



مجموعة قطر للتأمين
QATAR INSURANCE GROUP

SHAPING THE **FUTURE**

BRILLIANCE. EXCELLENCE. SUCCESS.

SUSTAINABILITY REPORT

20 21



QIC Sustainability Report

QIC Group 2021 Sustainability Report

QIC has always been conscious of its obligation and responsibilities to the society since the launch of Qatar's National Vision 2030

QIC, as a responsible insurance group, is adopting an environment, social and governance (ESG) framework to play its part in making a sustainable and healthy planet and society. Tackling climate change and global warming challenges also bring in new opportunities.

Climate change, deforestation, depletion of freshwater resources and other changes to our environment, are endangering the lives and wellbeing of both current and future generations. Man-made disasters have bankrupted businesses and caused societal displacement. Against this background, investors, customers, employees, and regulatory authorities consider consistency, predictability, and sustainability as key criteria to engage with any business.

The role of corporations now extends beyond generating sales and profitability to working actively to engender a stable and sustainable future.

QIC, as a responsible insurance group, is adopting an environment, social and governance (ESG) framework to play its part in making a sustainable and healthy planet and society. Tackling climate change and global warming challenges also bring in new opportunities. At QIC, we are putting in efforts to see how best we can make commercial value of our investments into ESG to manage climate change for all our stakeholders. We also believe that to stay competitive and ensure uninterrupted access of capacity to support the environment and the society we live in, we will have to manage ESG risks embedding it into our business culture and strategy. In the long run, integration, and alignment of our operations to ESG principles will help us to create a sustainable business and enhance value to all our stakeholders.

QIC has always been conscious of its obligation and responsibilities to society. Since the launch of Qatar's National Vision 2030 in October 2008, our business has strived to adopt its concepts and guiding principles.

Quite early in 2010, we decided to reduce our use of paper across the organization. We became a pioneer by digitizing our business model in the MENA region, and were among first insurers to roll out a document management system. QIC has also supported many social initiatives such as the development of national human resources, providing financial support to people affected by cyclones, building accommodations for orphans, supporting women's empowerment events, building blood bank for the public hospitals, and others.

Over the past ten years, we have successfully raised awareness among our employees of our corporate social responsibility initiatives and steadily increased our staff involvement. This foundation has been instrumental in QIC's success and has now led to the early 2022 roll-out of the Group's ESG framework. In the words of our Group CEO "ESG is no longer an option and to ensure sustainable growth, we have agreed to incorporate this in our business strategy."

As a leading insurance group in the MENA region, QIC intends to be at the forefront of the industry to facilitate a sustainable environment.

Our Sustainability Objective

QIC has committed to supporting the formal commitment by the State of Qatar under Paris Agreement to reduce the nation's greenhouse gas emissions by 25% by 2030.

ESG initiatives during the year:

1. Asset Management

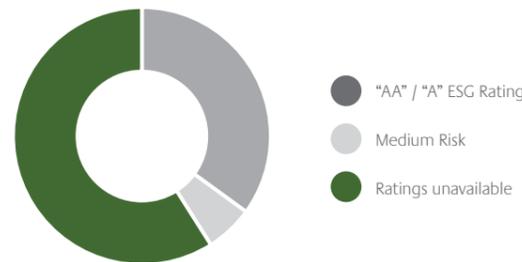
QIC's investment portfolio is a key element in the Group's revenue and profits. We invest the float generated in our insurance operations to earn industry best returns while making adequate funds available on a timely basis to meet our insurance liabilities. We have been rated four times in a row as the Top Investment House in the MENA, which reflects our outstanding investment management capabilities.

The majority of QIC's insured risks are located outside the MENA region, and the investment funds generated by our international operations are managed by global portfolio managers who are signatories of the UN Principles for Responsible Investment ("PRI"). This means that ESG considerations are integrated into our investment process and decision-making. This includes the proactive engagement with investee companies on ESG issues on our behalf and the same is evident in the ESG favorable portfolio composition.

QIC Global investment approach considers low carbon investments and opportunities as a key investment criteria, in addition to risk and return goals. Our asset managers also base investment decisions on climate change policies, biodiversity, human rights, social issues, banned weapons, anti-corruption and development and use of environmentally friendly technologies. We are constantly making efforts to improve our ESG performance and last year the aggregate rating was MSCI ESG 'A' which has been improved to MSCI ESG 'AA' ratings for certain portions of our investment book. Similarly, in other parts

of the investment portfolio, we have majorly achieved MSCI ESG 'A' ratings on weighted average basis. Compared to benchmark portfolios, QIC Global's investment portfolio had better ESG credentials, compared to benchmark peers.

Investment Portfolio - QIC Global - 31-Dec-2021

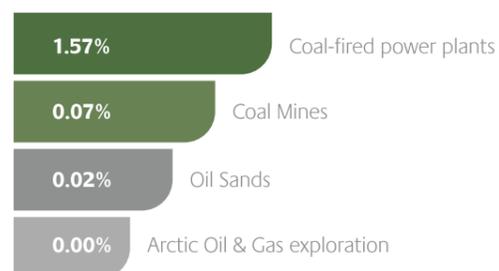


Antares, the QIC Global's arm in the Lloyd's of London, do not have any major investments in environment polluting sectors like thermal powered coal plants, thermal coal mines, oil sands or new Arctic energy exploration activities.

The current investment exposure in polluting businesses is very marginal., which establishes the fact that since beginning Antares have been investing in environment-friendly companies and securities.

We have since made commitments to phase out the existing investments in companies with business models that derive 30% or more of their revenues from thermal coal-fired power plants, thermal coal mines, oil sands or new Arctic energy exploration activities by the end of 2025.

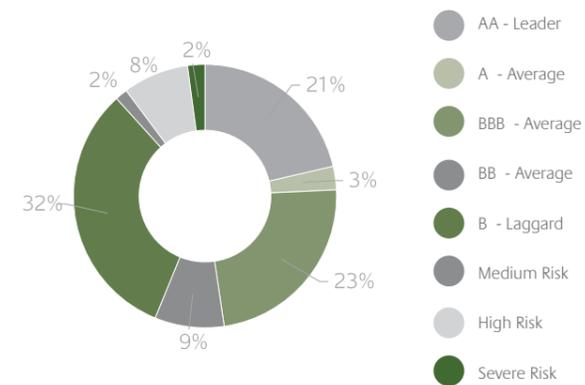
Antares' investment exposures in polluting businesses



Our MENA investment portfolios consists of fixed income, debts and equity securities of the banks, investment houses and corporates who are conscious of ESG revolution and taking constant efforts

to improve them. We have over portfolio investments of over USD 1 billion, which have the underlying ESG ratings (e.g., MSCI or Sustainalytics ratings), with the following breakup:

Investment Portfolio - QIC MENA - 31-Dec-2021 (USD)



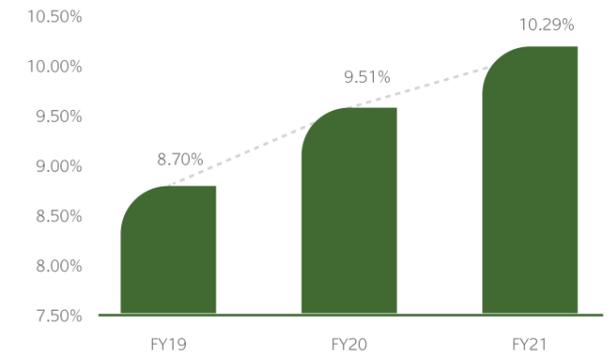
2. Underwriting

Over the past few years, QIC's underwriting performance has been affected by several natural catastrophe events. QIC gradually shifted its strategy by paring back business exposed to climate change induced catastrophe risks, while moving to a low volatility business model. This has helped QIC to create a more stable portfolio. The shift in strategy is still underway, but the result of these sustained efforts yielded a positive outcome in 2021. We generated net insurance income of USD 96m in 2021.

We have consciously followed a policy of eliminating all climate related risks and their line sizes and environment hazardous risks arising out of plastics, hazardous chemicals, paints, combustible & inflammable materials & liquids, explosives, category-2 and inferior buildings, warehouses, plants with poor safety and risk mitigation standards and systems; etc., across all business classes.

MENA region where we operate however essentially revolves around hydrocarbon economy run on fossil fuels to generate gas and petrol which feed the growing global hunger for energy. However, here also we have carefully examined and encouraged the business houses, their efforts and commitment evidenced in terms of their risk mitigation steps and process installed to reduce or neutralize the carbon footprint and green gas emission. We have on case-to-case basis supported them with insurance protection and over the years in case of fire, engineering, H&M and TPL line of businesses portfolio in Qatar, we have increased such ESG favorable risks in 2019 from 8.70% of our portfolio to 10.29% in 2021 as under:

ESG% to total 4 classes



QIC's retail division was a pioneer in offering customers to purchase insurance through online and smartphone portals. Today, over 50% of our retail clients prefer buying their insurance covers online on anywhere either on their PCs or smartphones. We also introduced insurance products to cover the risk of COVID-19 infections.

From 2022 onwards, QIC has decided to:

- i. Launch green insurance products to facilitate energy saving products and services
- ii. Design coverage for green buildings, electric vehicles, public electric transport infrastructure, shift from fossil-fuel to renewable energy, waste and water recycling and companies involved in carbon reduction and using sequestration facilities.

3. Operations

We recognize that our customers, our products, our suppliers, our environment and society, and our employees are the five pillars through which, we plan to manage ESG risks. Our corporate governance values to stand for equality, equity, justice, and fairness in our dealings with them has been the cornerstone of our ethics and culture, which has now turned out to be an important asset in managing ESG risks. For sustainability of our business, we strive each day to support development of national resources and localization in the countries we operate and foster a sense of belonging and empowerment in our workplace even while maintaining diversity and inclusivity.

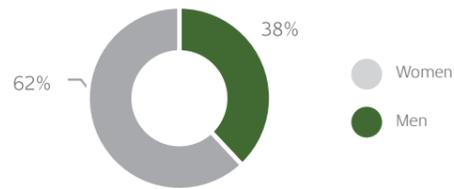
Diversity, Equality, Quality and Inclusivity:

- i. Our diverse workforce comprises highly skilled individuals from 68 nations, and who are based in our offices in 9 countries across 3 continents.
- ii. We are committed to develop and promote nationals in our

operations. We have achieved 85% nationalization within certain locations in the GCC, while in the UK, the figure stands at 68%. In the coming years, we are working towards raising the level of participation of the nationals in countries where it is less than 20%. Care has also been taken to ensure that the number one position at the senior management level is headed by nationals. The period of 2020-2021 also saw planned smooth succession at the top management level. The senior management team members in the Group have been together for an average period of over 12 years within the company providing stable and consistent leadership for a sustainable future.

- iii. We have among the highest employee retention ratios in MENA region of over 97%.
- iv. We are gender neutral and accommodate all sections of the society to grow and excel in a free and participating work environment. Our policies are designed to identify and encourage the best while providing room to develop and groom the weak to catch up to the speed working alongside with the best. During the year, we achieved gender diversity with 29% of our workforce are females with the highest of 38% being in our international operations.

Gender Diversity - QIC Global



- v. The quality of our manpower can be gauged from the fact that QIC's gross premium per employee is also the highest in the region in the industry at USD 4.83m for the year 2021. We are quite lean and agile, which has enabled us to face the recent global disaster like the Covid-19 pandemic. Having endured the global financial meltdown of 2008 also without any retrenchments, we are capable to sustain comfortably any climate change and ESG risks in the future.

Digitalization and e-Governance:

In terms of digitalization of all functions, our HR and Administration function has a robust system of e-governance with digitalization exceeding 80%.

Our underwriting process is fully digitized in terms of quote generation, quote dispatch, policy approval process, online payment, and policy document through digital means. Our claim settlement

process also works through automated workflow that involves deep integration with garages, claim surveyors, loss adjusters etc.

In recognition of our digital platform, Anoud Technologies, our IT services subsidiary, was rated among the top 10 InsurTech leaders in the World in 2021 by ACORD and Alchemy Crew. We are now sharing the fruits of our efforts to reduce carbon footprint to other insurance players in the region and overseas.

Data Privacy and Security:

At QIC, we are committed to protect customer data and privacy as required in terms of our policy and regulators. Our Group IT systems are subject to continuous threat penetration tests and have maintained ISO 27001:2017 security certificate standards since 2010.

The year 2021 passed without any major security incidents. QIC Group successfully thwarted over thirty-three thousand virus attacks via emails, spams, and phishing attempts. Further all the external threats in the form of brute force, web app attack, port scan, DDOS and hacking from IPs originated in different parts of the world have been nullified via automated and manual approach.

Besides, we have installed a robust IT disaster recovery management system which have also sustained routine drill tests and real-time disasters. This demonstrates our capacity to sustain our business against any threats given the existing security protection and walls in place to ensure data security and privacy of our customers and other stakeholders.

QIC Group Offices:

Our main offices in Qatar and London run on green certified lights, while to save energy we have fully automated and regulated switching facility for air conditioning linked to our working hours to save electricity and to reduce our carbon footprint.

Wastepaper generated out of our operations are sent for recycling. Going forward, we have planned to install one electric car charging station in our parking lot, support beach clean-up, ocean plastic and waste removal to save biodiversity, tree-planting at mass scale to neutralize the carbon emissions in our operations and recycling of wastewater generated in our premises.

4. Supply Chain

Our Bankers, security & capacity providers (reinsurers), brokers, intermediaries, agents, adjustors, auditors, portfolio managers, consultants, advisors, vendors, suppliers, providers, and contractors form a crucial lifeline of our supply-chain network. We are dependent on them to service our customers and larger stake holders. We have a transparent and fair bidding process where

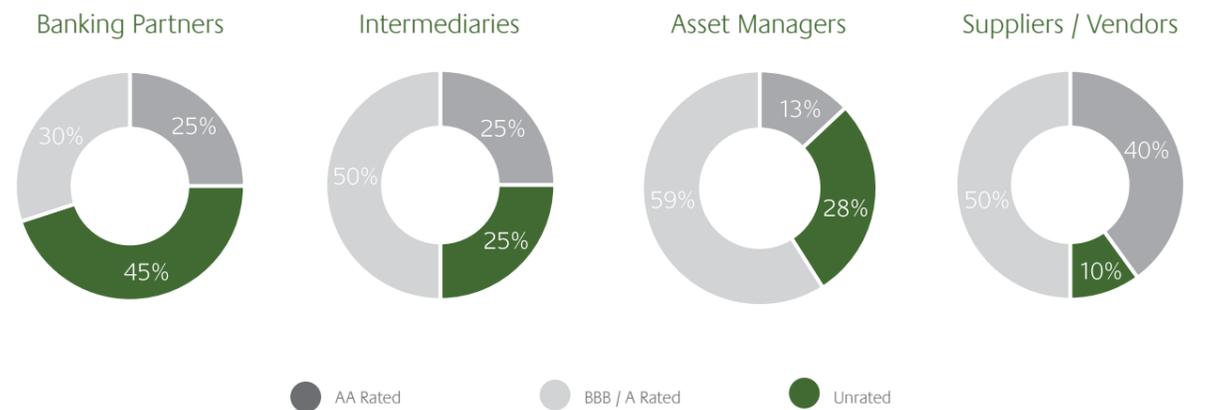
QIC Group will reduce exposures and will implement differential pricing for companies involved in toxic waste / emissions, coal-based energy business, fossil fuel producers

relevant and in case of open bidding process like sale of salvage, we have transparent online-digital bidding.

Their onboarding and selection process therefore is important for our success, which takes into account their quality, strength and competence.

QIC Global investments are managed by outsourced asset managers who are signatories to UN PRI 'Principle for Responsible Investment' since 2006 and 2007 and they have UN PRI score of A+ compared to mean 'A' score which indicates our use of market leaders in sustainable investments.

In terms of ESG risks, the below chart for 2021 shows the extent to which our supply chain complies with their efforts to reduce impact of climate change.



Way Forward

1. ESG risks will be evaluated, and a plan will be in place to address those risks at an acceptable level.
2. Key ESG issues will be identified and addressed across the organization.
3. We will develop a ESG risk management framework to conduct risk assessment exercise for physical and transition risk. The framework would include statistical / mathematical model/ metrics to assess the quantitative impact of climate change, do scenario analysis and stress testing for climate and other ESG related risks.
4. QIC Group will overtime develop resilient insurance books by considering ESG risks appropriately and evolving their exposure over time.
5. QIC Group will explore providing climate cover to alleviate ESG risks. The risks and opportunities pertaining to these new products will be backed by actuarial assessments
6. QIC Group will reduce exposures and will implement differential pricing for companies involved in toxic waste / emissions, coal-based energy business, fossil fuel producers, or companies involved in the emission of greenhouse gases.
7. In the coming years, we intend to improve our investment portfolio in MENA region in terms of ESG performance. We will set new business segment target for ESG compliant and ESG positive investment asset class. We also plan to incorporate ESG benchmark in investment decision making with ESG due diligence checklist for investments
8. An ESG Support structure has been established consisting of governance structure, policies, standards, SOPs, manuals, committed resources and funds and the incentivized business targets will facilitate the achievement of our ESG goals.
9. As we integrate ESG into our insurance, investment and operations, plans are also put in motion to achieve ESG rating as early as possible.



Corporate Social Responsibility

MENA CSR Initiatives



HMC Blood Donation Campaign

On July 2021, QIC Group held a blood donation campaign for its employees at its headquarters in West Bay. The yearly initiative was a direct response to urgent need of blood donors by Hamad Medical Corporation (HMC) for specific blood types and to support HMC's nationwide campaign to encourage citizens and residents to become regular blood donors.



Donation of QAR 1 million for those Affected by Cyclone Shaheen

Oman Qatar Insurance Company (OQIC), a subsidiary of Qatar Insurance Group, has donated OMR 100,000 – valued at approximately QAR 1 million to those affected by Cyclone Shaheen in Oman.

Official Insurance Sponsor' of QTM 2021

Qatar Insurance Group has long demonstrated its eagerness towards supporting activities that showcase Qatar's rich culture and enhance Qatar's exposure. In 2021, QIC Group sponsored Qatar International Exhibition for Travel & Tourism, the first exhibition of its kind in Qatar, to promote both inbound and outbound tourism.



Official Insurance Sponsor' of S'hail 2021

In its efforts to showcase Qatar's rich culture and enhance connection with our environment and heritage QIC Group sponsored S'hail 2021 – Katara International Hunting & Falcons Exhibition. S'hail is regarded as the largest international exhibition that specializes in exhibiting falcons and is dedicated to preserve and promote the art of hunting and falconry.



'Official Insurance Partner' of Qatar Balloon Festival 2nd Edition

QIC Group sponsored the festival to celebrate an important day in the nation's history - Qatar National Day - on December 18th.

'Official Insurance Sponsor' of Katara 11th Traditional Dhow Festival

In its efforts to reinforce its social responsibility role of preserving the authentic marine heritage and the customs and traditions of the ancestral past QIC Group Sponsored Katara 11th Traditional Dhow Festival that is aimed at restoring culture and preserving folk heritage.

QIC Sponsors Katara International Arabian Horse Festival 2021

In continuation of the role QIC Group has been playing in supporting Qatar's outstanding role in hosting local and international events across sports, tourism and culture QIC sponsored Katara's International Arabian Horse Festival (KIAHF 2021) organized by Cultural Village Foundation (Katara).

Global CSR Initiatives

United Kingdom

Great Ormond Street Appeal

Providing presents for seriously ill children.

The Royal British Legion Annual Poppy Appeal

Providing support serving and ex-serving military personnel.

City Giving Day part of The Lord Mayors Appeal

City of London initiative supporting The Duke of Edinburgh's Award, Place2Be, OnSide, and Samaritans.

Macmillan Cancer Support

Providing physical, financial and emotional support to those living with cancer.

Zürich

Insieme Zürich

Providing leisure facilities for people with a disability, a safe place where they can learn and socialise.

Schweizer Tafel

Collect and provide flawless food from major distributors, producers and retailers. Distributing it free of charge to social institutions caring for those affected by poverty.

Malta

Dar Bjorn

Providing nursing homes with access to specialised treatment for people with ALS, MS and other Neurological conditions.

Bermuda

Eliza Doolittle Society

A charity with a mission to provide healthy and nutritious solutions to the food insecurity in Bermuda.

