pharmaceutical products and pharmaceutical preparations Note: Production of or trade in pharmaceuticals deemed illegal under host country laws or regulations or international conventions and agreements are excluded.	High
C.13) Manufacture of rubber and plastic products	
Manufacture of rubber tyres and tubes; re-treading and rebuilding of rubber tyres	High
Manufacture of other rubber products (for example, plastic plates, sheets, tubes and profiles, plastic packing goods)	High
Manufacture of plastic products	High
C.14) Manufacture of other non-metallic mineral products	
Manufacture of glass and glass products (flat glass, shaping and processing of flat glass, manufacture of hollow glass, glass fibres, processing of other glass, including technical glassware)	Medium
Manufacture of refractory products	Medium
Manufacture of clay building materials (for example, ceramic tiles, flags, bricks and construction products in baked clay)	Medium
Manufacture of porcelain and ceramic products (ceramic household and ornamental articles, sanitary fixtures; insulators and insulating fittings, other technical ceramic products and other ceramic products)	Medium
Manufacture of cement, lime and plaster	High



Manufacture of articles of concrete, cement and plaster	Medium
Cutting, shaping and finishing of stone	Medium
Manufacture of abrasive products and non-metallic mineral products not elsewhere classified	Medium
C.15) Manufacture of basic metals	
Manufacture of basic iron and steel and of ferro-alloys	High
Manufacture of tubes, pipes, hollow profiles and related fittings of steel	High
Manufacture of other products and first processing of steel	High
Manufacture of basic precious and other non-ferrous metals (such as aluminium, lead, zinc, tin and copper)	High
Processing of nuclear fuel	High
Casting of metals (iron, steel, light metals, non-ferrous metals)	High
C.16) Manufacture of fabricated metal products, except machinery and equipment	
Manufacture of structural metal products	Medium
Manufacture of tanks, reservoirs and containers of metal; manufacture of central heating radiators and boilers; other tanks, reservoirs and containers of metal)	Medium
Manufacture of steam generators, except central heating hot water boilers	Medium
Manufacture of weapons and ammunition	Excluded
Forging, pressing, stamping and roll-forming of metal; powder metallurgy	Medium
Treatment and coating of metals	High
Machining, including the boring, turning, milling, planing, broaching, levelling, sawing, grinding, sharpening, polishing, welding, splicing and so on of metalwork pieces	Medium
Manufacture of cutlery	Medium
Manufacture of locks and hinges	Medium
Manufacture of tools	Medium
Manufacture of other fabricated metal products	Medium
C.17) Manufacture of computer, electronic and optical products	
Manufacture of electronic components and boards	Medium
Manufacture of computers and peripheral equipment	Medium
Manufacture of communication equipment	Medium
Manufacture of consumer electronics	Medium
Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	Medium
Manufacture of irradiation, electromedical and electrotherapeutic equipment	Medium
Manufacture of optical instruments and photographic equipment	Medium

Manufacture of magnetic and optical media	Medium
C.18) Manufacture of electrical equipment	
Manufacture of electric motors, generators, transformers and electricity distribution and control apparatuses Note: The manufacture of transformers using polychlorinated biphenyls (PCBs) is prohibited and excluded from QNB financing.	Medium
Manufacture of batteries and accumulators	High
Manufacture of wiring and wiring devices	Medium
Manufacture of electric lighting equipment	Medium
Manufacture of domestic appliances	Medium
Manufacture of other electrical equipment	Medium
C.19) Manufacture of machinery and equipment not elsewhere classified	
Manufacture of general purpose machinery	Medium
Manufacture of ovens, furnaces and furnace burners	Medium
Manufacture of lifting and handling equipment	Medium
Manufacture of office machinery and equipment (except computers and peripheral equipment)	Medium
Manufacture of power-driven hand tools	Medium
Manufacture of non-domestic cooling and ventilation equipment Note: The manufacture of cooling equipment using ozone-depleting substances as defined in the Montreal Protocol is excluded.	Medium
Manufacture of other general-purpose machinery not elsewhere classified	Medium
Manufacture of agricultural forestry machinery	Medium
Manufacture of metal forming machinery and machine tools	Medium
Manufacture of other special purpose machinery	Medium
C.20) Manufacture of motor vehicles, trailers and semi-trailers	
Manufacture of motor vehicles	Medium
Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	Medium
Manufacture of parts and accessories for motor vehicles	Medium
C.21) Manufacture of other transport equipment	
Building of ships and floating structures	High
Building of pleasure and sporting boats	Medium
Manufacture of railway locomotives and rolling stock	Medium
Manufacture of air and spacecraft and related machinery	Medium
Manufacture of military fighting vehicles, intercontinental ballistic missiles (ICBMs) Note: This activity is excluded from QNB financing.	Excluded

Manufacture of transport equipment not else classified (for example, motorcycles, bicycles and invalid carriages)	Medium
C.22) Manufacture of furniture	Medium
C.23) Other manufacturing	
Manufacturing of jewellery, bijouterie and related articles	Medium
Manufacture of musical instruments	Medium
Manufacture of sports goods	Medium
Manufacture of games and toys	Medium
Manufacture of medical and dental instruments and supplies	Medium
Manufacturing not else classified (such as brooms and brushes, protective safety equipment and clothing, pens and pencils, stamps, labels, buttons, articles of personal or household use, candles, artificial flowers, fruit and foliage, floral baskets)	Medium
C.24) Repair and installation of machinery and equipment	
Repair of fabricated metal products, machinery and equipment	Medium
Repair of electrical equipment	Medium
Repair and maintenance of ships and boats	Medium
Repair and maintenance of aircraft and spacecraft	Medium
Repair and maintenance of other transport equipment	Medium
Installation of industrial machinery and equipment	Medium
<b>D) Electricity, gas steam and air conditioning supply</b>	
Production of electricity Note: Thermal coal-fired electricity generation is excluded from QNB funding.	High
Transmission of electricity	High
Distribution of electricity	High
Trade of electricity	Low
Manufacture of gas	High
Distribution of gaseous fuels through mains	High
Trade of gas through mains	Low
Steam and air conditioning supply Note: The manufacture of cooling equipment using ozone-depleting substances is excluded.	Medium
<b>E) Water supply (sewerage, waste management and remediation activities)</b>	
E.1) Water collection, treatment and supply	Medium
E.2) Sewerage	Medium
E.3) Waste collection, treatment and disposal activities; materials recovery	

Collection of non-hazardous waste	Medium
Collection of hazardous waste	High
Treatment and disposal of non-hazardous waste	Medium
Treatment and disposal of hazardous waste Note: Transboundary movements of waste prohibited under public international law are excluded from QNB financing.	High
Dismantling of wrecks	High
Recovery of sorted materials	Medium
E.4) Remediation activities and other waste management services	High
<b>F) Construction</b>	
Development of building projects	Medium
Construction of residential and non-residential buildings	Medium
Construction of roads and railways	High
Construction of utility projects (for fluids, electricity and telecommunications)	High
Construction of other civil engineering projects (water projects, industrial facilities)	High
Demolition and site preparation (demolition, site preparation, test drilling and boring)	High
Electrical, plumbing and other construction installation activities	Medium
Building completion and finishing (plastering, joinery installation, floor and wall covering, painting and glazing, other building completion and finishing)	Medium
Other specialized construction activities	Medium
<b>G) Wholesale and retail trade</b>	
G.1) Wholesale and retail trade and repair of motor vehicles and motorcycles	
Sale of motor vehicles	Low
Maintenance and repair of motor vehicles	Medium
Sale of motor vehicle parts and accessories	Low
Sale, maintenance and repair of motorcycles and related parts and accessories	Medium
G.2) Wholesale trade, except of motor vehicles and motorcycles	
Wholesale on a fee or contract basis	Low
Wholesale of grain, unmanufactured tobacco, seeds and animal feeds Note: Tobacco is an excluded activity.	Low
Wholesale of flowers and plants	Low
Wholesale of live animals Note: Trade in wildlife or the production of or trade in wildlife products prohibited under CITES are excluded.	Medium
Wholesale of hides, skins and leather	Low

Wholesale of food, beverages and tobacco Note: Tobacco is an excluded activity.	Low
Wholesale of household goods	Low
Wholesale of information and communication equipment	Low
Wholesale of other machinery, equipment and supplies	Low
Wholesale of solid, liquid and gaseous fuels and related products	High
Wholesale of metals and metal ores	Medium
Wholesale of wood, construction materials and sanitary equipment	Medium
Wholesale of hardware, plumbing and heating equipment and supplies	Low
Wholesale of chemical products	High
Wholesale of other intermediate products	Low
Wholesale of waste and scrap	High
Non-specialised wholesale trade	Low
<b>G.3) Retail trade, except of motor vehicles and motorcycles</b>	
Retail sale in non-specialised stores with food, beverages or tobacco predominating Note: Tobacco is a prohibited activity.	Low
Other retail sale in non-specialised stores	Low
Retail sale of food, beverages and tobacco in specialised stores Note: Tobacco is a prohibited activity	Low
Retail sale of automotive fuel in specialised stores	High
Retail sale of information and communication equipment in specialised stores	Low
Retail sale of other household equipment in specialised stores	Low
Retail sale of cultural and recreation goods in specialised stores	Low
Retail sale of other goods in specialised stores	Low
Dispensing chemist in specialised stores	Low
Retail sale of medical and orthopaedic goods in specialised stores	Medium
Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	Medium
Retail sale via stalls and markets	Low
Retail trade not in stores, stalls or markets	Low
<b>H) Transportation and storage</b>	
<b>H.1) Land transport and transport via pipelines</b>	
Passenger rail transport, interurban	Medium
Freight rail transport	Medium

Other passenger land transport	Medium
Freight transport by road and removal services	Medium
Transport via pipeline	High
<b>H.2) Water transport</b>	
Sea and coastal passenger water transport	Medium
Sea and coastal freight water transport Note: The shipment of oil or other hazardous substances in vessels that do not comply with IMO requirements is prohibited.	High
Inland passenger water transport	Medium
Inland freight water transport	Medium
<b>H.3) Air transport</b>	
Passenger air transport	High
Freight air transport	High
Space transport	High
<b>H.4) Warehousing and support activities for transportation</b>	
<b>H.5) Postal and courier activities</b>	
<b>I) Accommodation and food service activities</b>	
I.1) Accommodation (hotels, resort hotels, suite/apartment hotels, motels, holiday homes, youth hostels, cottages and cabins camping grounds, recreational vehicle parks, trailer parks)	Medium
I.2) Food and beverage service activities (restaurants and bars)	Medium
<b>J) Information and communication</b>	
J.1) Publishing activities	Low
J.2) Motion picture, video and television programme production, sound recording and music publishing activities	Medium
J.3) Programming and broadcasting activities	Low
J.4) Telecommunications	Medium
J.5) Computer programming, consultancy and related activities	Low
<b>K) Information service activities</b>	
K.1) Financial service activities, except insurance and pension funding	
K.2) Insurance, reinsurance and pension funding, except compulsory social security	
K.3) Activities auxiliary to financial services and insurance activities	

<b>L) Real-estate activities</b>	
L.1) Real-estate activities	Low
Renting and operating of own or leased real estate	Medium
Management of real estate on a fee or contract basis	Low
<b>M) Professional scientific and technical activities</b>	
M.1) Legal and accounting activities	Low
M.2) Activities of head offices; management consultancy activities	Low
M.3) Architectural and engineering activities; technical testing and analysis	Low
M.4) Scientific research and development	Low
M.5) Advertising and market research	Low
M.6) Other professional, scientific and technical activities	Low
M.7) Veterinary activities	Low
<b>N) Administrative and support service activities</b>	
N.1) Rental and leasing activities	
Renting and leasing of cars and light motor vehicles	Low
Renting and leasing of trucks	Medium
Renting and leasing of recreational and sports goods	Low
Renting and leasing of other personal and household goods	Low
Renting and leasing of agricultural machinery and equipment	Medium
Renting and leasing of construction and civil engineering machinery and equipment	Medium
Renting and leasing of office machinery and equipment (including computers)	Low
Renting and leasing of water transport equipment	Medium
Renting and leasing of air transport equipment	Medium
Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified	Medium
Leasing of intellectual property and similar products, except copyrighted works	Low
N.2) Employment activities	
Activities of employment placement agencies	Low
Temporary employment agencies	Low
Other human resources provision	Low

<b>N.3) Travel agencies, tour operator reservation services and related activities</b>	
Travel agency and tour operator activities	Low
Other reservation services and related activities	Low
<b>N.4) Security and investigation activities</b>	
Private security activities	High
Security systems service activities	Low
Investigation activities	Medium
<b>N.5) Services to buildings and landscape activities</b>	
Combined facilities support activities	Medium
General cleaning of buildings	Medium
Other buildings and industrial cleaning activities	Medium
Other cleaning activities	Medium
Landscape service activities	Medium
<b>O) Public administration and defence; compulsory social security</b>	
O.1) Public administration and defence; compulsory social security	Low
<b>P) Education</b>	
P.1) Education	Low
<b>Q) Human health and social work activities</b>	
Q.1) Human health activities	Medium
Q.2) Residential care activities	Medium
Q.3) Social work activities without accommodation	Medium
<b>R) Arts, entertainment and recreation</b>	
R.1) Creative, arts and entertainment activities	Low
R.2) Libraries, archives, museums and other cultural activities	Low
R.3) Gambling and betting activities	Excluded
R.4) Sports activities and amusement and recreation activities	Low



**S) Other service activities**

S.1) Activities of membership organisations

Low

S.2) Repair of computers and personal and household goods

Low

S.3) Other personal service activities (excluding washing and dry-cleaning of textile and fur products)

Low

Washing and dry-cleaning of textile and fur products

Medium

**T) Activities of households as employers; undifferentiated goods and services producing activities of households for own use**

T.1) Activities of households as employers of domestic personnel

Low

T.2) Undifferentiated goods - and services - producing activities of private households for own use

Low

**U) Activities of extraterritorial organisations and bodies, such as diplomatic and consular missions, international organisations**

U.1) Activities of extraterritorial organisations and bodies, such as diplomatic and consular missions, international organisations.

Low

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