



Gulf International Bank
Principles for Responsible Banking 2022



Introduction

Gulf International Bank BSC (GIB) became a signatory of the Principles for Responsible Banking (PRB) in March 2022. By signing the Principles, organisations commit to align their strategy and practices with society's goals, as set out by the United Nations Sustainable Development Goals and the Paris Agreement.

As a signatory of the PRB, we are committed to understanding our areas of most significant positive and negative impacts and setting targets and action plans to mitigate the negative effects. We are also committed to reporting against our progress on implementing the Principles.

Since becoming a signatory last year, GIB has made progress on understanding its positive and negative areas and setting some initial targets. However, the PRB envisages a four year implementation period for the Principles, and we believe that we have further work to do.

This report sets out our progress towards implementing the principles one year after becoming a signatory.



Principle 1: Alignment
 We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and self-assessment requirements	GIB response	References
<p>Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.</p>	<p>Gulf International Bank (GIB) is a pan Gulf Cooperation Council (GCC) universal bank established in 1975 and regulated by the Central Bank of Bahrain.</p> <p>GIB is active across regional and international markets through its subsidiaries GIB Saudi Arabia, GIB Capital and GIB (UK) Ltd and its branches in the UAE and USA.</p> <p>GIB provides a range of financial products, services and bespoke banking solutions to a wide client base in the GCC, Europe and North America. This includes corporate, institutional, global transaction and investment banking, treasury and Asset Management and meem (digital shariah compliant retail bank).</p> <p>More precisely, GIB's business segments are analysed as follows (by % of assets in 2021):</p> <ul style="list-style-type: none"> • Wholesale banking (36.4%) • Treasury (61.3%) • Asset Management and investment banking (0.2%) • Head office and support units (2.1%) <p>Although the Group's major business segments are managed worldwide, they are considered to be operating in two geographical markets; the GCC and the rest of the world (% of total assets in 2021):</p> <ul style="list-style-type: none"> • GCC (66%) • Other countries (34%) 	<p>Annual Report 2021</p> <p>Annual Report 2022</p>
<p>Strategy alignment</p> <p>Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?</p> <p>Yes ✓</p> <p>No</p> <p>Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> <p>Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?</p> <p>UN Guiding Principles on Business and Human Rights</p> <p>International Labour Organization fundamental conventions</p> <p>UN Global Compact</p> <p>UN Declaration on the Rights of Indigenous Peoples</p> <p>Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: TCFD (For (GIB UK)) ✓</p> <p>Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: -----</p> <p>None of the above</p>	<p>In 2022, GIB's sustainability vision was to integrate sustainability across its business, and provide a range of sustainable products and services.</p> <p>As part of this, GIB rolled out a sustainability framework that defined, among others, how GIB identifies material and enduring sustainability issues. This includes the SDGs, the Paris Agreement and other national and international frameworks. Please see our 2022 sustainability report</p>	

Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key step 1)

Reporting and self-assessment requirements	GIB response	References
<p>Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:</p> <p>a) Scope: What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.</p>	<p>By late 2021, GIB had conducted an impact analysis exercise on three of its key business areas; the Wholesale Bank, UK Asset Management and UK Treasury. The impact analysis covers the majority of the Bank by revenue.</p> <p>The impact analysis exercise has not yet covered Investment Banking, the Retail Bank or Group Treasury.</p> <p>The analysis covered all the geographies in which GIB operates.</p> <p>Due to the nature of GIB’s processes, it is not possible to update the impact analysis exercise on a regular basis (e.g. annual). However, to get a better view of our positive and negative impacts, GIB aims to extend the impact analysis exercise to other business units within the bank in 2023/2024 and beyond.</p>	See appendix
<p>b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope</p> <p>i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>	<p>Wholesale Banking:</p> <p>GIB’s primary focus is the GCC region. In the GCC region in general, GIB’s activities have a sizeable exposure to the Energy, Oil and Petrochemicals and Finance Services sectors.</p> <p>UK Asset Management :</p> <p>GIB’s Asset Management portfolio is highly exposed to the United States (62%), followed by Japan (6.46%). In terms of industry, GIB’s portfolio is highly exposed to Information Technology, financials, healthcare, consumer discretionary and communication services.</p>	See appendix
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank’s portfolio impacts into the context of society’s needs.</i></p>	<p>GIB regularly engages with a number of stakeholders to understand the main challenges and priorities in the countries in which we operate. These include policy makers, clients and our own employees. This is further detailed in our stakeholder mapping in our sustainability report.</p>	Sustainability Report 2022 Sustainability Report 2021
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.</p>	<p>Based on the results of the impact analysis exercise across our business lines, GIB identified the following as areas of focus:</p> <ul style="list-style-type: none"> • Climate • Inclusive and healthy economies 	See appendix
<p>d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	<p>While the impact analysis exercise helped shed light on GIB’s client concentration and overall impact, GIB aims to further understand the impact these clients have, particularly when it comes to their impact on climate.</p> <p>As a result, GIB is planning to start measuring its scope 3 financed emissions in 2023 / 2024. This would enable us to understand which of clients / sectors have a higher impact in terms of their effects on climate.</p>	N/A

¹That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

²Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

⁴Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Self-assessment summary:
Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	Yes ✓	In progress	No
Portfolio composition:	Yes ✓	In progress	No
Context:	Yes ✓	In progress	No
Performance measurement:	Yes	In progress ✓	No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?
Climate, inclusive economies

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication ✓**

⁶You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.2 Target Setting (Key Step 2)

Reporting and self-assessment requirements	GIB response	References
<p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:</p> <p>a) Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p><i>You can build upon the context items under 2.1.</i></p>	<p>GIB is committed to positively contributing to sustainable development and to reducing its negative impacts on society and the environment.</p> <p>Inclusive economies:</p> <ul style="list-style-type: none"> GIB has set itself SMART targets to provide finance to micro, small and medium sized enterprises (MSME). This target is in line with Saudi Arabia’s Vision 2030 and with the Sustainable Development Goals (SDG 8). The figures have not been disclosed due to commercial sensitivities, but are monitored internally. <p>Climate:</p> <ul style="list-style-type: none"> GIB set itself SMART targets based on its commitment to the Net Zero Asset Managers Initiative and the sustainable Development Goals (SDG 13). These targets are applied to the Sustainable World Fund only. 	See appendix
<p>b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p>	<p>MSME: 2021 baseline. Asset Management : 2019 baseline</p>	See appendix
<p>c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p>MSME: The figures have not been disclosed due to commercial sensitivities, but are monitored internally.</p> <p>Asset Management targets:</p> <ul style="list-style-type: none"> Asset class targets: to have 100% of in-scope assets to be ‘Committed to aligning’, ‘Aligning with Net Zero’, ‘Aligned with Net Zero’, or ‘Achieving Net Zero’ by 2035, including >50% fully aligned by 2035, as defined by the Paris Aligned Investment Initiative methodology Portfolio scope 1 & 2 emissions or in scope portfolios: <ul style="list-style-type: none"> Reduce emissions by ~92% by 2050 	See appendix
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	<p>Asset Management targets: for the Asset Management targets, we set ourselves a number of interim targets to support us in achieving net zero by 2050</p> <p>Asset class targets:</p> <ul style="list-style-type: none"> To have 80% of in-scope assets to be ‘Committed to aligning’, ‘Aligning with Net Zero’, ‘Aligned with Net Zero’, or ‘Achieving Net Zero’, by 2025 To have 90% of in-scope assets to be ‘Committed to aligning’, ‘Aligning with Net Zero’, ‘Aligned with Net Zero’, or ‘Achieving Net Zero’, by 2030 <p>In scope portfolio:</p> <ul style="list-style-type: none"> Reduce emissions by ~30% by 2025 Reduce emissions by ~55% by 2030 <p>We also devised further actions including engagement with companies. More information can be found in the appendix</p>	See appendix

⁷Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

⁹Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets

	... first area of most significant impact: ... (Climate)	... second area of most significant impact: ... (inclusive, health economies)
Alignment	Yes ✓ In progress No	Yes ✓ In progress No
Baseline	Yes ✓ In progress No	Yes ✓ In progress No
SMART targets	Yes ✓ In progress No	Yes ✓ In progress No
Action plan	Yes ✓ In progress No	Yes In progress ✓ No

Principle 2: Impact and Target Setting
We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.3 Target implementations and monitoring (Key step 3)

Reporting and self-assessment requirements	GIB response	References
<p>Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.</p> <p>Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	<p>For the Asset Management targets, GIB monitors the progress against the interim targets on a regular basis. To support the achievement of the first interim target in 2025, GIB ran an engagement programme with a number of investee companies who had not yet set Net Zero aligned targets to encourage them to do so.</p>	<p>See appendix</p>

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client Engagement**Reporting and self-assessment requirements****GIB response****References**

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes ✓ In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No ✓

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

As part of GIB's sustainability advisory offering, GIB has been engaging with client's to understand where they stand on their sustainability journey and to offer support with supporting clients' transition to a more sustainable business model.

Furthermore, as a way to understand where our clients stand on their sustainability journey, GIB rolled out a climate risk and ESG scorecard to corporate clients.

In addition, as part of GIB's sustainable and sustainability-linked finance offerings, GIB continues to support its clients' in understanding the sustainability areas that are material to them from an opportunity and risk perspective and in setting targets accordingly. For information on the sustainable / sustainability-linked financing offered in 2022, see our sustainability report.

Sustainability Report 2022
[Sustainability Report 2021](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

GIB identified sustainability-linked financing and green / transition financing as a strategic business opportunity in relation to our key positive and negative impacts.
GIB is working on introducing a sustainable and transition finance framework that will enable future robust categorization and reporting of activity across sustainable criteria.

Sustainability Report 2022
[Sustainability Report 2021](#)

¹⁰A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation		
Reporting and self-assessment requirements	GIB response	References
<p>Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?</p> <p>Yes ✓ In progress No</p> <p>Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.</p>	<p>GIB bases its stakeholder identification and consultation approach on the Global Reporting Initiative (GRI) guidelines. GIB identified a range of stakeholders, based on representing groups in which the bank can have a material impact and those which exert a material influence and impact on the bank and its operations. GIB identified its employees, clients and customers, investors and shareholders, suppliers, regulators and governments and policy makers, business and sustainability partners and the communities in which we operate as its key stakeholders.</p> <p>We engage with our stakeholders using different methods to maximize our engagement across different stakeholder groups. This includes workshops, training sessions, our sustainability report and virtual and face-to-face meetings.</p> <p>The approach to engaging with these stakeholders is explained in detail in our sustainability report.</p>	<p>Sustainability Report 2022</p> <p>Sustainability Report 2021</p>

¹²Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.		
5.1 Governance Structure for Implementation of the Principles		
Reporting and self-assessment requirements	GIB response	References
<p>Does your bank have a governance system in place that incorporates the PRB?</p> <p>Yes In progress ✓ No</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> • which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), • details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as • remuneration practices linked to sustainability targets. 	<p>We have set out the governance structure, systems, policies and procedures with respect to managing the impact of our business. This is embedded as part of our established governance structure.</p> <p>A Board level Sustainability and Climate Change Committee was formed in May 2023. The Committee comprises of both directors and executive management. The Committee ensures that sustainability and climate change risks and opportunities are effectively embedded into the Bank and Group businesses.</p> <p>The Group Sustainability Council is responsible for providing steering to develop GIB’s strategy, products, risk management, finance considerations, policies, brand and other sustainability matters and measuring and monitoring sustainability progress, including those relating to the PRB.</p> <p>The Council is chaired by the Group CEO and is supported by the Group Chief Sustainability Officer. The Council meets on a quarterly basis. The Council reviews the results of the PRB impact analysis exercises and monitors the targets set for the PRB quarterly. The Council also discusses progress against the set targets including what remedial actions are in place (if the targets are not being met).</p> <p>The set targets are also included as part of remuneration as part of the relevant departmental KPIs. Our executive and employee remuneration variable remuneration is linked to these KPIs.</p> <p>The Sustainability Evaluation and Approval Committee is responsible for ensuring that GIB’s suite of sustainable finance products maintain their integrity and alignment with GIB’s agreed framework.</p>	<p>Sustainability Report 2022</p> <p>Sustainability Report 2021</p>
5.2 Promoting a culture of responsible banking		
<p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p>	<p>GIB’s approach to sustainability and responsible banking is led from the top, with support from the CEO and Chief Sustainability Officer on the bank’s sustainability strategy.</p> <p>GIB has also been working on promoting a culture of responsible banking across the bank. To achieve this, the bank has:</p> <ul style="list-style-type: none"> • Incorporated culture in its Sustainability Framework • Introduced departmental sustainability KPIs that are linked to employee and executive remuneration • Introduced both general and targeted sustainability training to employees across different levels of the bank • Published internal sustainability newsletters on a quarterly basis • Published an Impact and Engagement Report for GIB Asset Management <p>In addition to this, work is underway to introduce climate risk specific KPIs and changed to senior management job descriptions, affirming their responsibility for ensuring that the Bank manages and mitigates our Climate Risk exposure.</p>	<p>Sustainability Report 2022</p> <p>Sustainability Report 2021</p> <p>GIB AM Impact & Engagement Report 2022</p>
5.3 Policies and due diligence processes		
<p>Does your bank have policies in place that address environmental and social risks within your portfolio? ¹³ Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p>	<p>GIB has a Whistleblowing Policy that is used both by our employees and external parties. Whistleblowing – the evaluation of issues raised, the numbers submitted and tracking of resolution for whistleblowing is overseen by Compliance. HR also has a role to play if the topic is related to harassment and discrimination, for example. GIB also meets any central bank or other regulatory requirements in respect to client and consumer grievances.</p> <p>GIB has diversity and inclusion policy and for GIB BSC and GIB KSA we also make references in the HR Management Framework.</p> <p>GIB also has a Restricted Industry List.</p> <p>GIB is working on policies / frameworks for its Wholesale Banking portfolios that set out exclusions.</p> <p>On the Asset Management side, GIB has a responsible investment policy that address environmental and social risks within its Asset Management portfolios.</p>	<p>Annual report 2022</p> <p>RI policy 2022</p>

¹³Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes ✓ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes ✓ No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes ✓ In progress No



Principle 6: Transparency & Accountability
We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

6.1 Assurance

Reporting and self-assessment requirements	GIB response	References
<p>Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?</p> <p>Yes Partially No ✓</p> <p>If applicable, please include the link or description of the assurance statement.</p>	<p>Our PRB report has not undergone independent assurance.</p>	

6.2 Reporting on other frameworks

<p>Does your bank disclose sustainability information in any of the listed below standards and frameworks?</p> <p>GRI ✓ SASB CDP ✓ IFRS Sustainability Disclosure Standards (to be published) TCFD ✓ Other:</p>	<p>GIB’s sustainability report is prepared in accordance with GRI.</p> <p>GIB (UK) publishes a TCFD report annually.</p> <p>For the reporting year 2023 onwards, GIB plans to publish a TCFD report at a Group level.</p>	<p>Sustainability Report 2022</p> <p>Sustainability Report 2021</p>
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6.3 Outlook

<p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.</p>	<p>GIB aims to extend the impact analysis exercise to other areas of its business. With this, GIB also aims to improve its targets and/or introduce new ones so as to ensure effective coverage of its key positive and negative areas of impacts.</p> <p>In terms of governance, GIB aims to update its relevant policies to reference the PRB where applicable.</p>	
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6.4 Challenges

<p>Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question). If desired, you can elaborate on challenges and how you are tackling these:</p> <p>Embedding PRB oversight into governance Gaining or maintaining momentum in the bank Getting started: where to start and what to focus on in the beginning Conducting an impact analysis Assessing negative environmental and social impacts Choosing the right performance measurement methodology/ies Setting targets Other: ... Customer engagement Stakeholder engagement ✓ Data availability ✓ Data quality ✓ Access to resources ✓ Reporting Assurance Prioritizing actions internally</p> <p>If desired, you can elaborate on challenges and how you are tackling these.</p>		
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¹⁴For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.

¹⁵For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets.

Appendix

Principle 2: Setting targets

Alignment with sustainability

We are a responsible bank. We believe that finance can be used as a force for good. From a banking perspective, we believe that finance can be used to support our clients in their journey to transition to a more sustainable economic approach. From an Asset Management perspective, we believe that capital should be actively allocated to investments, sectors and businesses that have a positive impact on society and the environment.

Scope

- We conducted an impact analysis exercise on three of our business units; Wholesale Banking, UK Asset Management and UK Treasury.
- The business units selected are considered key business areas within GIB. Our Wholesale Banking, Group Treasury and Asset Management (and Investment Banking) business units accounted for 59%, 22% and 8% of our overall business by total income in 2021 respectively.
- This report will outline the findings of the impact analysis exercise that was conducted on both our Wholesale Banking and UK Asset Management business units. The result of our UK Treasury impact analysis exercise can be found here.
- The impact analysis covered data up to the end of 2021. Due to the processes in place to extract data, GIB is not able to update the analysis on a regular basis (i.e. annually). However, GIB aims to extend the analysis to other business units in due course.
- The impact analysis exercise allowed us to understand the most significant positive and negative impacts within our Wholesale Banking and UK Asset Management businesses. The exercise was guided by the methodology provided by the Principles for Responsible Banking, in particular the UNEP FI Portfolio Impact Identification Tool for Banks, which covers the requirements to conduct the impact analysis.

Wholesale Banking impact analysis

Portfolio composition

GIB conducted the impact analysis exercise on its GIB BSC Wholesale Banking portfolio and GIB KSA Wholesale Banking portfolio (together Wholesale Banking portfolio).

Wholesale Banking portfolio:

The analysis showed that the Wholesale Bank is mainly active in GCC market – the six GCC countries are the Kingdom of Saudi Arabia, Bahrain, the United Arab Emirates, Kuwait, Oman and Qatar. Overall, GIB assessed that the largest funded exposures was in energy, oil and petrochemicals and financial services. The portfolio of the Wholesale Bank is highly diversified – The Wholesale Bank’s exposure to the aforementioned sectors was 19% and 18% respectively.

Context

Wholesale Banking portfolio:

We identified the following as areas of most relevant impacts:

- Climate
- Inclusive, healthy economies

Performance measurement

While the impact analysis exercise helped shed light on GIB’s client concentration and overall impact, GIB aims to further understand the impact these clients have, particularly when it comes to their impact on climate.

As a result, GIB is planning to start measuring its scope 3 financed emissions in 2023 / 2024. This would enable us to understand which of clients / sectors have a higher impact in terms of their effects on climate.

Asset Management impact analysis

Portfolio composition

The analysis showed that our Asset Management portfolio is highly exposed to the United States of America (62%) and Japan (6.5%). The rest of the portfolio is exposed to a number of different countries albeit at a small level (4% and lower). As a result, these countries have been deemed immaterial.

In terms of industry exposure, top industries include IT (23%), Financials (13%), Healthcare (13%), consumer discretionary (12%) and Communication Services (10%).

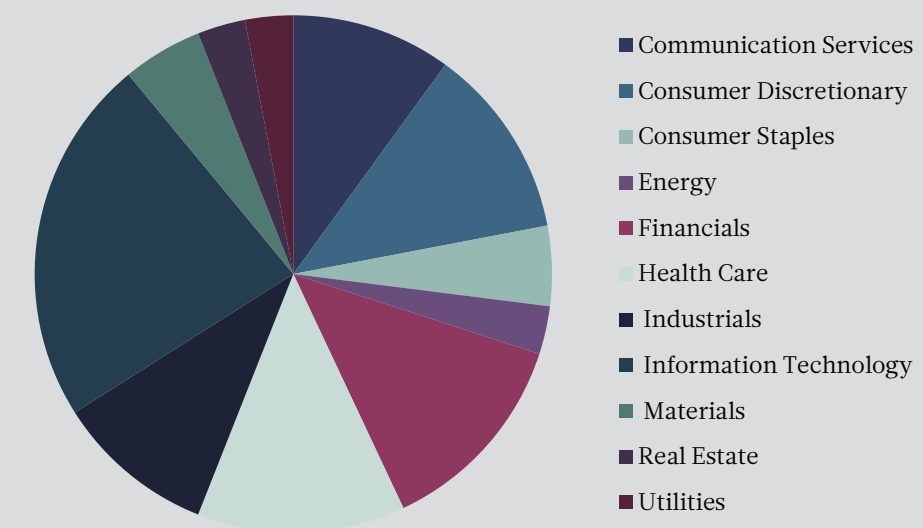
Context

Our Asset Management portfolio is concentrated in the USA. Using the impact analysis tools, we identified the following as areas of most relevant impacts:

- Climate
- Water availability
- Waste
- Resource efficiency and security
- Housing
- Mobility

Based on this, GIB identified climate as an area of focus.

Figure 1: 2021 industry exposure [%] (source: GIB analysis)



Target setting

Alignment, baseline and SMART targets

We are committed to reducing the negative impacts that our business has on the environment and society. Consistent with our impact analysis exercise, and with regional and international initiatives such as the Saudi Arabia Vision 2030, the Sustainable Development Goals (SDG), the Paris Agreement and the Net Zero Asset Managers Initiative, GIB set itself ambitious overall targets.

Given the similarities between the GCC countries in terms of opportunities and risks, and given that the impact analysis exercise yielded similar results for both the wholesale banking and Asset Management portfolios, GIB decided to set unified targets for the bank. These targets cover climate and healthy and inclusive societies.

	Category	KPI	Base year (starting point)	Target year (target point)	Alignment with international initiatives
Asset Management ¹⁶	Climate	To have 100% of in-scope assets to be ‘committed to aligning with net zero’, ‘aligned with net zero’ or achieving net zero	2019	2035	Paris agreement SDG 13: climate action Net Zero Asset Managers Initiative
	Climate	Reduction of our point-in-time scope 1 and 2 benchmark targets emissions	2019	2035	Paris agreement SDG 13: climate action Net Zero Asset Managers Initiative
Wholesale Banking	Inclusive and healthy economies	Provide finance to micro, small and medium sized enterprises (MSMEs)	2021	Rolling annual target	SDG 8: Decent work and economic growth KSA Vision 2030

Action plan

GIB defined a number of interim targets to help achieve the set targets within the required time frame. In addition, GIB devised an action plan to help achieve the targets.

Target	2025 target	2030 target	2050 target	Further actions
To have in-scope assets to be ‘committed to aligning’, ‘aligning with net zero’, ‘aligned with net zero’ or achieving net zero	80% of in scope assets	90% of in scope assets	N/A	
Reduction of our point-in-time scope 1 and 2 benchmark targets emissions	Reduce emissions by 30%	Reduce emissions by 55%	Reduce emissions by 92%	
Provide finance to micro, small and medium sized enterprises (MSMEs)	No further detail published at this stage as it is a new business for GIB. More information may be disclosed on this in due course.			

Target implementation and monitoring

GIB is making progress against its 2025 targets.

Target	2025 target	2022 actual ¹⁷
To have in-scope assets to be ‘committed to aligning’, ‘aligning with net zero’, ‘aligned with net zero’ or achieving net zero	80% of in scope assets	85%
Reduction of our point-in-time scope 1 and 2 benchmark targets emissions	Reduce emissions by 30%	-73%

GIB monitors its progress against these targets on a regular basis.

¹⁶Asset Management targets apply to GIB Asset Management’s Sustainable World Fund only.

¹⁷Figures have not been verified by external parties.

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