



Principles for Responsible Banking  
Self Assessment Report

## Self Assessment Report

Gulf International Bank UK Limited (GIB UK) became a signatory of the Principles for Responsible Banking (PRB) advocated by the United Nations Environmental Programme Finance Initiative (UNEP FI) in March 2020. The PRB ensures signatory banks' strategy and practices align with the 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 being transparent about the areas of our business that are of most significant positive and negative impacts on people and the environment. By focusing on our areas of most significant areas, setting targets to mitigate negative effects and outlining our progress towards achieving our targets, we hope to contribute towards achieving society's goals.

Overall, we have made good progress since we signed the Principles in March last year. We have conducted the impact analysis exercise, set targets, established a governance approach and implemented all these. Nonetheless, we have identified a number of priority areas for improvement and look forward to reporting greater progress next year.

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/
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### 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.

<p>1.1 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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>GIB UK provides treasury and banking services, including money markets instruments and foreign exchange.</p> <p>Our customer base is institutional clients, based primarily in the Gulf Cooperation Council (GCC).</p>	<p>See <a href="#">Annual Report and Accounts</a>.</p>
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>Sustainability sits at the heart of GIB UK. We consider sustainability in both our strategy and our business practices. Our approach takes into account a wide set of international initiatives and frameworks, and reporting against those, including the Paris Agreement and UN Global Compact.</p> <p>However, it is hard to draw a strong link between our treasury and banking business and sustainable development. As such, at this stage, we have concluded that we should focus on our indirect effect working through our counterparties, and by through our own operations. We will keep this under review as the framework for incorporating the Principles matures.</p>	<p>See the 'Our purpose and strategy' section on our 2020 <a href="#">Sustainability Report</a>, page 7.</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.

<p>2.1 Impact Analysis: Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <b>Scope:</b> The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <b>Scale of Exposure:</b> In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <b>Context &amp; Relevance:</b> Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <b>Scale and intensity/salience of impact:</b> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.</p> <p>Show that building on this analysis, the bank has:</p> <ul style="list-style-type: none"> <li>▪ Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>▪ Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p>An impact analysis was conducted to identify the areas of greatest impact. At this stage, the impact analysis only covered the treasury and banking business, not the asset management business. That is because the asset management business is covered by the Principles for Responsible Investment.</p> <p>The scope of the analysis was the core business areas including money markets and foreign exchange in specific GCC countries and the United Kingdom. The main services covered payment services and other money intermediation.</p> <p>The conclusion of the impact analysis was that it was hard to identify and assess the sustainability impacts through the provision of treasury and banking products and services. As a result, it was concluded that our treasury and banking should focus on holding counterparties to a high sustainability standard and on embedding sustainability considerations in our operations.</p>	<p>See: 'Our treasury and banking approach – Alignment with sustainability' in our 2020 <a href="#">Sustainability Report</a>, page 18.</p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.**

We undertook an impact analysis on our Treasury and Banking business. The results of the impact analysis were inconclusive. However, in order to maximise our net impact, it was decided that our treasury and banking should focus on holding counterparties to high sustainability standards and on embedding sustainability considerations in our operations.

<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>Two SMART targets were set and published:</p> <ol style="list-style-type: none"> <li>1. Minimum ESG threshold for counterparties.</li> <li>2. Target for carbon emissions from our business, aligned with the Paris Agreement of reduction in scope 1, 2 and 3 emissions by 50% by 2030, using 2019 as a baseline.</li> </ol> <p>The reasons for selecting these targets have been set out, as have the associated considerations. The ESG minimum score is based on our internal scoring methodology, and is linked to 14 out of the 17 UN Sustainable Development Goals. The carbon target is aligned to the Paris Agreement, and is consistent with a 1.5 degree path for industrialised country emissions.</p>	<p>See: 'Our treasury and banking approach – Setting targets' in our 2020 <a href="#">Sustainability Report</a>, page 18, the 'Our environment' section in our 2020 <a href="#">Sustainability Report</a>, page 33 and the 'Targets and metrics' section of our <a href="#">TCFD report</a>, page 8.</p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.**

The minimum number of targets have been set for our treasury and banking business, and we will consider further targets for the 2021 reporting year.

<p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>A detailed action plan is in place for both the targets that have been specified. Outturns are monitored on a regular basis, and corrective action taken as required.</p>	<p>See: 'Our treasury and banking approach – Target implementation and monitoring' in our 2020 <a href="#">Sustainability Report</a>, page 19, the 'Our environment' section in our 2020 page 33 and the 'Targets and metrics' section of our <a href="#">Sustainability Report</a>, TCFD report, page 8.</p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.**

The bank has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

<p>2.4 Progress on Implementing Targets</p> <p>For each target separately: Show that your bank has implemented the actions it had previously defined to meet the set target. Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p>Our counterparties ESG target was met in 2020.</p> <p>Our carbon footprint target for 2030 was met in 2020 (achievement of approximately 70% less carbon in 2020 than in 2019, relative to a target of 50% reduction). However, 2020 was an unusual year given the restrictions imposed by the Covid-19 pandemic, so our actions focused on efforts to make the reductions sustainable in the long term.</p>	<p>See: 'Our treasury and banking approach – Setting targets' in our 2020 <a href="#">Sustainability Report</a>, page 19, the 'Our environment' section in our 2020 <a href="#">Sustainability Report</a>, page 33.</p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets**

The requirements have been fulfilled for 2020. We recognise that, given the Covid-19 pandemic, our 2020 carbon emissions are not indicative of our long-term progress towards achieving our targets. However, we plan to continue implementing our carbon reduction initiatives into 2021 and beyond.

**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.

<p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>	<p>Responsible client practices are embedded in our policies and procedures, but this is an area of the Principles that we are focused on improving over the coming year.</p> <p>We are active in engaging with stakeholders, including clients, to encourage sustainable practices. We use a variety of engagement methods.</p>	<p>See: 'Our clients' section on our 2020 <a href="#">Sustainability Report</a>, page 11.</p>
<p>3.2 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 activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>		<p>See: 'Our knowledge sharing approach' section on our 2020 <a href="#">Sustainability Report</a>, page 20.</p>

**Principle 4: Stakeholders**

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

<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>We believe that in order to be successful over the long term, we need to build and maintain successful relationships with a range of stakeholders.</p> <p>We identified six main stakeholder groups; our own employees, our clients, our Parent Group, our suppliers, regulators and our communities.</p> <p>We have engaged with our stakeholders through different methods including delivering workshops, providing sustainability focused material, and sharing knowledge through presentations / webinars.</p>	<p>See: 'Stakeholder engagement section' section on our 2020 <a href="#">Sustainability Report</a>, page 25.</p>
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**Principle 5: Governance & Culture**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

<p>5.1 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 effective implementation of the Principles.</p>	<p>We have set out the governance structure, systems, policies and procedures with respect to managing the net impact of our business, and this is embedded as part of our established governance structure.</p> <p>Our Executive Committee was allocated responsibility for implementation of best practice principles including the PRB, with the lead taken by the Head of Strategy. The Executive Committee is also responsible for overseeing the bank's impact analysis exercise, and making decisions on how to manage the areas of most significant positive and negative impacts. This includes the setting of targets.</p>	<p>See: 'Governance structure' section on our 2020 <a href="#">Sustainability Report</a>, page 23.</p>
<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>Our approach to sustainability and responsible banking is led by our CEO and our Executive Committee, who fully support and advocate the bank's sustainability agenda. In addition to this, we introduced a number of awareness building initiatives around sustainable and responsible banking including introducing sustainability-related trainings and sustainability focused guest speaker series.</p> <p>Sustainability-related KPIs are included as part of both individual employee KPIs and the bank wide KPIs. This then feeds into our colleagues' performance review and ultimately compensation .</p>	<p>See: 'Sustainability culture section' section on our 2020 <a href="#">Sustainability Report</a>, page 26.</p>

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<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p>	<p>Clear governance arrangements are in place for the implementation of the PRB. This includes target-setting, implementation, monitoring and remedial action.</p> <p>The Sustainability team is responsible for suggesting targets and monitoring the progress against these targets.</p> <p>The Executive Committee is responsible for overseeing the target setting measures put in place. The Executive Committee is also responsible for determining the remedial actions required where the targets are not being achieved or unexpected negative impacts have been detected.</p> <p>The two targets outlined in this document have been included in the bank's 2021 score-card. As such, these will be tracked by both the Bank's Executive Committee on a quarterly basis and by the Board of Directors at least annually.</p> <p>In the event that the targets are not being achieved, an analysis will be conducted to understand why this is the case. Recommendations to getting back on track will also be provided as part of the analysis. This will be provided to the Executive Committee for their review and information.</p>	<p>See: 'Governance structure' section of our 2020 Sustainability Report, page 23 and the 'Sustainability culture section' section on our 2020 <a href="#">Sustainability Report</a>, page 26 and the 'Our treasury and banking approach' section of our 2020 <a href="#">Sustainability Report</a>, page 18.</p>

**Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.**

We have a robust governance structure for ensuring that the principles are implemented in an effective manner.

**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.

<p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>We have made good progress towards implementing the principles. We have analysed the impact of our business, set targets to mitigate the negative impacts and have raised awareness about sustainability related topics. We have also considered best practices such as TCFD.</p> <p>We are looking to improve our engagement with the principles going forward.</p>	<p>See our 'Our treasury and banking approach' section of our 2020 <a href="#">Sustainability Report</a>, page 16.</p> <p>Our TCFD report can be found using this <a href="#">link</a>.</p>
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**Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking**

We have made good progress since we signed the Principles 12 months ago. We have conducted an impact analysis, set targets, established a governance approach and implementation them. Nonetheless, we have a number of priority areas for improvement in train, and look forward to reporting greater progress next year.



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