SUSTAINABILITY REPORT

2022 - 2023

About the Report

Introduction

We are delighted to present Lesha Bank LLC's Sustainability Report for the reporting year 2022 and 2023. This report provides a comprehensive overview of our sustainability performance, initiatives, and commitments during the reporting period. It reflects our dedication to transparency, responsible business practices, and our ongoing efforts to create a positive impact on the economy, environment, and society.

Reporting Period and Alignments

This report covers the sustainability activities and achievements during the calendar years: 1st January 2022 to 31st December 2023. Additionally, it covers ESG highlights and performance metrics from the previous calendar year 2022. It includes data and information from our operations across Qatar, which we manage from our headquarter located in the West Bay Doha. To enable comparability of our performance, we publish data from last year in this report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. We ensure high-quality reporting by applying the eight GRI Reporting Principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability. Furthermore, this report reflects how we align with the national frameworks of Qatar and the internationally recognised United Nations' Sustainable Development Goals (SDGs) into the report where the bank has a direct role in achieving progress toward its chosen goals.

It covers our Environmental, Social and Governance activities and strategy for the year 2022 and 2023. This report is also focused on the issues we have determined to be of material importance to us and our stakeholders from a financial services perspective. We aim to publish this report annually.

Contact Details

If you have any feedback on this report or would like to learn more about sustainability at Lesha Bank, please contact:
information@leshabank.com

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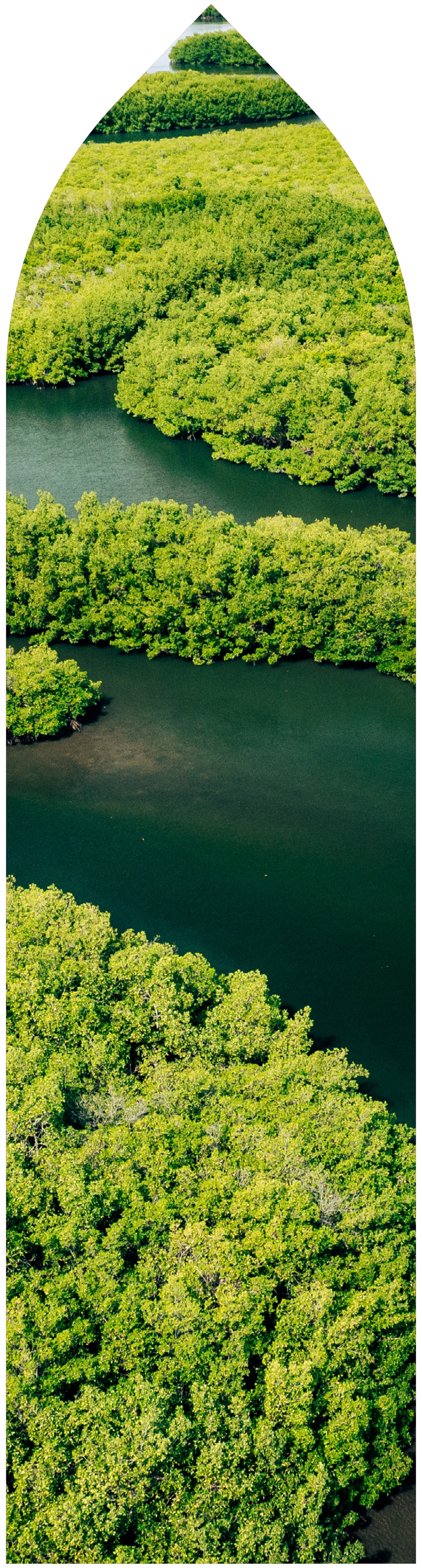


Introduction

ESG Performance Summary

Throughout this report, we highlight significant milestones, initiatives, and progress we have made in advancing sustainability within our organization. We are committed to transparency, responsible business practices, and the integration of sustainable initiatives into our operations. Our Sustainability Report serves as a comprehensive overview of our efforts, strategies, and achievements in addressing environmental, social, and governance (ESG) factors. This report outlines our commitment to sustainable development and our journey towards fostering positive impacts within the communities we serve. Through this document, we aim to communicate our environmental stewardship, social responsibility initiatives, and corporate governance practices.

Key elements covered in this report include:

Economic Impact: Insights on the distribution of income and investments in sustainable projects.

Environmental Impact: Details on our environmental footprint, initiatives to reduce carbon emissions, promote renewable energy, and minimize waste generation.

Social Responsibility: Insights into our community engagement programs, diversity and inclusion efforts, employee welfare, and philanthropic initiatives.

Corporate Governance: Information regarding our governance structure, ethical business practices, compliance standards, and risk management strategies.

We recognize the importance of accountability and continuous improvement. Our sustainability goals align with international frameworks and standards, demonstrating our commitment to creating long-term value for our stakeholders while contributing to a more sustainable future. This report reflects our dedication to transparency and our ongoing efforts to integrate sustainability into every facet of our business activities.

Below mentioned highlights showcase our dedication to driving positive change and the positive outcomes we have achieved:

Economic

Lesha Bank achieved a net profit of **QAR 94.4 million** in 2023

In 2023, Lesha Bank's total assets grew by 20% to **QAR 6.3 billion**, with Assets Under Management increasing by 18%

Environment

Reduction in average monthly electricity consumption in 2023 compared to 2022

Reduced energy consumption led to emission reduction associated with it

Redirected waste away from disposal and ensured its collection for recycling

Social

Zero incidents of injury in the workplace

Zero incidents of child labor in our operations and supply chain

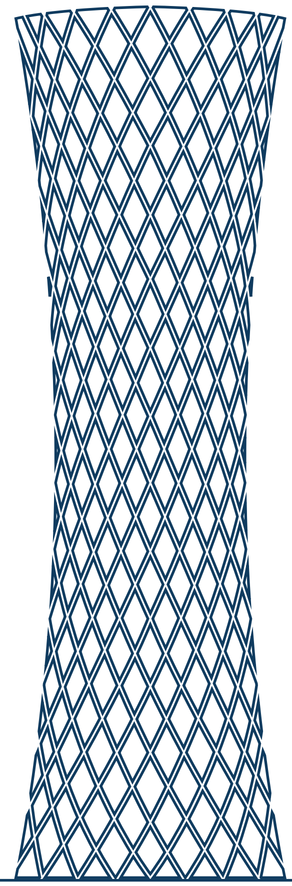
100% of employees who received career reviews as per career development programs

Who We Are

Lesha Bank is the first independent Shari'a-compliant Bank authorized by the Qatar Financial Center Regulatory Authority (QFCRA), and a listed entity on the Qatar Stock Exchange (QSE: QFBQ). Lesha Bank acts as an investment partner in offering attractive, premium investment opportunities and innovative financial solutions with local, regional, and international reach.

Lesha Bank continues to enhance its role as a trusted advisor and gateway to opportunities in Qatar, the region, and global markets with a focus on US, Europe, and the MENA region.

Lesha Bank offers high-net-worth individuals and corporates a range of innovative, tailor-made Shari'a-compliant financial products and solutions covering alternative investments focused on real estate and private equity, private banking & wealth management, corporate and institutional banking, as well as treasury and investments.



Our Vision

Our vision is to "Become a global leader in Shari'a-compliant investment banking by offering innovative investment opportunities to achieve sustainable growth."

Our Values

As a successful and responsible business, we are driven by our values to create a positive impact on society and stakeholders.Our five values of Longevity, Excellence, Sustainability, Honesty and Adaptability help us navigate the dynamic world and deliver long-term value.

Longevity
Through long-term partnerships, catering to elite class clients and providing personalized banking and wealth management products and services.

Excellence
Delivering tailor-made investment opportunities, products and services by leveraging highly experienced in-house staff.

Sustainability
By targeting financial freedom and personal aspirations for lifelong solutions and experiences we seek to provide premium products and valuable investment opportunities.

Honesty
Remaining transparent and maintaining integrity with shareholders and clients and applying the most rigorous Shari'a compliance and governance standards.

Adaptability
Leveraging available resources to target the latest practices and technologies into our operations, adopting a solid digital transformation strategy.

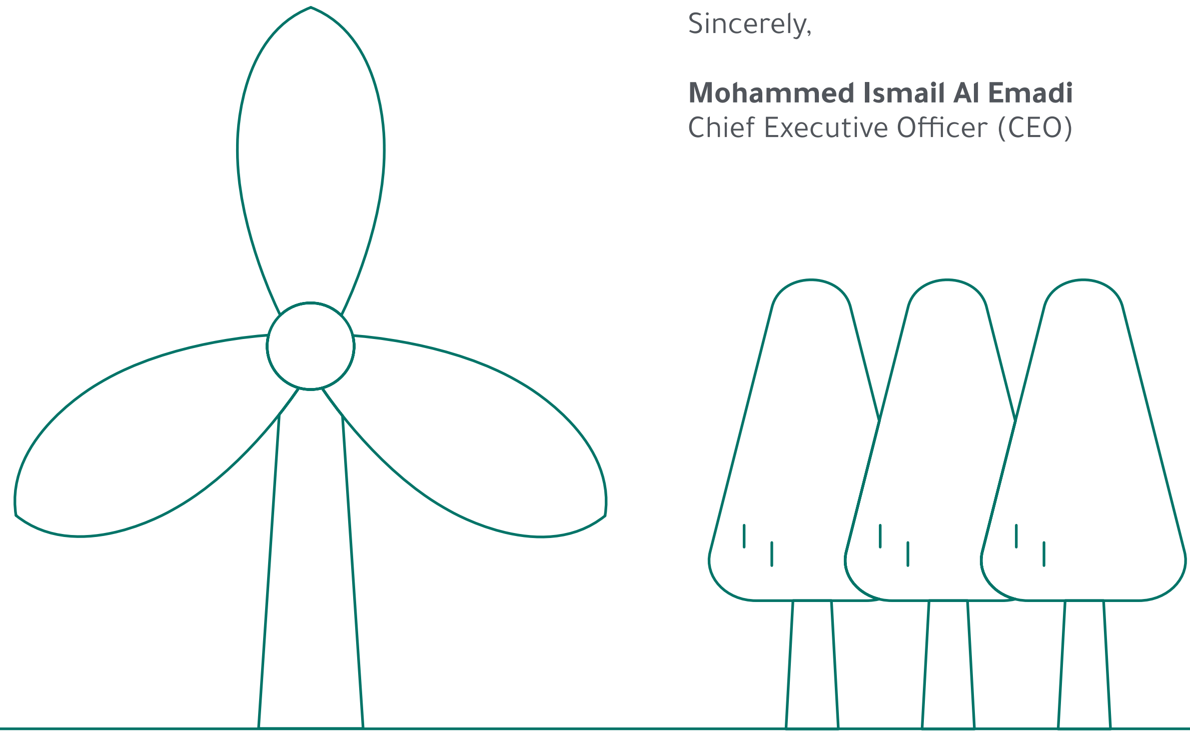
CEO Message

Dear Stakeholders,

As we reflect upon a year marked by exceptional accomplishments, Lesha Bank stands proud, firmly committed to the principles of sustainable banking. In the fiscal year 2023, our institution experienced a remarkable 20% growth in total assets, reaching an impressive QAR 6.3 billion. This achievement is a testament to our unwavering dedication to economic resilience and forward-thinking strategies.

At the heart of our journey lies a robust sustainability strategy, harmonizing with both national directives and global benchmarks such as the United Nations Sustainable Development Goals (UN SDGs). Throughout this year, our focus has been on pivotal objectives: the enhancement of our digital banking services, substantial reductions in resource consumption, and the cultivation of a culture rooted in innovation and sustainability.

Our US real estate property, Gateway Plaza, acquired in 2022, holds the prestigious LEED Gold environmental certification. This demonstrates our steadfast dedication to sustainability, aligning with our commitment to focus on environmentally concision investments.



Our commitment to sound governance is evidenced by the composition of our Board and the implementation of robust internal controls. These elements underscore our pledge to uphold ethical standards and transparent practices. In environmental stewardship, Lesha Bank achieved notable milestones, including an average monthly reduction in electricity consumption and diversion from direct disposal of waste generated.

Looking ahead, Lesha Bank is poised to navigate the dynamic economic landscape, placing emphasis on sustainable growth and digital transformation. Our dedication remains resolute in empowering communities, advancing sustainable practices, and look to make positive contributions to the global economy.

I extend my heartfelt gratitude to our valued stakeholders for their support and trust in our pursuit of a sustainable future. Your collaboration is integral to the narrative of Lesha Bank's success, and we are deeply appreciative of your role in this transformative journey.

Thank you for being an essential part of our story.

Sincerely,

Mohammed Ismail Al Emadi
Chief Executive Officer (CEO)

Our Awards & Recognition

Euromoney Market Leaders

Rated in four categories of Euromoney Market Leaders 2022 in Qatar, endorsing the Bank as a leader in investment banking in Qatar. In addition to the "Market Leader" accreditation in Investment Banking in Qatar, Euromoney accorded Lesha Bank with "Highly Regarded" accreditation for its CSR initiatives, and a "Notable" accreditation for its Digital Solutions and Islamic Finance offerings.

MEED MENA Banking Excellence Awards

Lesha Bank has achieved outstanding accomplishments at the esteemed MEED MENA Banking Excellence Awards 2023. The bank has received recognition in two categories: MENA Asset Manager of the Year and Most Effective Investment Service Offering. These accolades underscore the bank's unwavering dedication to providing innovative investment solutions to its clientele.

EMEA Finance ME Banking Awards

We have been honored with the "Best Asset Manager in Qatar" at the EMEA Finance Middle East Banking Awards 2022. The 15th installment of the yearly awards ceremony, hosted by EMEA Finance magazine, aimed to recognize the achievements of commercial, investment, and Islamic banks in the Middle East, along with brokers and asset managers. EMEA Finance magazine focuses on reporting financial and banking advancements in Europe and the Middle East, targeting an audience of executives.

International Business Magazine Awards

- Best Corporate and Investment Bank, Qatar
- Leading Shari'a-compliant Solutions, Qatar
- Investment Bank CEO of the Year Qatar - Mr. Abdulrahman Totonji

Great Place to Work

Our Bank has received certification of Great Place to Work®, making us the first and only bank in Qatar to achieve this recognition. It acknowledges the bank's exceptional work environment as assessed by Great Place to Work® Middle East.

The excellent grades and certification are a shining example of the Bank's efforts to create a successful work environment for its associates. One of the Bank's defining characteristics is its commitment to employee engagement and development. We continuously support professional advancement, work-life balance, and teamwork by rewarding and recognizing their efforts.

Euromoney Awards for Excellence

Lesha Bank was honored for its exceptional efforts to promote diversity and inclusion in the financial sector at the Euromoney Awards for Excellence, which is known for recognizing exceptional performance in the banking and financial sectors worldwide. 'Best Bank for Diversity & Inclusion in Qatar' is a proof of the Bank's ongoing efforts to build a workplace that respects and integrates local talent and culture while reflecting the diverse fabric of the community it serves.

The Bank is also acknowledged and ranked high in several other categories like Investment Banking, Private Banking, Islamic Finance, Digital Solutions, Environment Social and Governance (ESG), and Corporate Social Responsibility (CSR) at Euromoney Market Leaders 2023 held in Qatar.

Global Banking & Finance Awards

Best Investment Bank - Qatar

The Asset Triple A Islamic Finance Awards

Asset Manager of the Year - Qatar

Best Workplaces for Women

Lesha Bank has been recognized as one of the Best Workplaces for Women in the GCC 2023. Our strong dedication to diversity is evident in the substantial contributions made by women from a wide range of countries and backgrounds. Notably, a few of our amazing women oversee important divisions inside our company.

Best Workplaces for Asia

Lesha Bank is proud to be the first and only Bank in Qatar to be among Great Place to Work's 2023 Best Workplaces in Asia™. This accolade reflects our leadership's vision and commitment to an inclusive work environment, diversity, and appreciation for our employees who are leading the business success.

Our ESG Strategy

Our Commitment to Sustainability

Lesha Bank recognizes that as a financial institution, it plays a crucial role in shaping the sustainable development landscape. Our approach to sustainability integrates environmental, social, and governance (ESG) principles into our core business strategies. This document outlines Lesha Bank's comprehensive approach to sustainability, emphasizing responsible banking practices, community engagement, environmental stewardship, and ethical governance.

Lesha Bank commits to responsible lending practices, ensuring that our financial services support projects and initiatives that may align with sustainable development goals. Integrating ESG factors into our risk management frameworks enables us to identify and mitigate potential environmental and social risks associated with our operations and investments. We adhere to high ethical standards, regulatory compliance, and responsible business conduct, fostering a culture of integrity and accountability within the organization. We are committed to improving our direct environmental impact, e.g., by reducing energy and waste, and our social impact, e.g., by supporting health and social work activities within our community.

Sustainable Approach

At our company, sustainability is a fundamental guiding principle that shapes every facet of our operations and decision-making processes. Our sustainability approach is rooted in a deep-seated commitment to environmental stewardship, social responsibility, and sound corporate governance practices. We recognize that sustainable business practices are not only essential for preserving the planet for future generations but also for driving long-term value creation and resilience in an ever-changing global landscape.

We prioritize the well-being and safety of our employees, fostering a culture of diversity, equity, and inclusion where all individuals are respected, valued, and empowered to reach their full potential. Furthermore, we actively engage with our local communities to address social challenges, support economic development initiatives, and promote education, healthcare, and access to basic services. Our sustainability approach is grounded in the belief that businesses are responsible for delivering value to shareholders and serving as responsible corporate citizens that contribute positively to society. Through collaboration and collective action, we endeavor to build a more sustainable and equitable future for all.

Stakeholder Engagement and Materiality Assessment

Lesha Bank's stakeholder engagement process employs survey forms as a key tool for materiality assessment. Through targeted surveys, we systematically gather insights from stakeholders to identify and prioritize material topics that impact our business and stakeholders. These surveys are designed to capture feedback on a range of issues, from environmental and social concerns to governance and economic factors, allowing us to assess their significance to both our stakeholders and our organization. By analyzing responses, we gain valuable perspectives that inform our strategic decision-making and sustainability priorities, to further align with stakeholder expectations and enhance our overall transparency and accountability.

The materiality assessment serves as a framework for our ESG strategy, guiding our efforts to integrate sustainability principles into our business operations and decision-making processes. By better aligning our priorities with the concerns and expectations of our stakeholders, we are better equipped to address pressing ESG challenges, mitigate risks, and seize opportunities for potential positive change. Moving forward, we remain committed to regularly reviewing and updating our materiality assessment to better ensure that our ESG priorities remain relevant and responsive to the evolving needs of our stakeholders and the broader societal context.

Our materiality assessment utilized a systematic process used to identify, evaluate, and prioritize these issues based on their significance to our company and their relevance to our stakeholders.

Peer Analysis: Identifying common material topics from peers in the Banking Financial Services and Insurance industry and across our locations of business.

Stakeholder Engagement: We engage with our internal of stakeholders to gather insights on their concerns, expectations, and the ESG issues they deem most important. This was done through a questionnaire by requesting the stakeholders to rank the topics on the following criteria:

a. Importance to Stakeholders (Scale 1-10)

b. Impact on Business (Scale 1-10)

Internal Analysis: We assess internal data, industry trends, regulatory developments, and potential risks and opportunities associated with various ESG factors that may affect our business operations.

Materiality Matrix: Using the insights obtained, we construct a materiality matrix that visualizes and prioritizes ESG issues based on their impact on our business and their significance to stakeholders. This matrix helps us identify the most critical issues that require focused attention.

Key Material ESG Topics

At Lesha Bank, we acknowledge the significance of comprehending and addressing the most relevant ESG factors that influence our business and stakeholders. We have garnered valuable insights into the issues of utmost importance to our diverse stakeholders through an inclusive process. This inclusive approach has allowed us to enhance our understanding of the ESG landscape and identify specific areas where our actions may exert the greatest influence.

Through our materiality assessment, we have pinpointed the key ESG topics that we believe hold the most relevance for our company. These identified topics are crucial to our organization's ESG endeavors. Effectively addressing concerns related to these topics will assist us in embedding sustainabl decision-making into our business activities.

Priority Topics

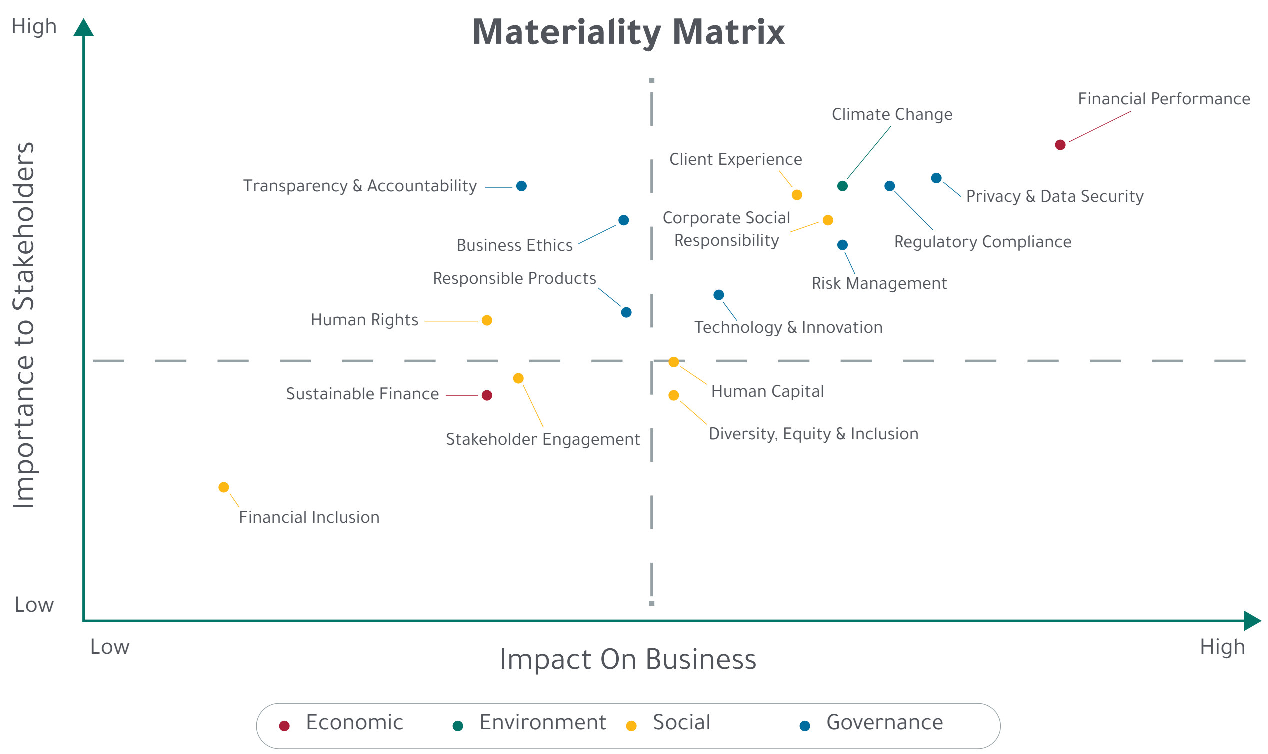
Economic
- Financial Performance

Environment
- Climate Change

Social
- Client Experience
- Corporate Social Responsibility

Governance
- Privacy & Data Security
- Regulatory Compliance
- Risk Management
- Technology & Innovation

The materiality matrix below illustrates the significance of each material topic, ranging from low to high importance to stakeholders and low to high impact on the business.



Lesha Bank ESG Materiality Matrix

Environmental Stewardship

World Environment Day Celebration

Introduction

As a conscientious financial institution committed to sustainable practices, Lesha Bank takes pride in its unwavering dedication to environmental stewardship. Recognizing the pivotal role that businesses play in shaping a sustainable future, we embark on a journey to transparently showcase our efforts in key environmental aspects. Through continuous innovation and collaboration, we strive to set industry benchmarks and inspire positive change, reinforcing our commitment to building a greener, more sustainable world for generations to come.

The company marked World Environment Day by hosting educational sessions that highlighted the significance of environmental preservation and strategies to protect it. As a component of this initiative, tree planting activities were conducted. These efforts not only underscored the company's commitment to environmental stewardship but also fostered a sense of responsibility among employees and inspire them to adopt greener habits both at work and in their personal lives, contributing to a more sustainable future.

Climate Change

At Lesha Bank, we recognize the profound impact of climate change on our planet and understand the urgent need for responsible action. Guided by a commitment to environmental stewardship, we have implemented a comprehensive strategy to address climate change and reduce our carbon footprint. This strategy encompasses not only reducing our direct emissions but also investing in sustainable practices, renewable energy sources, and innovative technologies. By fostering a culture of awareness and responsibility among our employees, we aim to contribute to a global shift towards a more sustainable and resilient future.

Energy Consumption

Lesha Bank prioritizes transparency and responsibility in managing its energy consumption, encompassing both fuel and electricity usage within our organization. Our commitment to sustainable practices extends to fuel & electricity consumption, a vital aspect of our energy profile:

We actively monitor and report on our energy usage, striving for continuous improvement in our environmental stewardship initiatives. We are dedicated to optimizing energy efficiency, exploring renewable alternatives, and aligning our operations with sustainable practices. To further support eco-friendly practices, we actively promote energy-saving measures and responsible consumption behaviors within our organization. This includes initiatives such as implementing energy-efficient technologies and encouraging employees to adopt energy-conscious habits. It has resulted in a subsequent reduction in electricity consumption as evident through monthly average figures. Lesha Bank remains committed to transparency, responsibility, and sustainable energy practices, reflecting our dedication to a greener and more environmentally conscious future.

Source of energy	Units	Energy Consumption	
		2022	2023
Petrol	Liters	12079.29	7642.63
Electricity	kWh	282,188	159,678*
Monthly Average Electricity Consumption	kWh	23,516	13,307*

*Given figure represents the electricity consumption for the period of January 2022 to December 2023

Energy Intensity

Lesha Bank demonstrates a steadfast commitment to sustainable energy practices through vigilant monitoring and analysis of our consumption metrics. We may prioritize sustainable energy practices as part of our commitment to environmental responsibility. Our focus on efficient resource management is evident in our approach to energy consumption. We actively monitor and manage the fuel consumption of our company vehicles, ensuring responsible usage over the years. The dedication to efficiency is reflected in the Energy Intensity. Our electricity consumption is a key aspect of our energy profile, contributing to our overall commitment to sustainability. These metrics showcase Lesha Bank's ongoing efforts to promote responsible energy practices and underscore our dedication to building a more sustainable future.

Source of Energy	Units	2022	2023	Energy Intensity (Per Revenue in QAR)	
Petrol	Liter/QAR (Revenue)			0.10	0.03
Electricity	kWh/QAR (Revenue)	2.44	0.81		

Material Consumption

Lesha Bank demonstrates a commitment to sustainable material practices by transparently reporting on its material consumption and recycling efforts. The Bank has been actively involved in divesting waste from direct disposal and segregates the waste for recycling purposes. We have reduced consumption of paper compared to last year and have also started tracking plastic bottles and IT materials. The Bank has made strides in recycling, contributing to a circular economy by managing the consumption and handling the recyclable materials.

Name of material	Units	Quantity consumed	
		2022	2023
Paper	KG	3250	730
Plastic Bottles	KG	Not tracked	390
IT Materials	Unitary	Not tracked	347

Waste Management

Lesha Bank actively addresses waste management through clear actions and initiatives. Notably, separate recycling bins in the cafeteria and a designated collection point for used batteries demonstrate our commitment to waste reduction. The organization has also taken steps by signing agreements with recycling companies for plastic, cardboard waste, hard disk drives and IT waste.

In handling paper waste, documents are securely shredded and recycled, exemplifying our commitment to responsible disposal practices. Monthly reports detail our waste-related data, providing a transparent overview of our efforts.

Name of material	Units	Waste Diverted from Disposal	
		2022	2023
Paper	KG	3250	730
Plastic Bottles	KG	Not tracked	390
IT Materials	Unitary	Not tracked	347

Water Management

At Lesha Bank, we recognize the critical importance of water as a finite and essential resource for life, ecosystems, and economic development. As part of our commitment to sustainability, we understand the responsibility we hold in managing water resources effectively and responsibly. We prioritize water efficiency and conservation measures in our operations. We address water-related risks to our operations, considering factors such as water scarcity and water quality issues. By understanding these risks, we can better prepare and adapt our strategies to mitigate potential impacts.

Preserving resources stands as a cornerstone of our eco-friendly pledge. We actively oversee resource utilization like water efficiency. Through streamlined technologies and mindful resource allocation, our aim is to curtail overall resource consumption and consequentially minimize our environmental footprint.

Our embrace of eco-conscious practices mirrors our steadfast dedication to sustainability. These practices are deeply ingrained in our corporate ethos, underscoring our commitment to environmental guardianship. By advocating sustainable commuting options, cultivating green work environments, and conserving resources, we take meaningful strides toward realizing our sustainability objectives and nurturing a greener future. We firmly believe that our collective endeavors, in tandem with those of our stakeholders, will ultimately foster a more sustainable and conscientious world.

Fostering a Better Workplace

Introduction

In today's dynamic corporate environment, creating a better work environment is essential to sustainable business practices. Our organization's workforce embodies a variety of skills, perspectives, and experiences. Developing a work environment that puts employee well-being, diversity, equity, inclusion, and professional development is critical for us as a responsible employer. We explore our dedication to fostering an atmosphere where each person feels appreciated, respected, and enabled to give their all in this report. By employing dedicated plans, guidelines, and ongoing communication, we hope to foster an environment where individuals prosper.

Human Capital

Lesha Bank takes great pride in our talented workforce which drives the success of the company. Our employees represent our commitment to responsible practices and form the pillar of continued success.

As a responsible employer we seek to provide up to 6 months of notice to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.

We value our employees' wellbeing and ensure a supportive and inclusive work environment. We provide a generous benefits package to support our employees as they grow along with the organization.

Benefits We Provide to Our Talent
All full-time employees at Lesha Bank can access our group benefit package during their time of employment.

Group Term Life Insurance

Health Insurance

Cab Facility

Parental Leave

Maternity Leave: All our full-time employees expecting a child can take a parental leave for duration of 14 weeks.

Paternity leave: All full-time employees who are new fathers can take a leave for a duration of 5 days.

Retirement Provision

Health & Safety

We are aware that putting our workers' welfare first is not only a moral obligation but also a necessary component of maintaining a successful and long-lasting workplace. Our dedication to health and safety involves fostering an environment where each person feels safe, respected, and enabled to give their best effort.

We have a certified First Aid Responder team consisting of three employees, who have completed a specialized training (BLS/AED First Aid Course) by Hamad International Training Center. Our First Aid Responders are equipped with the following skills:

- **Assessing the collapsed victim**
- **Performing chest compression and rescue breathing (CPR)**
- **Operating an automated external defibrillator safely**
- **Placing an unconscious breathing victim in the recovery position**
- **Show proficiency in administering basic First Aid techniques.**

Thanks to our dedicated efforts to prioritize employee safety, we take pride in maintaining a work environment free from injuries.

0 Number of Injuries in the workplace

Prostate Cancer Awareness Session

Employee Engagement

As a responsible employer, we emphasize the importance of employee engagement to develop a productive and innovative workforce. As part of our engagement process, we regularly connect with our employees to address their health and promote social activities.

We have held various awareness sessions for our employees to help them understand and mitigate health-related risks such as breast cancer, prostate cancer, and diabetes.

To encourage and support a healthy lifestyle among our employees, we offer a range of amenities, including the Wellness Club, Volleyball Club, Art Club and Cricket Club. Additionally, we organized a weight loss challenge with a reward system to incentivize and promote overall well-being.

Breast Cancer Awareness Session

Our commitment to well-being extends beyond physical health, recognizing the significance of mental health in overall wellness. At Lesha Bank, we emphasize self-care by commemorating key events related to mental health, such as World Mental Health Day, World Meditation Day, and International Happiness Day. Additionally, we provide a platform for our employees to express their creative side through activities in our Art Club and different special organized day like Employee National Day, Sports Day and Potluck Day, the latter organized in conjunction with World Food Day.

Career Advancement and Training

Investing in training and career progression is integral to the growth of both our employees and our company. We firmly believe that fostering the professional development of our team not only enhances individual skills but also significantly contributes to the overall success of our organization. Offering opportunities for career advancement and upskilling empowers our employees to enhance their capabilities, stay abreast of market trends, and adapt to new tools and processes. Training programs are tailored to meet job requirements and are informed by evaluations from managers.

100%
of employees who received career reviews

Diversity, Equity & Inclusion

At the heart of our company's principles are Diversity, Equity, and Inclusion (DEI), essential for cultivating an inclusive workplace. We recognize that embracing DEI involves creating an environment where every individual feels valued, respected, and empowered to contribute their unique experiences and perspectives.

DEI serves as a catalyst for unlocking innovation and problem-solving within our organization by harnessing diverse talents, viewpoints, and ideas. Additionally, our diverse workforce allows us to gain a deeper appreciation for various cultures and a better understanding of our target markets.

As Lesha Bank's core values are firmly rooted in diversity and inclusion, the Bank builds high-performing teams in addition to attracting and retaining exceptional talent by promoting a culture that values and celebrates individual differences. Lesha Bank stands as a testament to its commitment to creating an environment where everyone feels a sense of belonging, exemplified by the fact that women constitute 32% of the workforce, and the company represents 22 different nationalities.

22
Nationalities Represented

32%
of women in workforce

Notably, there have also been no reported incidents of discrimination during the reporting period.

0
Total number of reported incidents of discrimination

International Recognition

In recognition of our dedicated efforts in advancing DEI, we are honored to have been named the "Best Bank for Diversity and Inclusion in Qatar for 2023" at the prestigious Euromoney Awards for Excellence 2023.

Human Rights

Human rights stand as a foundational value integrated into our company's operations. Beyond being a mere compliance necessity, we ardently strive to safeguard the rights of individuals, extending our commitment not only within our organization but also to the companies we engage with, including our suppliers and vendors. This proactive approach not only builds trust with our stakeholders but also propels us forward on our sustainable journey.

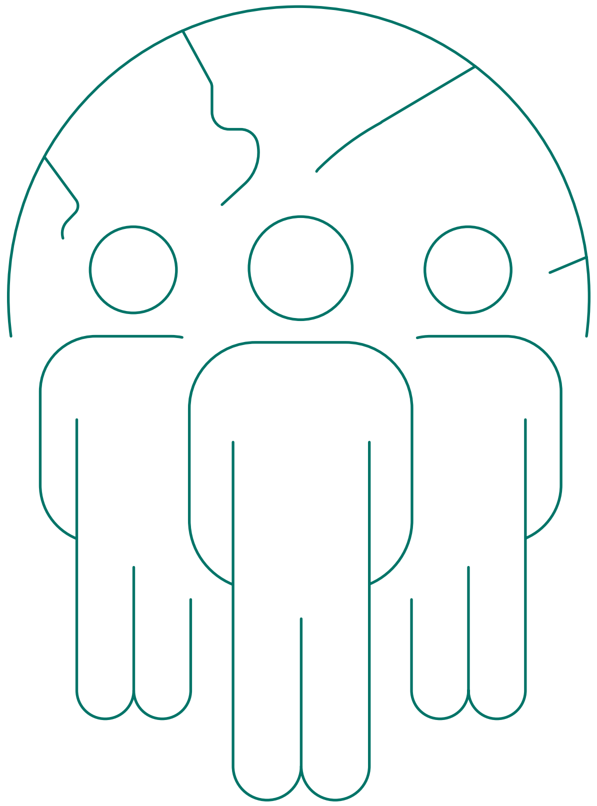
Ensuring awareness of our human rights policies and procedures among our employees is a priority, and we have taken steps to provide training to our security personnel, underscoring our dedication to upholding these principles.

Child Labor

Preventing child labor is not just a legal requirement for us; it is a moral imperative. Upholding ethical principles not only enhances our corporate image but also mitigates operational risks associated with unethical labor practices. Moreover, promoting ethical labor practices and supporting community well-being contributes to the development of a more sustainable supply chain.

We ensure stringent measures within our operations and among our suppliers to eradicate any form of child labor. Conducting thorough due diligence checks to verify age compliance with legal working requirements is a standard procedure. I am pleased to report that, during the reporting period, no instances of child labor were identified within our operations or supply chain.

0
Incidents of child labor in our operations or supply chain



Reaching Out to Our Community

Introduction

At the core of our corporate responsibility lies an unyielding commitment to extensive community engagement. We acknowledge the pivotal role the community plays in shaping our decisions for a positive impact, offering diverse perspectives on our operations. Through collaborative dialogue, we aim to cultivate lasting relationships founded on mutual respect, trust, and accountability.

Our dedication surpasses mere compliance; it embodies a shared objective of co-creating value, fostering resilience, and advocating for sustainable practices that may align with the interests of all parties involved.

Corporate Social Responsibility

Blood Donation

As part of our corporate social responsibility initiatives and community outreach activities, the bank organized a blood donation campaign in collaboration with Hamad Medical Corporation (HMC) at our corporate headquarters. The initiative aimed to replenish the blood bank's reserves and support efforts to ensure an adequate supply of blood for medical purposes.

Zubara Beach Cleanup

In partnership with Doha Environmental Actions Project Qatar (DEAP Qatar), Lesha Bank led an initiative to restore the Zubara beach strip, initiating a significant endeavor to purify the previously polluted coastline. Collaborating with dedicated employee volunteers, we coordinated an extensive cleanup campaign, acknowledging the necessity for unified effort and steadfast commitment.

Our collective endeavors resulted in the removal of up to 600 kilograms of waste from the beach, marking a significant achievement in our environmental stewardship initiatives.

Zubara beach Cleanup Initiative


Blood Donation Drive

Qatar Charity Tayf Program

Qatar Charity Tayf Program Contributions

Charity contributions play a huge role in supporting those in need. Being a responsible business that looks after the needs of the community, we at Lesha Bank have contributed towards the Qatar Charity Tayf Program that targets and helps members our community that require aid.

Qatar Charity Tayf Program Contributions

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2012, as applicable to all Qatari listed shareholding companies with publicly traded shares, Lesha Bank allocates 2.5% of its annual net profit to the state Social and Sports Fund.

In 2023, we undertook several impactful initiatives namely Donation to Qatar Charity Tayf program, Blood donation drive, employee awareness sessions on breast cancer, mental health, environment conservation and diabetic prevention.

Financial Inclusion

Lesha Bank is dedicated to advancing financial inclusion as a fundamental element of our corporate mission. The bank proactively employs a comprehensive approach to identify, implement, and monitor initiatives that align our operations with the goal of promoting financial inclusion.

Customized Private Banking Services are utilized to serve clients with varying financial capacities and offering personalized wealth management strategies. The introduction of a range of investment products with different risk levels and investment amounts allows accessibility to a diverse spectrum of qualified investors.

Responsible investment entails integrating environmental, social, and governance (ESG) factors into our decision-making processes. This approach goes beyond traditional financial metrics, assessing the impact of investments on sustainability and societal well-being. By incorporating ESG considerations, we aim to align our investments with long-term sustainability goals while promoting positive social and environmental outcomes.

Delivering Exceptional Value

Introduction

At Lesha Bank, delivering exceptional value to our stakeholders goes beyond profit making and focusses on creating meaningful impact for our clients, employees, and society at large.

Sustainable Finance and Value Creation

We recognize the significance of responsible finance, emphasizing the necessity to develop, introduce, and execute new products and services not solely based on financial metrics such as profitability and speed of returns, but also considering their social and environmental implications.

Environmental Site Assessment

Phase I Environmental Site Assessment (ESA) stands as an effective method for gauging the environmental risk associated with real estate assets in the US. This comprehensive assessment entails regulatory research conducted through Fire Departments, State Environmental Agencies, and Federal Environmental Agencies. The ESA report serves as a mandatory prerequisite for accessing financing options for commercial real estate in the US. Hence, the consideration of environmental criteria is deeply ingrained in the due diligence and investment decisions of US Real Estate related to the Bank.

Responsible Investment Guidelines

We recognize the transformative power of responsible investment practices that may integrate environmental, social, and governance (ESG) considerations into our decision-making processes. These guidelines serve as a testament to our commitment to not only achieving financial returns but also our consideration of the sustainable and ethical global landscape.

Islamic Finance Compliance

As a Shari'a-compliant institution, adherence to Shari'a principles is integral to our operations. Specializing in Shari'a-compliant banking products necessitates avoidance of prohibited activities and adherence to financial ratios, with non-compliant income being cleansed and allocated to charity under the guidance of the Shari'a Supervisory Board (SSB). Central to our organization is the application of Maqasid al-Shari'a principles, encompassing the protection of life, property, health, religion, and dignity, and promoting prevention of harm, benefit achievement, order preservation, equality establishment, law obedience, and community confidence.

We conduct our banking and investment activities in accordance with Shari'a principles as interpreted by our independent SSB, comprising three eminent Shari'a jurists. Qatar's membership in the Organization of Islamic Cooperation (OIC) positions Islamic finance to address Sustainable Development Goals (SDGs), aligning with Shari'a principles and Maqasid al-Shari'a. Islamic social finance investments, focusing on education, healthcare, welfare, and infrastructure, further align with SDGs, including poverty eradication, zero hunger, quality education, and reduced inequality. The prohibition of interest fosters responsible lending practices and curbs debtor indebtedness risks. Embracing a steady and consistent developmental approach mirrors the essence of sustainable development, aligning with Islamic finance principles.

Environmental Considerations

Our responsible investment guidelines prioritize environmentally conscious decisions. We diligently investigate the environmental impact of potential investments, considering factors such as carbon footprint, energy efficiency, and adherence to sustainable practices. By fostering investments that align with stringent environmental standards, we contribute to the preservation and protection of our planet's natural resources.

Governance Considerations

Sound governance is a pillar of responsible investment. Our guidelines emphasize the significance of strong corporate governance structures within potential investments. We scrutinize factors such as board composition, transparency, and ethical business practices to ensure that our investments align with principles of accountability, fairness, and integrity.

Social Considerations

We understand the profound impact businesses can have on society. Therefore, our guidelines underscore the importance of social responsibility. We observe how potential investments contribute to social welfare, encompassing areas such as labor practices, community engagement, and diversity and inclusion. This approach ensures that our investments positively influence the well-being of individuals and communities.

Long-Term Value Creation

Our responsible investment approach is aimed towards long-term value creation. We recognize that businesses thriving in a sustainable and socially responsible manner may be better positioned for enduring success. By investing responsibly, we look to contribute to the creation of resilient and ethical markets that may endure beyond short-term financial gains.

Financial Performance

Direct economic value generated and distributed

Value in QAR ("000")	2023	2022	2021
Revenue (through core business segments) (QAR)	195,060	115,640	226,712
Other Income (through other sources)	-	-	-
Total - A	195,060	115,640	226,712
Personnel expenses (wages+benefits)	66,076	58,817	55,826
Social and sport funds contribution (political parties/ politicians)	2,360	1,887	2,509
Total - B	68,436	60,704	58,335
Economic value added (A-B)	126,624	54,936	168,377

Our financial highlights for the year ended 2023 are given below.

QAR 195.1 million
Total income

QAR 6.2 billion
Assets Under Management (AUM)

1.63%
Return on Assets (ROA)

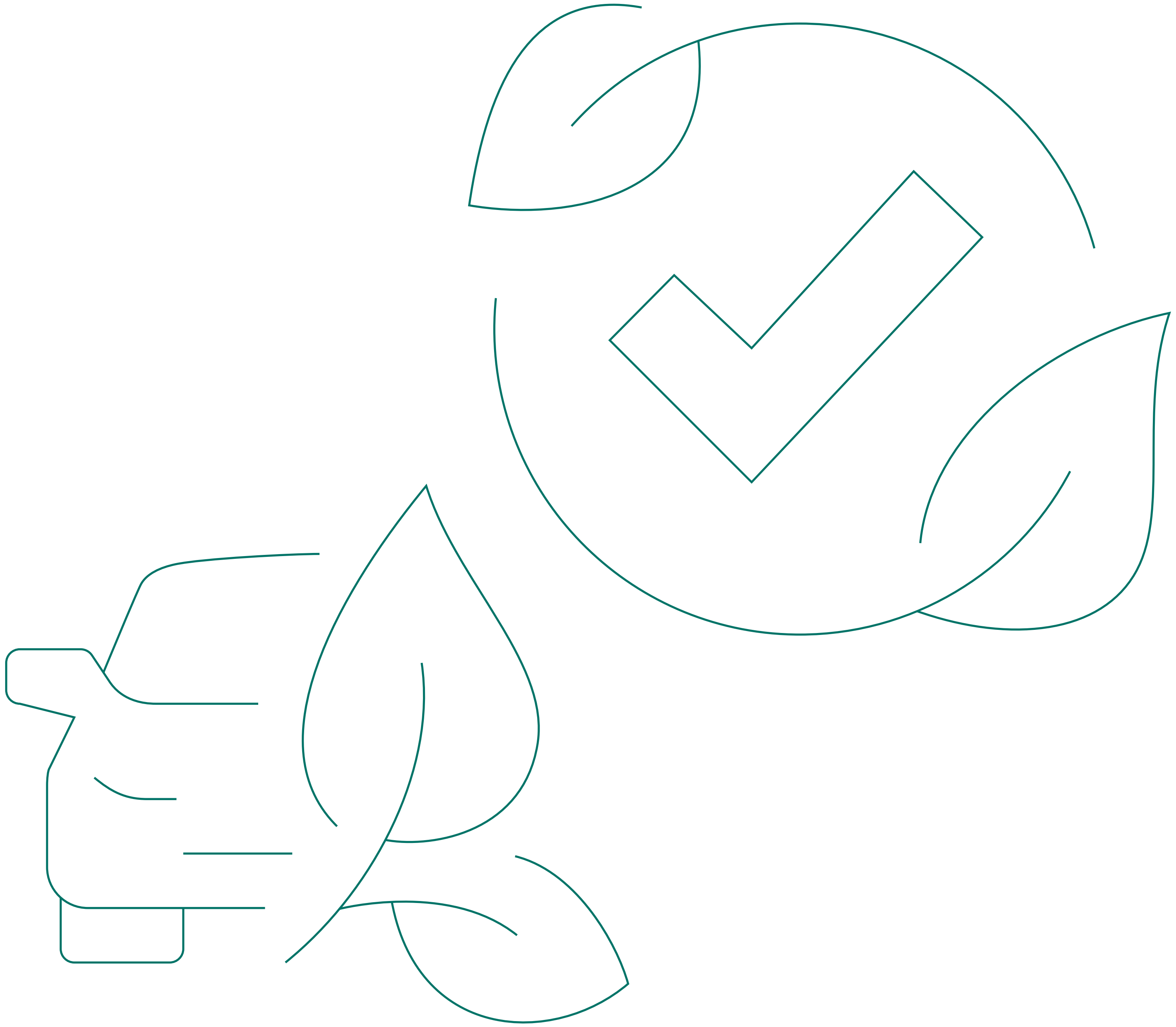
QAR 3.0 billion
Total cash and Bank balance increment

There has been a strong demand for our investment products, and we are determined to meet that demand by innovating and providing customized financial solutions.

Client experience

Since 2022, we have instituted a systematic process to assess and address clientlient satisfaction, encompassing the gathering, evaluation, and resolution of any dissatisfaction through surveys and feedback mechanisms. Our dedication to promptly deliver outstanding client services remains steadfast. Clients are encouraged to provide feedback through both the Annual Clientlient Satisfaction Survey and the Onboarding Survey, offering opportunities to comment on various aspects, including relationship management, products, services, and overall satisfaction.

Furthermore, our Complaint Policy & Procedure delineates the requisite regulations, operational guidelines, and internal processes to ensure the fair, efficient, and diligent handling of complaints related to regulated activities. We routinely conduct client satisfaction surveys, including annual assessments and onboard evaluations, to measure and enhance our service quality. Additionally, our digital accessibility initiatives, such as the Lesha Bank Mobile application, empower clients to conveniently access their accounts and utilize various services online.



Strategic Governance

Introduction

In accordance with the guidelines outlined in the Qatar Financial Markets Authority (QFMA) Corporate Governance Code and pertinent regulations, Lesha Bank acknowledges the vital importance of a strong corporate governance framework in realizing its strategic goals and considering the protection of the interests of both shareholders and stakeholders.

Lesha Bank showcased its dedication to adhering to the guidelines outlined in the QFMA Corporate Governance Code, while also maintaining compliance with the disclosure mandates of the Qatar Stock Exchange (QSE). This entailed timely dissemination of vital information such as name alterations, capital augmentation, financial disclosures, and notices for general assemblies, ensuring transparency throughout. Even as Lesha Bank undertakes a broader transition characterized by a new name and headquarters, its steadfast commitment to enhancing its corporate governance structure persists. This report reflects the bank's dedication to transparency, compliance, and the highest standards of governance.

Good Governance

The Bank defines and uses below mentioned key parameters for good governance:

RELATIONSHIP MANAGEMENT

Building proficiencies in creating networks of relationships, extending inside and outside the organization. Individuals can build and lead effective and efficient networks. The critical components of relationship management are networking, managing conflict and negotiating satisfying agreements.

ETHICAL PRACTICE

Practicing adherence to socially accepted norms of behavior such as honesty, integrity (maintaining consistency between one's values and one's actions) and commitment to the common good (as opposed to personal gain only or primarily). Acting with transparency, honesty, confidentiality, while protecting the rights of the bank.

COMMUNICATION, TRANSPARENCY AND HONESTY

Through communication with transparency and honesty, the team effectively communicates goals and transfers information in a timely and focused manner.

Robust Governance Framework

Lesha Bank exemplifies a comprehensive governance structure, adhering to QFMA and Qatar Financial Centre Regulatory Authority (QFCRA) guidelines, underpinned by a Board of Directors with diverse committees like Audit, Risk, and Compliance Committee (ARCC), Nomination, Remuneration and Corporate Governance Committee (NRCGC), and Executive Committee (EXCOM). These committees, pivotal in decision-making, oversee the bank's impacts on the economy, environment, and people. The Board, consisting exclusively of non-executive members, ensures independence and diverse competencies relevant to the bank's impact. Key processes include the nomination and selection of board members through strategic shareholders and the AGA.

The Lesha Bank Board conducts annual performance assessments to support it's ESG commitment, the Board implemented a Whistleblowing Policy, assigning oversight to ARCC for its implementation. ARCC has established a performance evaluation framework to monitor complaint reception, volume, investigations, resolution times, and subsequent actions. The Whistleblowing Policy details the procedure for reporting concerns. In 2022, ARCC reviewed the whistleblowing process to ensure comprehensive handling of all issues, resulting in no significant complaints reported in 2023.

Lesha Bank displays a strong dedication to sustainable development by incorporating Environmental, Social, and Governance (ESG) principles throughout its operations. By adhering to its Corporate Social Responsibility & ESG Policy, ratified by the Board in December 2023, the bank guarantees that sustainability remains a fundamental aspect of its business endeavors and engagements with stakeholders. This policy receives careful oversight from the board and is communicated through the Corporate Governance report.

Responsibility and Oversight

The Board of Directors approved the Board's Charter which describes the role and responsibilities of Lesha Bank's Board of Directors in accordance with the Bank's AOA and the applicable laws and regulations. Lesha Bank's Board enjoys powers necessary to carry out the activities and functions required to fulfill its objectives. The Board is responsible for the development of a strategy for the Bank and ensuring that the Bank manages risk effectively through approving and monitoring the Bank's risk appetite. The Board equally monitors and oversees the Bank's operations and ensures their compliance with the statutory and regulatory requirements and obligations. The key responsibilities of the Board related to the inclusion of sustainability into the business activities are as follows:

> Adopt a corporate governance manual for the Bank that ensures implementation of solid internal controls and disclosure controls and the establishment of adequate policies and procedures to ensure that the Bank operates within the applicable regulatory and statutory framework.

> Approve and monitor the Bank's risk management strategy, risk appetite and risk policies.

> Ensure that the Management adopts an appropriate framework to ensure the effective management of risk, including appropriate systems, policies and controls.

> Consider any emerging ESG issues and matters which may have a material impact on the Bank's business and affairs.

Lesha Bank's Board has established three subcommittees to assist the Board in discharging its duties and obligations and provide a more detailed review of important areas of responsibility. The Board has approved the formation of the following Board Committees and approved their terms of reference.

- The Audit, Risk and Compliance Committee ("ARCC")
- The Nomination, Remuneration and Corporate Governance Committee ("NRCGC")
- The Executive Committee of the Board ("EXCOM")

The Board governs the adequate implementation of the Board Charter and assign tasks to any of its existing committees with support from the CEO, who may appoint a specific person, if necessary, or delegate it to an employee or a group of employees with the task of selection/implementation/monitoring specific ESG related initiatives, for their approval and receipt of the progress updates.

The Board and/or delegated Board committee will approve the hiring of specialized consultants to carry out specific ESG and CSR initiative(s) for which the competencies might not be available within the Company.

Governance Aspects	Key Details	Roles & Responsibilities
Board of Directors	**Chairman:** HE Sheikh Faisal bin Thani Al Thani **Vice Chairman:** Mohammed Yousef Al Mana **Board Members:** Ibrahim Mohamed Ibrahim Jaidah Mohammad Nasser Al Faheed Al Hajri Eisa Mohamad Al Mohannadi Jassim Mohamad Al Kaabi Saad Nasser Al Kaabi	- Strategic Oversight - Policy Setting - High level Governance
Executive Management	**Leaders:** **CEO:** Mohammed Al Emadi **CIO:** Glenn Johnstone **CFO:** Muhammad Tauseef Malik **CRO:** Fulya Plas **DCOO:** Mohammed Mohammed	- Implementing Board Strategies - Managing Daily Operations
Key Committees	Audit, Risk & Compliance Committee (ARCC) Nomination, Remuneration and Corporate Governance Committee (NRCGC) Executive Committee (EXCOM)	- Ensuring effectiveness in governance and control - Focused oversight in risk management and compliance
Risk Management	**Approach:** Identifying, assessing, and mitigating risks	- Monitoring and connecting risks with business units - Reporting on risk management
Compliance & AML	**Objective:** Adherence to legal and regulatory standards	- Maintaining operational integrity and credibility
Shari'a Compliance	Shari`a Supervisory Board	- Ensuring compliance with Islamic law in all banking activities
Stakeholder Engagement	Focus on regular, transparent communication	- Engaging with shareholders, clients, regulators
Future Direction	Emphasis on ethical practices and strategic decision-making	- Adherence to Shari'a principles and navigating the financial sector's complexities

Exhaustive list of policies approved by the Board members of the Bank:

- Board Charter
- Board Code of Conduct
- Board Induction And Training Policy
- Executive Committee Charter
- Audit, Risk And Compliance Committee Charter
- Nomination, Remuneration, And Corporate Governance Committee Charter
- Nomination Policy For Board Members
- Nomination of Senior Executive Management Policy
- Remuneration Policy
- Board/Board Committees Performance Policy
- Terms of Reference For The Chairman
- Terms of Reference For The Chief Executive Officer
- Terms of Reference For The Board Secretary
- Related Parties Transaction Policy
- Conflict of Interest Policy
- Insider Trading Policy
- Whistle-Blowing Policy
- External Audit Appointment Policy
- Dividend Policy
- Disclosure, Communication, And Investor Relations Policy
- Internal Audit Charter
- Stakeholders' Policy
- Succession Planning Policy
- Corporate Social Responsibility Policy & Environmental, Social, And Governance Policy

Regulatory Compliance

Lesha Bank, renowned for its adherence to Shari'a-compliant investment banking, places paramount importance on regulatory compliance, as evidenced in its 2023 Annual Report. This commitment extends beyond mere legal obligation; it is integral to preserving the bank's credibility and legitimacy in the financial sector. The Compliance Department of Lesha Bank plays a pivotal role, ensuring strict alignment of all banking activities and policies with relevant laws and regulations. This includes compliance with standards set by key regulatory bodies like:

- Qatar Financial Centre (QFC)
- Qatar Financial Centre Regulatory Authority (QFCRA)
- Qatar Financial Market Authority (QFMA)

Additionally, the department operates under a formal compliance manual, approved by the Audit Risk & Compliance Committee (ARCC), with a special focus on anti-money laundering (AML) efforts to prevent the facilitation of illegal financial activities.

Furthermore, Lesha Bank's dedication to regulatory compliance extends beyond legal boundaries, notably in Shari'a compliance. The Shari'a Supervisory Board oversees adherence to Islamic law principles and values across all bank operations, products, and services, encompassing financial transactions and broader ethical banking practices. This comprehensive approach to regulatory compliance, integrating legal and ethical facets, plays a pivotal role in preserving client and stakeholder confidence, supporting the bank's standing in the financial market.

Lesha Bank established a Legal and Compliance Department, which collaborates closely across the organization to maintain alignment between the Bank's internal regulations, processes, and activities, and the relevant regulatory framework and strategic objectives. This department actively participates in identifying risks of non-compliance that could lead to legal or administrative penalties, resulting in potential damage to the Bank's reputation. The primary responsibility of the Compliance function is to ensure that the Bank conducts its operations in accordance with the policies approved by the Board and the regulations of the QFC, QFCRA, QFCA, and QFMA. The Head of Compliance regularly meets with ARCC to assess business status, compliance with Board-set procedures, evaluate compliance risks and opportunities across organizational levels, and develop specific plans to address them.

Transparency and Accountability

The UN's Global Compact and the Principles for Responsible Banking ("Principles") were introduced to facilitate a positive global transition that benefits both humanity and the environment, as these principles play a crucial role in the sustainable banking framework. By considering them, the Bank aims to adjust its core strategies, decision-making processes, lending practices, and investments to better align with the UN SDGs and important international agreements like the Paris Climate Agreement.

We prioritize transparent communication about our financial performance, environmental, social, and governance (ESG) initiatives, and risk management strategies. Our efforts are guided by international reporting standards like the Global Reporting Initiative and the Responsible Banking Principles.

The Responsible Banking Principles outlined offer a global guideline for advancing innovative risk management and banking solutions to support renewable energy, clean water access, food security, sustainable urban development, and resilient communities in the face of disasters. These principles serve as a robust framework to ensure that a company's strategies and operations align with the societal aspirations set forth in the UN Sustainable Development Goals and the Paris Climate Agreement. This framework imbues sustainable finance with purpose, vision, and ambition, which the Bank aims to integrate into its overarching strategy and decision-making processes. A collaboration between pioneering banks and the UN, these Principles will be integrated throughout the Bank's operations.

Privacy and Data Security

The transition to digital services brings various benefits like convenience and reduced paper consumption. However, the online environment also exposes vulnerabilities to cybercrime, emphasizing the importance of prioritizing data privacy and security in banking operations. As digital banking grows, protecting customer and stakeholder data becomes a critical responsibility. At Lesha Bank, we take proactive steps to address potential cyber threats and help minimize risks. We regularly educate our staff on data security and privacy through training sessions, supplemented by timely email updates.

The Bank has implemented an array of tools, technologies, and processes to mitigate cybersecurity risks and address vulnerabilities as given below:

- Barracuda Email Defense Gateway
- Microsoft 365 Advanced Threat Protection
- Azure Sentinel
- Endpoint Protection and Patch Management using Microsoft Intune
- Microsoft Multi-Factor Authentication
- Robust Firewall & Security System based on Cisco Technologies

Maintenance and Updates: The systems undergo meticulous maintenance, receiving regular updates to stay current with the latest security patches, ensuring a resilient defense against potential vulnerabilities.

Multi-Factor Authentication (MFA): MFA is enforced across all entry points to our Cloud Services. This additional layer of security enhances protection against unauthorized access attempts.

Web Application Firewall (WAF): It acts as a barrier against various online threats, bolstering the security of critical systems to safeguard internet-facing applications.

Advanced Email Defense: Email defense gateway boasts advanced capabilities to detect and counter sophisticated attacks, such as smear phishing attempts and URL-based threats. This proactive defense mechanism enables us to promptly identify and neutralize potential risks posed by malicious emails and URLs.

To mitigate cybersecurity risks and ensure robust data protection, Lesha Bank employs various tools, technologies, and processes. These include Office 365 Defender, which identifies vulnerabilities within our environment, and Azure Sentinel & Security Centre, utilized for detecting potential vulnerabilities in our servers. Endpoint protection and patch management are managed through SCCM, further enhancing our cybersecurity measures. Notably, our mobile banking application is hosted on Microsoft's Azure cloud, ensuring optimal security and compliance with data protection standards for users in Qatar and worldwide. Our comprehensive data protection policy, aligned with Qatar Financial Centre's guidelines, serves to prevent breaches and outlines procedures for customer complaint management, thereby bolstering our commitment to safeguarding sensitive information.

As part of our compliance manual, to prevent any breaches, we regulate matters related to gifts and inducements, as well as anti-fraud and anti-corruption measures. Compliance with gift regulations, anti-fraud, and anti-corruption measures ensures the implementation of stringent policies and controls, which contribute to data security by minimizing potential risks of unauthorized access or misuse of sensitive information.

We are pleased to declare that Lesha Bank has maintained a flawless record with zero data security breaches over the last three years.

Privacy and Data Security	2021	2022	2023
Number of data security breaches	**0**	0	0
Number of data security breaches involving customers' personally identifiable information	**0**	0	0

Technology & Innovation

Lesha Bank has shown a strong dedication to technology and innovation, establishing itself as a trailblazer in the banking sector of the Middle East and Africa. The bank's focus lies in bolstering operational efficiency, enhancing client service, and adhering to global financial technology standards.

Highlighted Technological Advancements at Lesha Bank:

Lesha Bank takes the lead in the Middle East and Africa by implementing the Temenos Transact R23 upgrade, which transforms core banking through API-driven, cloud-native technology, setting new benchmarks in the industry.

The introduction of a new cloud-based CRM system by Lesha Bank revolutionizes client management by streamlining crucial processes, improving efficiency, and tailoring client interactions using data-driven insights.

Upgrading SAP Solution - System is used for ETL and MIS Reporting and has the latest features of the application which supports the bank.

These technological endeavors are integral to Lesha Bank's broader digital transformation strategy. By adopting these innovations, Lesha Bank not only improves its service offerings but also solidifies its position as a modern, innovative financial institution dedicated to providing exceptional services to its customers.

Business Ethics

Lesha Bank exhibits a strong dedication to business ethics through its robust corporate governance framework, aligning with the QFMA's Corporate Governance Code and QFCRA's Controlled Functions and Governance Regulation. This framework ensures performance and may further foster investors' trust, with the bank's Board of Directors overseeing matters in the interest of all stakeholders, not solely shareholders. The annual Corporate Governance report from Lesha Bank underscores its commitment to governance standards, emphasizing its focus on transparency and providing equal access to information. This commitment is vital for Lesha Bank, a Shari'a-compliant institution, as it upholds values of ethical practices, transparency, and accountability.

Quality Control

In the execution of our responsibilities, we have adhered to the independence and ethical requirements outlined in the Code of Ethics for Professional Accountants, including the International Independence Standards, issued by the International Ethics Standards Board for Accountants. This code is grounded in fundamental principles such as integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our ethical obligations have been fulfilled and governed by Qatar Financial Centre Regulatory Authority (QFCRA). Our firm follows International Standard on Quality Control 1, maintaining a comprehensive system that includes documented policies and procedures for compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Risk Management

In navigating the complex financial landscape, Lesha Bank proactively addresses potential challenges through a robust risk management approach. As a primarily investment-focused institution, we prioritize the formulation and execution of a clear, strategic risk management plan.

This plan is designed to flexibly handle emerging risks in an ever-evolving regulatory environment, ensuring our adaptability in the face of technological advancements, and shifting client expectations. Lesha Bank's Risk Management Program functions to:

Mitigate	**Monitor**
Connect	**Report**

This multifaceted approach not only reduces risk exposure but also fosters a culture of transparency, centralizing controls, and providing stakeholders with insights into our risk profile.

Risk Management Framework

The Risk Management Framework at Lesha Bank encompasses the guidelines, procedures, workforce, and monitoring mechanisms utilized for identifying, assessing, controlling, and disclosing risk exposures in accordance with the Board's predefined risk tolerance. The Chief Risk Officer holds primary accountability for supervising the establishment and execution of the Bank's autonomous risk management function. This entails continual improvement of staff competencies and upgrades to risk management infrastructures, protocols, quantitative models, and documentation as required, ensuring the Bank maintains robust and effective risk management capabilities to better align with its strategic goals and risk-taking ventures. Quarterly, the Chief Risk Officer presents to the ARCC a comprehensive report on the Bank's significant risk profiles.

The Bank upholds robust corporate governance principles in its handling of risk identification, measurement, monitoring, and control, improving alignment between risk-taking endeavors and the Bank's strategic direction.

The bank's risk management strategy involves ongoing assessment of the wide range and levels of risk considered permissible by the Board and Executive Management, in line with the bank's goals, objectives and operational plans. Lesha Bank's Risk Management

Framework incorporates guidelines, procedures, staff, and oversight mechanisms employed to recognize, quantify, oversee, regulate, and disclose risk exposures in accordance with the Board's corporate strategy.

Internal Audit and Compliance

Lesha Bank places a premium on internal audit processes to ensure governance, risk management, and control processes align with international standards. Our independent Internal Audit function, bolstered by a co-sourcing partnership with Deloitte, operates under the guidance of the Audit, Risk & Compliance Committee. This committee oversees risk-based internal audit plans, reviews audit findings, and ensures improvements are implemented.

In addition, Lesha Bank's commitment to compliance and anti-money laundering is evident through a dedicated Compliance Department. This department adheres to the standards set by regulators such as QFC, QFCA, QFCRA, and QFMA, ensuring strict compliance with laws and regulations. Regular reporting to the Audit, Risk & Compliance Committee provides updates on high-risk areas, reinforcing Lesha Bank's commitment to transparency, legal compliance, and sound governance practices.

Internal Controls

The Bank's internal control framework is integrated into its Corporate Governance Framework and encompasses all policies and procedures applied throughout its departments and functions. Each document within this framework specifies the relevant controls for the activity or department it pertains to. The Articles of Association (AOA) delineate the boundaries of the Board's authority, with matters beyond this scope referred to the General Assembly.

The Board of Directors is responsible for ensuring the Bank's internal control framework's effectiveness in addressing internal and external risks. Part of this responsibility is delegated to the Audit, Risk, and Compliance Committee (ARCC), which oversees the framework's effectiveness and efficiency. The ARCC supervises control functions such as risk management, compliance, and internal audit, which regularly report on pertinent risks. The Internal Audit function conducts independent audits covering all Bank activities using a risk-based methodology, identifying control gaps and providing corrective measures. Its evaluations encompass financial, operational, and compliance controls, risk management systems and regulatory issues reported to the ARCC. In assessing the impact of these evaluations on the Bank, both the Board and ARCC consider the External Auditor's findings. This internal control framework aims to protect shareholders' investments, safeguard the Bank's assets, and the reliability of its financial records and reporting.

Project management

All ESG activities and related proposals is be presented to the Board and/or their authorized delegate. Every ESG / CSR initiative is presented and executed like a project, which would comprise key activities, timeframe, budget and expected outcomes.

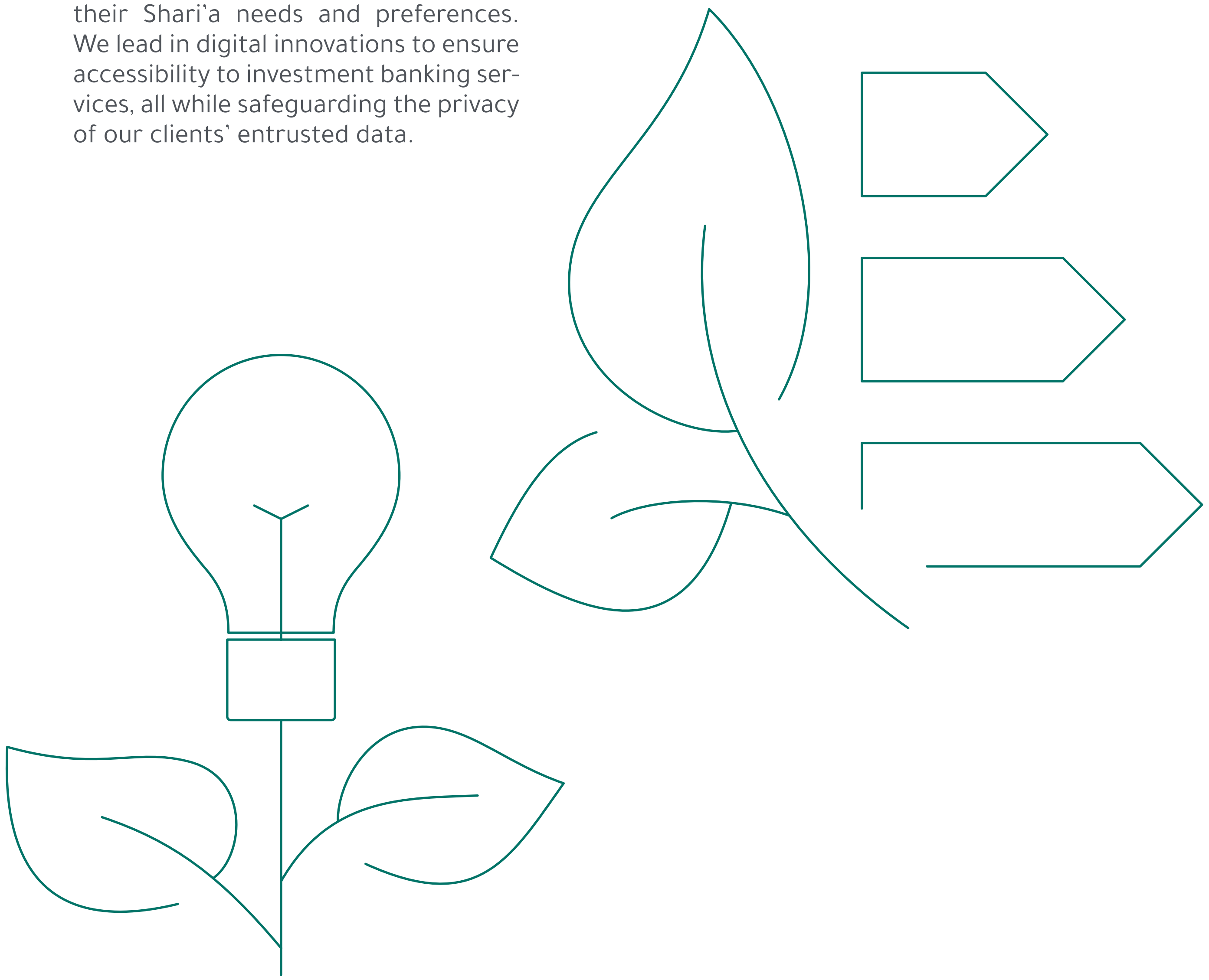
The Board understands that along with conducting ESG/CSR initiatives, it is equally essential to report on such activities/programs on a periodic basis, for its employees as well as for the external parties, for providing adequate assurance to the key stakeholders on the Company's commitment and focus on their ESG responsibilities.

Responsible Products

Lesha Bank is committed to offering financial products that take into consideration the core values of sustainability, ethical practices, and social responsibility. Our range of products includes various offerings tailored to different customer segments and goals.

Key features of Lesha Bank's Responsible Products:

- Considering emerging megatrends impacting our business and society. This encompasses providing banking solutions that look to empower clients through managing risks and capitalizing on opportunities arising from these changes.
- Upholding our position as the preferred Shari'a-compliant investment bank for clients involves keenly attending to their Shari'a needs and preferences. We lead in digital innovations to ensure accessibility to investment banking services, all while safeguarding the privacy of our clients' entrusted data.
- Participate in the discourse surrounding sustainability within the financial sector, encompassing aspects such as creating lasting value for shareholders and policyholders through responsible conduct, strategically monitoring the carbon footprint of financial assets, making investments to foster growth in the economies of our operational regions, and actively engaging in constructive sustainability discussions with financial market stakeholders and institutions.

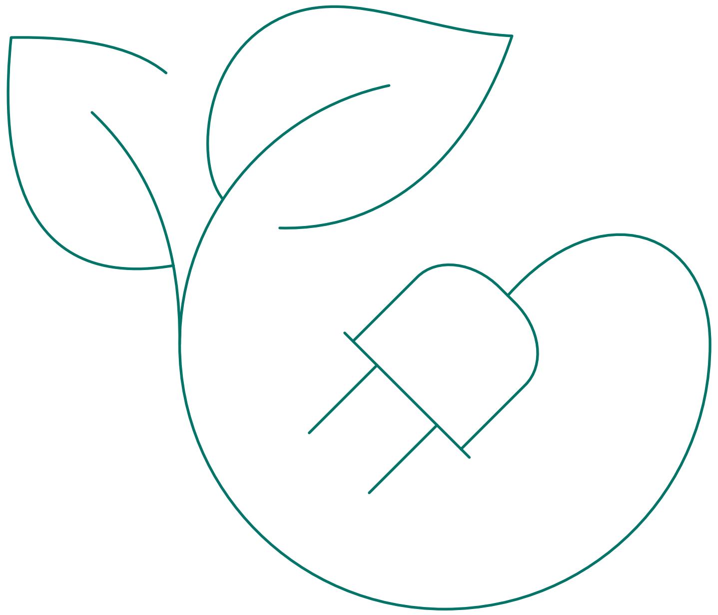


Alignment with Sustainable Development Goals (SDGs)

At Lesha Bank, we are committed to driving positive change and contributing to the global effort to achieve the Sustainable Development Goals (SDGs) set forth by the United Nations. These interconnected goals provide a blueprint for addressing pressing global challenges, including poverty, inequality, climate change, environmental degradation, and good governance. Through our dedication to responsible banking practices and stakeholder engagement, we aim to make meaningful contributions towards advancing the SDGs and building a more sustainable and equitable future for all.

The bank's sustainability initiatives and vision encompass a range of environmental and social endeavors. Rather than simply providing aid, these programs strive to establish long-lasting and significant impacts on society and environment, aiming to create enduring value such as:

- Our commitment to generating sustainable value for both shareholders and policyholders, while ensuring responsible business conduct is paramount.
- We strive to uphold human rights and empower communities, we demonstrate unwavering support for labor and human rights, with a firm stance against forced labor. Moreover, we actively engage in educational endeavors within local communities and encourage our employees to participate in various community initiatives, reinforcing our commitment to community empowerment. In our pursuit of a diverse and inclusive work environment, we maintain a stringent zero-tolerance policy against discrimination of any form. As part of our diversity initiatives, we aim to achieve a yearly recruitment target of at least 20% women across all levels of the organization.
- To mitigate environmental impact, efforts are directed towards reducing greenhouse gas emissions, where transportation emissions are curtailed through responsible supply chain logistics, business travel management, and employee commuting solutions. Waste reduction initiatives aim at minimizing resource usage, waste generation, and fostering recycling programs to promote a circular economy. Ethical practices are upheld through decision-making integrity, respect, and accountability, reinforced by a zero-tolerance policy against bribery and corruption. Transparency is maintained through comprehensive reporting in the sustainability report, adhering to globally recognized standards.



Appendices

GRI Index

The 2023 index of sustainability indicators for the Lesha Bank's Sustainability Report was prepared in accordance with the internationally recognized standard for sustainability reporting, namely the Global Reporting Initiative (GRI), and as per the latest GRI Standards.

GRI Standard	Disclosure	Page number
GRI 1: Foundation	Statement of Use, GRI 1, and Applicable GRI Sector Standard	4
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GRI 3: Material Topics	**Disclosure on material topics** 3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics	12
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Anti-corruption - GRI 205	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures	36
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Energy - GRI 302	302-1 Energy consumption within the organization	16
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Waste - GRI 306	306-2 Management of significant waste-related impacts	17
Employment - GRI 401	3-3 Management of material topics (additional information) 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	20, 21
Occupational health and safety - GRI 403	403-1 Occupational health and safety management systems	19
Training and education - GRI 404	404-1 Average hours of training per year per employee 404-2 Programs upgrading employee skills and transition assistance program	21
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Local communities - GRI 413	413-1 Operations with local community engagement, impact assessments and development programs	24

QSE Index

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4		Energy Intensity	Environmental Stewardship	15-18
5		Carbon/GHG Emissions	Environmental Stewardship	15-18
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7		Water Management	Environmental Stewardship	15-18
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9	Social	Social	Full Time Employees	20
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