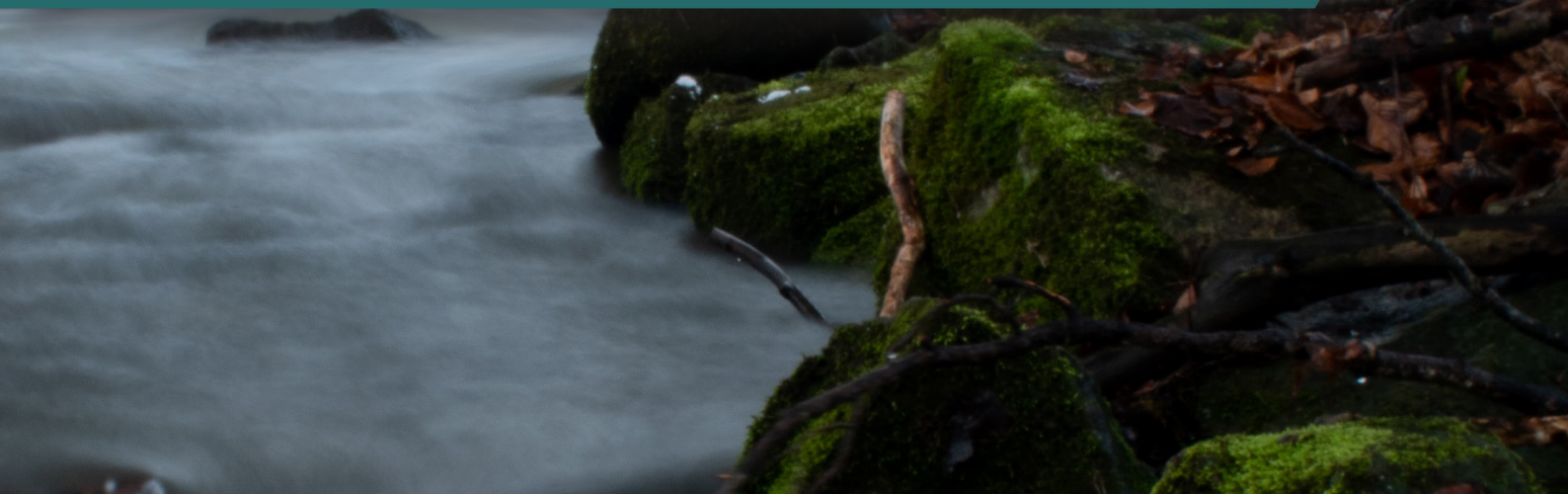




Environmental & Social Policy 2022



1. Introduction

At Gulf International Bank (UK) Limited and Gulf International Bank BSC London Branch (together referred to herein as “GIB UK”), we recognise that our activities impact on society, the environment and the economy, as well as our own workforce. We, therefore, believe that sustainability is integral for the health, wellbeing and development of our society, business and economy. We are thus committed to ensuring that our business is environmentally and socially sustainable.

Our definition of corporate sustainability is in line with that of the United Nations Global Compact¹ (UNGC): “Operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption”.

In this policy, we focus on environmental and social (workforce and labour) sustainability. Anti-corruption measures are covered elsewhere².

Furthermore, we believe we should hold ourselves to the same standards that we require of investees, outsourcing parties and third parties. Our wider business operations therefore also aspire to high standards.

2. Environmental and Social factors in our investment approach

We are fundamentally an investment-led business. Responsible investment considerations are therefore critical to how we do business. Our investment policy is focused around investing in sustainable businesses that provide a benefit to the environment, society, or both, as well as being able to make money. We consider both businesses’ impact (i.e. the products or services that the company generates) and Environmental, Social and Governance (ESG) factors integration (i.e. the process of holistic understanding and inclusion of a company’s stakeholder interactions, both positive and negative, into the investment case). We believe that considering both a company’s impact and ESG integration and using mechanisms at our disposal (through the allocation of capital, engagement or both) allows us to contribute to positive change.

A key part of our drive to support sustainable development and positive change is through our stewardship activities which include engagement. At GIB UK, we define engagement as all efforts by minority investors to help move controlling owners and management teams onto a pathway towards higher incremental returns and / or an improved ESG profile. Both our active and passive investments benefit from our investment teams’ interactions with companies in which we invest, across all asset classes and geographies, leveraging our passive book to bolster our active positions where overlap occurs.

Our stewardship activities satisfy our responsibilities under the United Nations-sponsored Principles for Responsible Investments (PRI), principles 2 and 3: to be active owners and incorporate ESG issues into our ownership policies and practices; and seek appropriate disclosure on ESG issues by the entities in which we invest. For further details, please refer to our Responsible Investment Policy.

3. Environmental Policy

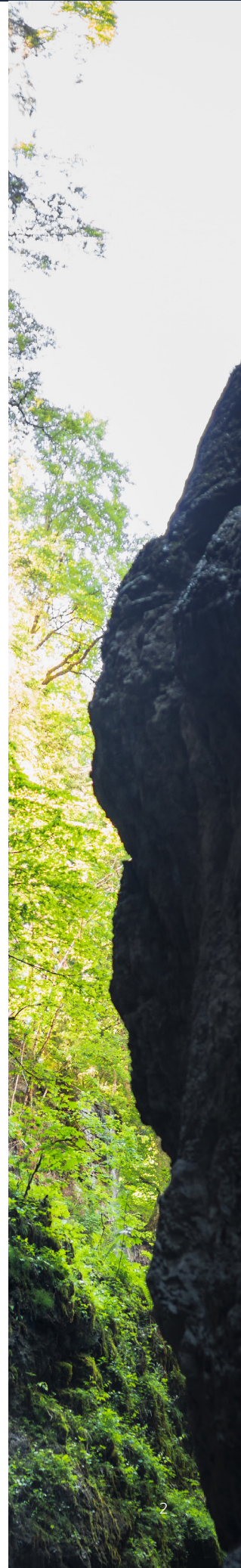
3.1 Environmental and climate change policy

We agree with United Nations³ premise that a healthy environment is imperative for the “full enjoyment of basic human rights, including the rights to life, health, food, water, sanitation, and quality of life”.

¹United Nations Global Compact link: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

²Please refer to our Anti Bribery and Corruption Policy

³United Nations Environment link: <https://www.unenvironment.org/news-and-stories/story/healthy-environment-healthy-people>



Our Emerging Markets Active Engagement Fund aims to maximize risk-adjusted returns by investing and We acknowledge the scientific consensus driven by the Intergovernmental Panel on Climate Change that climate change (specifically global warming) is a reality. Further, we are aligned with the UK Parliament declaration in 2019 that we are facing an environment and climate emergency. We recognise that climate-related risks affect different aspects of our business in different ways, creating both environmental and financial risks. We are committed to working in collaboration with clients to achieve target-based net-zero goals by 2050 or sooner.

In addition to climate-related issues, we recognise that other environmental issues, such as loss of biodiversity, deforestation, illegal logging and chemical and plastic pollution have a negative impact on our environment, business and society.

As a business community, we are facing unprecedented challenges in mitigating these risks. We believe that we, and our peers, bear the collective responsibility to behave in a way that is consistent with saving our planet. Our approach is to set over-arching principles for our business, and to apply these appropriately across our business functions.

Environmental principles:

1. We align our business goals with achieving global environmental aims, specifically the SDGs and the Net Zero by 2050 targets, and aspire to being able to demonstrate the impact that GIB UK has had in achieving these,
2. Climate risk is integrated in GIB UK's Risk Management Framework and into GIB UK's governance,
3. An annual climate risk assessment is conducted to identify gaps and areas in need of improvement to ensure GIB UK resiliency against climate-related risks,
4. We monitor and disclose our climate-related risks and opportunities in line with the Task Force for Climate-related Financial Disclosures on an annual basis;
5. We understand, and aim to minimise, the impact GIB UK operations have on climate change through its carbon footprint, such as through ensuring office energy efficiency,
6. Where we are unable to cease carbon-emissions, we commit to either reducing our emissions in line with the 2C target or to offsetting those emissions as appropriate;
7. We monitor and disclose our carbon footprint on a regular basis;
8. We will regularly review and update our approach as the environmental risk landscape evolves.

For further details, please refer to our: [Responsible Investment Policy](#), Risk Management Framework and Governance Framework.

4. Social Policy

We strongly believe in ethical workplace practices. In this regard, our focus is to contribute towards the SDGs concerning workplace and labour. The SDGs specifies three goals concerning labour:

- Goal 1: No poverty – Eradicate extreme poverty (proportion living below national and international poverty line (USD1.90 a day))
- Goals 5: Gender equality – End all forms of discrimination against all women and girls everywhere
- Goal 8: Decent work and economic growth – achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Additionally, we want the right work place practices for our employees, and consider employee welfare and well-being to be key to our success as a company and to the wider community.

How we think these are relevant to GIB UK is set out below.

4.1 Child labour and living standards

We ensure that our operations, and third party providers and suppliers, do not show any signs of child labour and/or wage abuse. We comply with the minimum living wage for employees⁵ in all countries, with all employees earning well above the minimum wage. We expect our suppliers and third party suppliers to comply with the minimum living wage.

For further details, please refer to our [Outsourcing and Third Party Supply Code of Conduct](#).

⁵Our employees are based in London and New York

4.2 Discrimination, equality, diversity and inclusion

We are committed to creating a diverse, inclusive and a just working environment. We encourage our employees to use their diverse wide range of skills, experiences and perspectives in furthering our business. We are committed to providing equal employment opportunities to all our employees and potential employees. We do not condone any acts of either direct or indirect discrimination in our workplace. All our employees are trained about discrimination. In addition to this, we have an equal pay for equal work policy. We also have an equity, diversity, and inclusion strategy and enhanced resources available to colleagues.

4.3 Human rights: Forced and compulsory labour

Our policies seek to ensure that we, and our suppliers and third party providers, do not engage in any form of forced or compulsory labour such as modern slavery and human trafficking. We comply with the UK Modern Slavery Act, which aims to prevent all forms of labour exploitation and increase transparency of labour practices in supply chains.

For further details, please refer to the statement on [anti-slavery and human trafficking on our website](#), our [Data Protection policy](#) and our [Outsourcing and Third Party Supply Code of Conduct](#).

4.4 Employee welfare and well-being

Fostering employee well-being is good for our people. We believe in promoting well-being to create a positive working environment where our individual people can thrive. Good health and well-being is a core enabler of employee engagement and organisational performance and in turn, can deliver mutual benefit to people, our company, economies and communities.

We, therefore, champion a number of well-being initiatives for our employees. These include health (physical, safety and mental health), good work practices, values and principles, employee engagement, personal growth (career development), good lifestyle choices and an employee assistance programme which also covers financial well-being.

