

**UN**  
environment  
programme



finance  
initiative

Principles for  
**Responsible Banking**

# Responsible Banking Progress Statement for PRB Signatories



Restricted-Internal

# Summary Template

## Riyad Bank 2025

<b>Principle 1: Alignment</b>	<b>Principle 2: Impact &amp; Target Setting</b>	<b>Principle 3: Clients &amp; Customers</b>
<p><i>Focus: Align the Bank’s business strategy, portfolio, and services with societal and environmental goals.</i></p> <p>Riyad Bank’s business model centers on serving retail, SME, and corporate clients in Saudi Arabia, offering a broad range of financial products including deposits, lending, treasury, and digital Banking services. The Bank is a leading financier of Vision 2030 projects, supporting strategic sectors such as infrastructure, education, and renewable energy, and holds a prominent position in SME lending through programs like Kafalah. Its primary operations are within Saudi Arabia, with a strong focus on supporting national transformation initiatives.</p> <p>Riyad Bank aligns its business strategy, portfolio, and services with societal and environmental goals by embedding sustainability into core decision-making and by deliberately mobilizing capital, products, and partnerships toward national priorities and global development outcomes. This alignment is guided by Saudi Arabia’s transformation agenda and underpinned by active collaboration with key institutions to strengthen standards, transparency, and market practice. In 2025, Riyad Bank accelerated this approach through deeper engagement with global and national partners, ensuring sustainability is advanced through the</p>	<p><i>Focus: Identify material positive and negative impacts and set measurable targets where impact is greatest.</i></p> <p><b><u>Impact area 1 - Climate action and sustainable finance</u></b></p> <p>Riyad Bank has established long-term net zero commitments, supported by interim targets and transparent performance tracking across both financed emissions and its own operations.</p> <p><b>Climate &amp; Net Zero</b></p> <p>Riyad Bank remains on track to achieve net zero financed emissions by 2060, supported by the establishment of interim 2030 sector targets for high-emitting portfolios, including 186 tCO<sub>2</sub>/GWh for Power and 1.3 tCO<sub>2</sub> per tonne of steel for Iron and Steel.</p> <p>In 2025, Riyad Bank continued to measure and disclose the climate impact of its financing portfolio, reporting exposure and financed emissions across Scopes 1, 2, and 3 for the period 2023–2025, along with sector-level breakdowns and data quality scores. Over this period, corporate loan exposure grew by more than 55%, while financed emissions increased by 50%, resulting in a slight reduction in overall emissions intensity. However, Scope 1 and 2 emissions intensity rose due to rapid growth in</p>	<p><i>Focus: Support clients and customers in their transition to sustainable business models and behaviours.</i></p> <p>Riyad Bank supports customers in delivering sustainability outcomes by providing responsible financing solutions and building market-leading sustainable finance capabilities. Sustainable finance is deployed through a range of instruments, supported by clear eligibility criteria and governance under the Bank’s Sustainable Finance Framework (SFF) and Transition Finance Framework (TFF).</p> <p><b>Sustainable finance solutions and responsible lending</b></p> <p>The Bank’s client offerings include:</p> <ul style="list-style-type: none"> <li>• Green loans and green financing</li> <li>• Social loans and social financing</li> <li>• Sustainable Sukuk and bonds</li> <li>• Digital solutions for MSMEs, including platforms that support access to Banking services and financing</li> <li>• Responsible lending frameworks (SFF and TFF) that define eligible activities, governance, and processes for sustainable</li> </ul>

<p>Bank's mainstream Banking activities (financing, services, and client support), rather than being limited to CSR.</p> <p>This strategic approach is reinforced through Riyadh Bank's participation in leading global initiatives that anchor Banking activities to internationally recognized sustainability objectives. By joining the UN Global Compact (UNGC) and signing the UN Principles for Responsible Banking (PRB), Riyadh Bank aligns its operations and Banking strategy with principles covering human rights, labor, environment, and anti-corruption, while supporting the UN Sustainable Development Goals (SDGs). At present the Bank's social and sustainable financing efforts contribute positively towards 15 of the 17 SDGs.</p> <p>The Bank also strengthens transparency and climate accountability through becoming a CDP Capital Markets Signatory and adopting PCAF standards to measure and report financed emissions—complemented by its leadership as Chair of the PCAF MENA Region Database Working Group to advance regional data quality and capacity. Riyadh Bank further aligns its lending practices with evolving global transition finance standards through active membership in the Loan Market Association (LMA), including contribution to the LMA's "Guide to Transition Loans." At the national level, the Bank supports the development of Saudi Arabia's sustainable finance ecosystem through participation in SAMA's ESG Banking Advisory Committee (EBAC) and leadership in corporate sustainability policy advancement through the MEP corporate sustainability policy development working group, reflecting a commitment to shaping market-wide practices and enabling systemic progress.</p>	<p>high-emitting sectors, particularly power generation, whose portfolio share tripled, and iron and steel. In the power sector, a shift toward natural gas alongside expanding renewable exposure led to higher emissions intensity, though the Bank remains focused on increasing renewable financing in line with Saudi Vision 2030 targets. For iron and steel, improving borrower-specific emissions data remains a key priority.</p> <p>In parallel, the Bank continues to advance toward its commitment to achieve net zero operational emissions by 2035, with Scope 1 emissions of 2,992 tCO<sub>2</sub>e and Scope 2 emissions of 65,925 tCO<sub>2</sub>e, representing a 4% reduction compared to 2023 and a 9% reduction compared to 2024.</p> <p><b>Sustainable Finance</b></p> <p>Alongside its climate commitments, sustainable finance remains a key lever through which Riyadh Bank delivers positive environmental and social impact. The Bank initially set a target to mobilise SAR 20 billion in sustainable finance by 2030, which was achieved ahead of schedule, reaching SAR 31 billion by 2025. This early delivery reflects sustained client demand and the Bank's growing capacity to originate and structure sustainable and social financing solutions at scale.</p> <p>Building on this momentum, Riyadh Bank increased its ambition by setting a revised target of SAR 60 billion in sustainable finance by 2030. Progress against this expanded target remains on track, with SAR 31 billion already achieved by 2025. In parallel, the Bank continues to advance product innovation, with a commitment to launch seven "no-regret" sustainable finance products, which remains on track, with launches planned in 2026.</p> <p>To underpin the credibility and scalability of its sustainable finance activities, Riyadh Bank has strengthened its sustainable funding profile through</p>	<p>and transition finance classification and allocation</p> <p>These offerings are underpinned by responsible lending processes and eligibility criteria defined in the SFF and TFF.</p> <p><b>Dialogue with high-impact clients (eligibility, data, and due diligence)</b></p> <p>Riyadh Bank conducts structured engagement with clients, especially high-impact clients, to ensure alignment with its sustainable and transition finance frameworks. For a facility to be approved as eligible for sustainable finance allocation, the Bank will request detailed project data and impact metrics. Client dialogue also emphasizes meeting social and environmental due diligence requirements, ensuring financed activities are supported by credible safeguards and performance expectations. The Bank plans to deepen engagement with clients in high-emitting sectors, including power and heavy industry (e.g., Iron &amp; Steel), to understand their decarbonization plans and support their transition pathways. This engagement is intended to identify tangible opportunities to finance sustainable technologies and improved practices, and to ensure transition activities are credible, measurable, and aligned with long-term climate objectives.</p> <p><b>Facilitating decarbonization (sector focus and transition support)</b></p> <p>For clients in critical sectors, Riyadh Bank provides financing solutions that enable investment in:</p> <ul style="list-style-type: none"> <li>• Energy efficiency upgrades</li> <li>• Renewable energy adoption</li> <li>• Other decarbonization technologies</li> </ul> <p>The Bank's sector-specific financed-emissions decarbonization targets (including Power and Iron &amp;</p>
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	<p>the issuance of USD 750 million in sustainability sukuk across 2022 and 2024, alongside the arrangement of a EUR 300 million green loan facility in 2025, supporting the financing of eligible green and social assets. The Bank further strengthened its sustainable funding programme through the issuance of a USD 1 billion sustainability bond in January 2026. These transactions are anchored by a robust Sustainable Finance Framework, updated and assessed by Moody's with a "Very Good" Second Party Opinion, and complemented by a dedicated Transition Finance Framework that received a "Good" Moody's SPO, reinforcing the Bank's commitment to credible, transparent, and scalable sustainability-linked financing.</p> <p><b><u>Impact area 2 - Empowering MSME's and social development</u></b></p> <p><b>Sustainable Finance Supporting MSMEs</b></p> <p>In 2025, proceeds from Riyadh Bank's sustainable finance issuances were allocated to eligible social projects supporting employment generation and MSME growth, alongside green assets such as renewable energy and sustainable water and wastewater infrastructure.</p> <p>All allocations were made under the Bank's Sustainable Finance Framework, supported by clear eligibility criteria and transparent reporting practices, ensuring measurable and credible social impact.</p> <p><b>Financial Inclusion and Housing</b></p> <p>Affordable housing accounted for 67% of Riyadh Bank's SAR 67.7 billion mortgage portfolio, reflecting the Bank's continued focus on financial inclusion.</p> <p>SAR 45.5 billion of housing finance was subsidised through the Real Estate Development Fund (REDF),</p>	<p>Steel) enable a more proactive approach to client engagement. These targets help Riyadh Bank prioritize transition dialogues, structure financing solutions around emissions-reduction levers, and work with clients to reduce their carbon footprint over time.</p> <p><b>Promoting best practices and demonstrating impact</b></p> <p>Through client engagement, Riyadh Bank encourages adoption of international best practices in environmental and social (E&amp;S) management, supporting improved operational sustainability and stronger performance across clients' value chains. To reinforce transparency and client learning, Riyadh Bank will also showcase its sustainable finance achievements through:</p> <ul style="list-style-type: none"> <li>• Detailed impact case studies in reports (e.g., allocation and impact reporting), and</li> <li>• Digital platforms when announcing flagship sustainable finance transactions.</li> </ul>
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	<p>directly supporting national homeownership objectives and broader social and economic inclusion outcomes.</p> <p><b>MSME and Entrepreneur Support Targets</b></p> <p>Riyad Bank set clear 2025 targets to support entrepreneurship and MSME development, focusing on training and mentoring 5,000 entrepreneurs while providing financing solutions to 200 SMEs.</p> <p><b>Partnership with Misk Foundation</b></p> <p>Through its Entrepreneurship Track partnership with the Mohammed Bin Salman Foundation (Misk Foundation), Riyad Bank continued to support entrepreneurship and SME development across the Kingdom.</p> <ul style="list-style-type: none"> <li>• 41,546 beneficiaries were supported cumulatively through the partnership.</li> <li>• These efforts contributed to the creation of 5,400 jobs, reinforcing the Bank's impact on employment and economic development.</li> </ul> <p>During 2025, Riyad Bank supported the delivery of a range of targeted entrepreneurship programs designed to build capacity, enhance skills, and improve investment readiness.</p> <ul style="list-style-type: none"> <li>• Misk Startup School provided foundational training for aspiring entrepreneurs.</li> <li>• Misk Launchpad engaged 311 participants across 13 sessions, achieving a 91.3% satisfaction rate.</li> <li>• Misk Accelerator delivered a 12-week, equity-free scale-up program, supporting 20 startups.</li> </ul>	
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In addition, Riyadh Bank participated in the Misk Entrepreneurship Annual Event and Innovation Week, contributing to knowledge exchange, innovation, and collaboration, and further strengthening the national entrepreneurial ecosystem.

**Misk success stories include:**

- Collaborative deals - The Entrepreneurs' Community enabled startups to close over SAR 4.9 million in collaborative deals
- Network growth - 83% of members enhanced their professional networks and 69% accessed opportunities unavailable to them individually, reflecting strong ecosystem connectivity.
- Knowledge and mentorship - With over 800 active learners and 450+ knowledge accounts, the Knowledge Hub empowered founders through expert-led sessions that improved strategic decision-making.

**Strategic Partnerships Supporting MSME Growth**

During 2025, Riyadh Bank further strengthened MSME access to growth opportunities through strategic partnerships, including signing a cooperation agreement with Saudi EXIM Bank to facilitate financing for SME exporters.

The Bank also launched the Social Infrastructure Projects Financing Program (SIFP) in collaboration with Infra Saudi, providing innovative financing solutions for healthcare and education projects through co-financing structures and credit guarantees.

**Impact area 3 - Human Capital and development and employee wellbeing**

	<p>Riyad Bank places strong emphasis on human capital development, employee wellbeing, and the advancement of diversity and inclusion across its workforce. These priorities are supported by clear medium-term targets, ongoing investment in skills development, and the promotion of equitable employment practices.</p> <p>Progress toward diversity and inclusion targets continued in 2025. Women represented 29.9% of the overall workforce, reflecting steady advancement toward the Bank’s 2027 target of 35–40%, while 11.4% of leadership roles were held by women, contributing to progress against the 20–30% leadership target over the same timeframe. Representation of people with disabilities reached 0.86% of employees, approaching the Bank’s 1% workforce target, and reinforcing ongoing efforts to foster an inclusive working environment.</p> <p>Riyad Bank also continued to advance its ESG awareness agenda, with 98% of employees completing ESG training in 2025, nearing the Bank’s commitment to achieve full employee ESG training coverage by 2026. These initiatives aim to embed sustainability considerations across day-to-day decision-making and organizational culture. Additionally, the bank focusses on training and development of employees, with average training per employee increasing from 7.3 hours per FTE in 2024 to 13.6 hours per FTE in 2025.</p> <p>From a workforce profile perspective, Riyad Bank maintains one of the highest Saudization rates in the Kingdom at 96%, underscoring its commitment to national talent development and localization objectives. The Bank also continues to promote pay equity, with an average gender pay gap of approximately 2%, reflecting progress toward fair and balanced compensation practices. Collectively, these outcomes demonstrate Riyad</p>	
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	<p>Bank's integrated approach to human capital development, balancing workforce growth, inclusion, skills development, and wellbeing, while aligning closely with national priorities and long-term organizational sustainability.</p> <p>Finally, Riyadh Bank's latest employee engagement and satisfaction survey recorded a strong participation rate of 91%, reflecting a high level of employee involvement and trust in the feedback process. Compared to the previous year, employee engagement increased by 3% and satisfaction rose by 4%, bringing both overall engagement and satisfaction to a solid level of 66%, indicating continued improvement in the employee experience.</p> <p><b><u>Impact area 4 – Community support and investments</u></b></p> <p>Riyadh Bank's community and environmental initiatives are aligned with the Saudi Green Initiative, supporting national objectives to enhance environmental resilience and achieve net zero emissions by 2060. Through its Bukra program, the Bank focuses on community-driven efforts to address water scarcity, protect natural habitats, and restore ecosystems, complementing national strategies for sustainable resource management.</p> <p>A flagship program under this pillar is the Bukra Nursery, which targets the planting of 4 million trees by 2032. In 2025, the Bank planted 400,000 trees, increasing the cumulative total to 880,000 trees. This afforestation effort is estimated to deliver an annual carbon reduction of approximately 10,000 tonnes, contributing to carbon sequestration, biodiversity enhancement, and ecosystem resilience. The program has also received international recognition, including a 2025 visit by the Food and Agriculture Organization (FAO) during Ramadan, which combined tree-planting activities</p>	
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	with community engagement and cultural participation.	
<p><i>Links &amp; references</i>  2025 Sustainability report: <a href="#">link</a></p>	<p><i>Links &amp; references</i>  2025 Sustainability report: <a href="#">link</a>  Sustainable Finance Framework: <a href="#">link</a>  Transition Finance Framework: <a href="#">link</a>  2024 Sustainable finance allocation report: <a href="#">link</a></p>	<p><i>Links &amp; references</i>  2025 Sustainability report: <a href="#">link</a>  Sustainable Finance Framework: <a href="#">link</a>  Transition Finance Framework: <a href="#">link</a>  2024 Sustainable finance allocation report: <a href="#">link</a></p>

<b>Principle 4: Stakeholders</b>	<b>Principle 5: Governance &amp; Culture</b>	<b>Principle 6: Transparency &amp; Accountability</b>
<p><i>Focus: Engage relevant stakeholders to inform strategy and improve outcomes.</i></p> <p>Riyad Bank advances sustainability outcomes through active stakeholder engagement, partnerships, and collaboration with regulators, industry peers, civil society, and international organizations.</p> <p><b>Global partnerships and engagement</b></p> <p>Riyad Bank has strengthened its global positioning through:</p> <ul style="list-style-type: none"> <li>• Membership of the UN Global Compact (UNGC), aligning with the Ten Principles across human rights, labor, environment, and anti-corruption</li> <li>• Signatory status to the UN Principles for Responsible Banking (PRB)</li> <li>• Becoming a CDP Capital Markets Signatory, supporting climate and environmental transparency</li> <li>• Adoption of PCAF standards, and leadership as Chair of the PCAF MENA Region Database Working Group, contributing to regional governance, emissions data mapping, and capacity-building</li> <li>• Active membership of the Loan Market Association (LMA), including contribution to the LMA’s “Guide to Transition Loans”</li> </ul> <p><b>National partnerships and advocacy</b></p>	<p><i>Focus: Embed responsible Banking through strong governance, accountability, and culture.</i></p> <p>Riyad Bank has established a robust governance structure to ensure sustainability is managed with accountability, oversight, and integration into business and risk management processes.</p> <p><b>Board-level oversight</b></p> <p>The Board retains ultimate accountability for sustainability performance, supported by:</p> <ul style="list-style-type: none"> <li>• <b>Board Sustainability Committee (BSC):</b> provides strategic direction, oversees ESG and climate-related opportunities and risks, integrates ESG into performance metrics, reviews disclosures and policies, and monitors target-setting and progress. The committee includes an external advisory director with sustainability expertise.</li> <li>• <b>Risk Management Committee (RMC):</b> oversees risk strategy, policies, and risk appetite; meets at least four times per year and receives reporting on ESG/climate risks.</li> </ul> <p><b>Management-level governance and delivery</b></p> <p>Sustainability execution is driven through:</p> <ul style="list-style-type: none"> <li>• <b>Executive Sustainability Strategy Committee (ESC)</b> chaired by the CEO, meeting at least five times per year, monitoring progress against sustainability targets and reporting to the BSC</li> </ul>	<p><i>Focus: Be transparent and accountable for progress through public reporting.</i></p> <p>Riyad Bank demonstrates its commitment to transparency and accountability through a clearly defined ESG strategy, measurable targets, and regular, public reporting of progress. The Bank’s sustainability objectives and achievements are published in detail within its annual sustainability report, sustainable finance allocation report, and annual report, ensuring that stakeholders have access to comprehensive and up-to-date information.</p> <p>Ownership and accountability are embedded at every level of the organization, with dedicated governance structures overseeing the delivery of ESG commitments and the monitoring of progress against targets. This disciplined approach to disclosure and oversight reinforces stakeholder trust and ensures that Riyad Bank’s sustainability journey remains credible, measurable, and aligned with both internal ambitions and external expectations.</p>

<p>Riyad Bank contributes to shaping national sustainable finance practice through:</p> <ul style="list-style-type: none"> <li>• Participation in SAMA’s ESG Banking Advisory Committee (EBAC)</li> <li>• Membership in a MEP corporate sustainability policy development working group</li> <li>• Recognition as a MEP “Sustainability Champion” (2024) and mentoring of corporates (including Jeel and Esnad) to enhance sustainability strategies and disclosures</li> <li>• Collaboration with national programs such as Kafalah, and housing initiatives supported by REDF</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Enterprise Risk Management Committee (ERMC)</b> conducting quarterly ESG/climate risk monitoring and reporting key findings to the RMC</li> <li>• <b>Working groups</b> enabling delivery and coordination. This includes Sustainability Strategy Working Group (SSWG), Sustainable Finance Working Group (SFWG) and CSR Working Group</li> <li>• <b>Oversight and execution</b> support from the ESG &amp; Sustainability Department and the ESG Risk function within Enterprise Risk Management</li> </ul>	
<p><i>Links &amp; references</i>  2025 Sustainability report: <a href="#">link</a>  2024 Sustainable finance allocation report: <a href="#">link</a></p>	<p><i>Links &amp; references</i>  2025 Annual report: <a href="#">Link</a>  2025 Sustainability report: <a href="#">link</a>  2024 Sustainable finance allocation report: <a href="#">link</a></p>	<p><i>Links &amp; references</i>  2025 Annual report: <a href="#">Link</a>  2025 Sustainability report: <a href="#">link</a>  2024 Sustainable finance allocation report: <a href="#">link</a></p>