

An aerial photograph of a boat moving across clear, turquoise water. The boat is positioned in the lower center, leaving a white wake. To the right, a coral reef is visible, showing various shades of green and brown. The overall scene is bright and clear, suggesting a healthy marine environment.

Riyad Bank

Sustainable Finance Framework

January 2026

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1

About Riyadh Bank

Since 1957, Riyadh Bank has grown into one of the largest financial institutions in Saudi Arabia and the Middle East, with a paid-up capital of SAR 30 billion. The Bank's team of over 5,500 dedicated employees, with a Saudization rate of %96 - one of the highest among large organizations in the Kingdom - stands as the cornerstone of its success and a source of immense pride.

Riyadh Bank caters to the diverse needs of retail and corporate clients, including small and medium-sized enterprises, with a wide range of industry-leading conventional and Shari'ah-compliant products and services. As a trusted financier and arranger of syndicated loans across key sectors and major infrastructure projects, Riyadh Bank is honored to play a central role in supporting Saudi Arabia's Vision 2030. Through its subsidiary, Riyadh Capital, the Bank leads in IPO advisory and asset management, earning numerous awards and cementing its position as a pioneer in the financial sector.

Riyadh Bank's cutting-edge banking and financial solutions are delivered through an extensive network of 332 strategically located licensed branches, more than 168,000 POS systems, and over 1,600 ATMs across the Kingdom. Complementing these is the Bank's advanced digital banking platform, which leverages the latest technologies to provide fast, secure, and seamless services for its customers.

Extending beyond the Kingdom, Riyadh Bank's presence now spans London, Houston, and Singapore. This growing international footprint reflects the Bank's commitment to serving its customers wherever they are and driving its continued growth beyond limits.



2

Sustainability at Riyadh Bank

Riyad Bank's Sustainability Vision:

Help KSA thrive by becoming a regional sustainability leader.

Riyad Bank's Sustainability Strategy:

Riyad Bank places sustainability at the core of its strategy, reinforcing its commitment to responsible banking and long-term value creation. By driving strategic environmental, social, and governance (ESG) initiatives, we are shaping industry standards, supporting Saudi Arabia's Vision 2030, and creating meaningful value for our customers, employees, partners, and communities.

As part of our commitment to knowledge sharing and industry collaboration, Riyadh Bank has published a white paper detailing its sustainability strategy development. This public resource serves as a practical guide for organizations advancing their own sustainability initiatives, reinforcing our leadership in responsible banking and sustainable development.

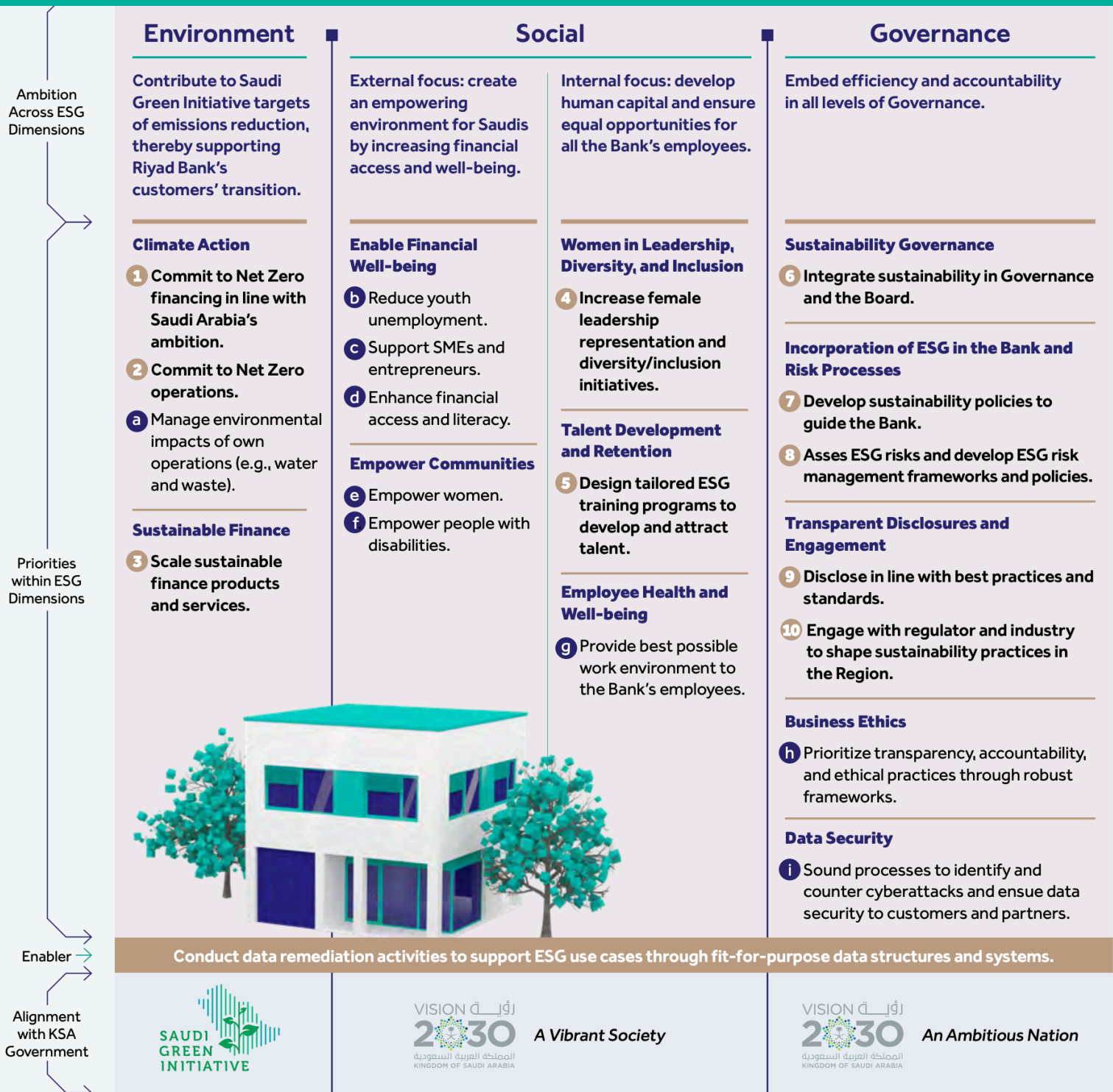
Riyad Bank has developed its sustainability strategy in alignment with best-practice guidance, incorporating recommendations from the Science Based Targets initiative (SBTi) and the Glasgow Financial Alliance for Net Zero (GFANZ).

The bank has adopted methodologies from the Greenhouse Gas (GHG) Protocol, the United Nations Environment – Finance Initiative (UNEP FI) and Principles for Responsible Banking (PRB) to ensure a comprehensive and science-driven approach to sustainability.



Overview of Sustainability Strategy Scope and Priorities:

Riyad Bank's strategy distinguishes between nine established practices to maintain, and ten new priorities designed to drive further Sustainability progress.



Environment

Contribute to Saudi Green Initiative targets of emissions reduction, thereby supporting Riyadh Bank's customers' transition.

Climate Action

- 1 Commit to Net Zero financing in line with Saudi Arabia's ambition.
- 2 Commit to Net Zero operations.
- a Manage environmental impacts of own operations (e.g., water and waste).

Sustainable Finance

- 3 Scale sustainable finance products and services.

Social

External focus: create an empowering environment for Saudis by increasing financial access and well-being.

Enable Financial Well-being

- b Reduce youth unemployment.
- c Support SMEs and entrepreneurs.
- d Enhance financial access and literacy.

Empower Communities

- e Empower women.
- f Empower people with disabilities.

Internal focus: develop human capital and ensure equal opportunities for all the Bank's employees.

Women in Leadership, Diversity, and Inclusion

- 4 Increase female leadership representation and diversity/inclusion initiatives.

Talent Development and Retention

- 5 Design tailored ESG training programs to develop and attract talent.

Employee Health and Well-being

- g Provide best possible work environment to the Bank's employees.

Governance

Embed efficiency and accountability in all levels of Governance.

Sustainability Governance

- 6 Integrate sustainability in Governance and the Board.

Incorporation of ESG in the Bank and Risk Processes

- 7 Develop sustainability policies to guide the Bank.
- 8 Assess ESG risks and develop ESG risk management frameworks and policies.

Transparent Disclosures and Engagement

- 9 Disclose in line with best practices and standards.
- 10 Engage with regulator and industry to shape sustainability practices in the Region.

Business Ethics

- h Prioritize transparency, accountability, and ethical practices through robust frameworks.

Data Security

- i Sound processes to identify and counter cyberattacks and ensure data security to customers and partners.

Conduct data remediation activities to support ESG use cases through fit-for-purpose data structures and systems.



Riyad Bank's strategy Key Highlights:

The strategy is aligned with the Kingdom's Vision 2030 and its commitment to net-zero by 2060. It includes ambitious goals for sustainable finance, emissions reduction, and community engagement.

Net Zero by 2060

Aligning with Saudi Arabia's national targets, the bank aims to achieve net-zero emissions by 2060, with an ambitious interim target of net-zero for its own operations (scope 1 and 2) by 2035

2030 Sector Targets

The first Saudi bank to establish scope 3 financed emissions baseline and set science-based interim decarbonization targets for its power and iron and steel sectors.

Sustainable Finance Leadership

The bank has set a target of SAR20 billion in sustainable finance volume by 2030, demonstrating its commitment to financing projects and initiatives that contribute to a sustainable future.

Partnerships with Leading Sustainability Initiatives

The bank will increase engagement with leading sustainability initiatives, including the Partnership for Carbon Accounting Financials, the UN Global Compact, CDP, and the Principles for Responsible Banking.

Strong ESG Governance

The bank has enhanced its existing robust ESG governance framework, with increased oversight at the board and management levels, integrated KPIs, and incentivized sustainability performance.

Community Engagement

The strategy emphasizes enhanced community engagement and initiatives, focusing on creating a positive social impact.

Riyad Bank's Sustainability strategy is accompanied by a comprehensive -3year roadmap for the bank's sustainability journey, setting a clear path for the bank to create long-term value for its stakeholders and contribute to a sustainable future for the Kingdom and the region.

For further details, please refer to our Sustainability Strategy here: [Riyad Bank's Sustainability Strategy – Methodological White Paper](#)

Sustainability Governance

At Riyad Bank, robust governance underpins the sustainability strategy. Integrating sustainability across the Bank's management layers, including creating sustainability committees at all levels of the organization, will support the Bank's journey to sustainability leadership. In line with Riyad Bank's commitment for clear sustainability governance at the Board and Management levels, along with clear KPIs and incentives, and effective reporting and communication, the 3 tiers of governance and the respective mandates are outlined below:

Board Sustainability Committee

- Set the direction for sustainability, including the KPIs.
- Challenge and approve the sustainability strategy and plan – monitor and oversee implementation.
- Challenge and approve sustainability disclosures.
- Oversee impact of sustainability-related risks and opportunities to the Bank's activities.
- Oversee sustainability impact on the Bank's activities

Sustainability Steering Committee Chaired by CEO

- Develop sustainability strategy and plan
- Implement sustainability strategy and plan (e.g., support creation of policies and commitments)
- Approve targets and monitor progress
- Manage impact of climate-related risks and opportunities
- Prepare ESG disclosures aligned with local regulatory standards

Sustainability Working Group

- Deliver on sustainability strategy and plan, in alignment with the Bank's mission and vision
- Develop sustainability goals that align with the Bank's mission and vision.
- Develop and advocate for policies.
- Raise awareness to educate employees on sustainability issues and practices
- Monitor progress on established goals and support in implementation of priority initiatives.

3

Riyad Bank's Sustainable Finance Framework

The Sustainable Finance Framework ('the Framework') outlines Riyadh Bank's methodology for classifying financial products and services as sustainable or transition finance. It also serves to guide the development of sustainable products that reference a specific green, social or sustainable use of proceeds.

Our Framework has been broadly divided to cover the following three areas:

- Dedicated Purpose Financing
- General Purpose Financing
- Transition Finance

The Framework has been developed in alignment with, and informed by, the following best principles and international standards:

The International Capital Market Association (ICMA)	Loan Market Association (LMA)
<ul style="list-style-type: none">• Green Bond Principles (GBP) 2025• Social Bond Principles (SBP) 2025• Sustainability Bond Guidelines (SBG) 2021• Guidance on Green, Social and Sustainability (GSS) Sukuk 2024• Sustainability-Linked Bond Principles (SLBP) 2024• Climate Transition Finance Handbook (CTFH) 2023• Harmonized Framework for Impact Reporting 2024• Harmonized Framework for Impact Reporting for Social Bonds 2025• ICMA & IFC: Bonds to Finance the Sustainable Blue Economy	<ul style="list-style-type: none">• Green Loan Principles (GLP) 2025• Social Loan Principles (SLP) 2025• Sustainability-Linked Loan Principles (SLLP) 2025
Other Local and International Guidelines	
<ul style="list-style-type: none">• Climate Bond Initiative (CBI)• European Union (EU) Taxonomy• IFC Guidelines for Blue Finance 2025• Saudi Vision 2030• Saudi Green Initiative (SGI)• Kingdom of Saudi Arabia Green Financing Framework 2024• Saudi Capital Market Authority Green, Social, Sustainability, and Sustainability-Linked Debt Instruments Guidelines	

Where relevant, the Framework draws on Climate Bonds Initiative sector criteria, the European Union Taxonomy environmental objectives and technical screening criteria, Saudi Vision 2030, the Saudi Green Initiative, the Kingdom of Saudi Arabia Green Financing Framework 2024 and the Saudi Capital Market Authority Green, Social, Sustainability and Sustainability-Linked Debt Instruments Guidelines, to ensure that Riyadh Bank's sustainable finance activities are consistent with both international best practice and national priorities.

In applying these standards, Riyadh Bank follows the four core components of the ICMA Green, Social and Sustainability Bond Principles and the LMA Green, Social and Sustainability-Linked Loan Principles (use of proceeds, process for project evaluation and selection, management of proceeds and reporting), as well as the core components for sustainability-linked instruments (selection of KPIs, calibration of Sustainability Performance Targets, loan or bond characteristics, reporting and verification).

3.1 Issuing Sustainable Financing Instruments

Riyad Bank intends to use this Framework as the basis to issue Green, Social, Blue or Sustainability Bonds, Sukuk, Loans and other debt instruments (Sustainable Financing Instruments). The ICMA GBP, SBP, SBG and corresponding LMA Principles represent a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the green, social and sustainability bond market. In alignment with the latest aforementioned principles and guidelines, the following key components form the basis for Sustainable Financing Instruments in this Framework:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

3.2 Use Of proceeds

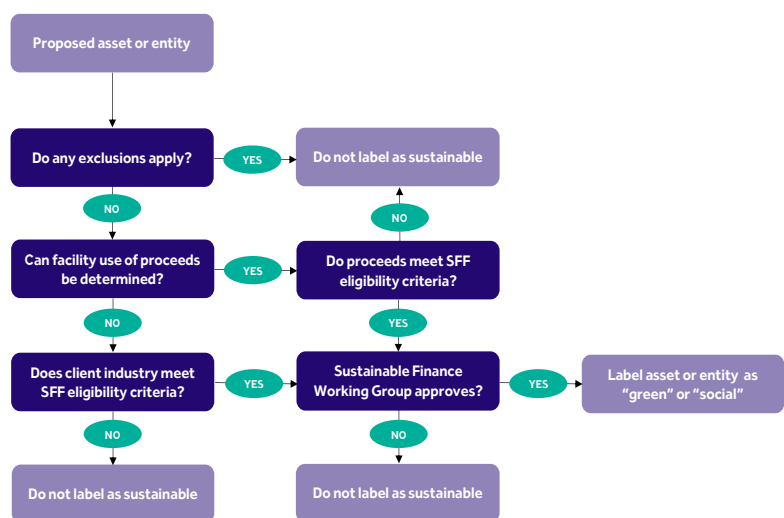
The net proceeds of any green/social/blue or any Sustainable Financing Instruments issuances will be used to finance or refinance in whole or in part:

- **Eligible Activities for Sustainable Finance:** Eligible environmental and/or social projects that exclusively fall under the eligible categories listed in Section 5 of this Framework.
 - In determining eligibility under this Framework, Riyad Bank will, where applicable, reference relevant European Union Taxonomy criteria, Climate Bonds Initiative sector criteria and national guidance, including the Kingdom of Saudi Arabia Green Financing Framework 2024 and the Saudi Capital Market Authority Green, Social, Sustainability and Sustainability-Linked Debt Instruments Guidelines, to ensure that financed activities contribute to one or more environmental and/or social objectives, do no significant harm to other objectives and comply with minimum safeguards.
- **General Purpose Financing:** Loans to “Pure Play Companies”, which are defined as companies that derive over %90 of their revenues from the green/social eligibility criteria defined in Section 5 of this Framework.
 - In addition to the criteria set out in Section 5, the Sustainable Finance Working Group will consider the contribution of Eligible Sustainable Projects to Saudi Vision 2030 and the Saudi Green Initiative, and, where relevant, will assess alignment with applicable European Union Taxonomy criteria and national green financing guidance, including the Kingdom of Saudi Arabia Green Financing Framework 2024 and the Saudi Capital Market Authority green, social, sustainability and sustainability-linked debt instruments guidelines.

A maximum would 3 year look-back period apply for refinanced projects and Riyad Bank expects each issuance under this framework to be fully allocated within 2 years from the date of issuance. The Bank will, where possible, disclose to investors the expected share of financing versus refinancing for any Sustainable Financing Instrument.

3.3 Process of Project Evaluation and Selection

The Project Evaluation and Selection Process will ensure that the proceeds of any Riyad Bank Sustainable Financing Instrument are allocated to finance or refinance Eligible Sustainable Projects that meet the criteria and objectives set out in section 5.



Environmental and Social Risk Management Process

We conduct a comprehensive Environmental and Social (E&S) risk assessment for all projects financed or refinanced under our Sustainable Finance Framework. This includes the use of our ESG Risk Questionnaire to identify potential environmental and social risks, with the results feeding directly into our ESG Scorecard. Each client is assigned an ESG score ranging from 1 to 4, reflecting the overall ESG risk profile. We have a 2-year Risk management plan to further enhance our ESG risk capabilities in a progressive manner.

In addition to client-level scoring, all clients and projects are assigned an industry-based E&S risk category (Low, Medium, or High) based on the inherent ESG risks of their sector. This categorization determines the depth of due diligence, level of oversight, and escalation requirements. High Risk projects are subject to enhanced review and require a separate Environmental and Social Impact Assessments (ESIA).

All projects and clients are screened against our Exclusion List in section 8, which defines activities the Bank will not finance due to their environmental, social, or ethical impacts. Any activity on the exclusion list is automatically ineligible for financing under this Framework.

Once the E&S risk assessment and Exclusion List screening are complete, each project is evaluated against the eligibility criteria set out in our Sustainable Finance Framework. Only projects that meet the Green or Social eligibility criteria and demonstrate acceptable E&S risk levels are considered for allocation.

Eligible projects then proceed through our internal governance and approval processes, including the relevant Credit Committees and the Sustainable Finance Working Group. Upon approval, projects are designated as Eligible Projects for the allocation of sustainable finance proceeds.

We continue to monitor projects throughout their lifecycle. Regular reviews of E&S performance and compliance are conducted, and any material changes in project characteristics or risk profile may trigger reassessment. Projects may be adjusted or removed from the Eligible Projects list if they no longer meet our criteria.

Governance

This Framework has been prepared by Riyadh Bank's Sustainability Department and reviewed and approved by the Sustainable Finance Working Group (SFWG), comprised of members from departments in the Bank including Treasury, Risk, Investor Relations, Corporate, Credit, Finance and Operations. The SFWG steers the development and maintenance of this Framework and is accountable for ensuring that all sustainable finance transactions conform to the definition and approach described in this Framework.

Riyadh Bank is in the process of identifying its current, and calculating its future, eligible sustainable finance portfolio. Reporting of sustainable finance figures will be presented to the Executive Management Committee, the Board Risk Committee and the Board Sustainability Committee at a minimum on a quarterly basis, and if necessary, on an ad hoc basis.

Riyadh Bank intends to publish, at least annually, aggregated information on its sustainable finance activities under this Framework, including the volume of sustainable finance by sector and product, the split between use-of-proceeds and general corporate purpose financing, and, where feasible, indicative climate impact metrics such as estimated emissions reductions or intensity improvements.

This Framework will be reviewed periodically, and at least every three years, or earlier where there are material changes in relevant international or national sustainable finance guidance, taxonomies or market practices that warrant an update.

Detailed responsibilities of the SFWG include:

- Ratify Eligible Sustainable Projects, which are initially proposed by the constituent team members
- Oversee and approve the allocation of proceeds from the sustainable finance instruments to the sustainable, green, transition and social assets
- Ensure that all Eligible Sustainable projects have been assessed from an environmental and social risk management perspective
- Approve any proposed changes to the asset pool ledger in the event that transactions are no longer meeting the eligibility criteria
- Ensure that projects included in the asset pool comply with portfolio limits in terms of percentage of refinancing components and look-back period
- Make sure that funds from the net proceeds of any instrument covered under this Framework are fully allocated within a reasonable ramp-up period, typically within two years after issuance, but in any case, according to a timeline to be disclosed to investors
- Review and approve the annual sustainable finance report and the updates made to the Sustainable Finance Framework and second-party opinion
- Convene at minimum on a quarterly basis

3.4 Management of Proceeds

The proceeds of each Riyad Bank's Sustainable Financing Instrument will be deposited in Riyad Bank's general funding accounts and earmarked for allocation towards the Eligible Sustainable Projects using the Sustainable Finance Register. The Sustainable Finance Register will contain the following information:

I. Sustainable Financing Instrument (Sukuk/Bond/Loan etc.) details: pricing date, maturity date, principal amount of proceeds, coupon, ISIN number, etc.

II. Allocation of Proceeds:

a. The Eligible Sustainable Projects List, including for each Eligible Sustainable Project, the Eligible Sustainable Project category, project description, project location, Bank's ownership percentage, total project cost, amount allocated, settled currency, etc.

If, at any time, a previously approved use of tracked proceeds is either (i) no longer considered an approved use of proceeds or (ii) repaid / cancelled or postponed from the proceeds of any disposal of a project, then an equivalent amount shall be reallocated to an eligible sustainable project or credited to the balance of tracked proceeds in the Sustainable Finance Register.

b. Amount of unallocated Proceeds Any proceeds temporarily unallocated will be invested according to the Bank's standard liquidity policy into cash or cash equivalents.

3.5 Reporting

Riyad Bank adopts ICMA's Harmonized Framework for Impact Reporting and annually reports the use of green/social/blue bond proceeds as well as the expected environmental and/or social impacts, when available, for projects financed. We continue the reporting process until full allocation and/or maturity of any instrument issued under this Framework.

We will disclose information related to the allocation of proceeds of any green/ social/blue or any sustainable instruments issuances such as aggregate amounts of funds allocated, key information and characteristics of the transaction, project type, size and location, distribution of proceeds subdivided by eligible categories, criteria and the balance of unallocated proceeds at the end of the reporting period.

We will further disclose information related to the impacts of the funded eligible green/social/blue projects, including a brief description of the project's expected environmental and/or social impact, where possible, estimates of the expected impacts as quantitative performance indicators/qualitative performance measures, case studies on eligible projects, descriptions of sustainability, social and corporate governance benefits, where available.

Refer to Section 5,3 of this report, where the Bank has provided a list of qualitative/ quantitative performance indicators in line with ICMA's Harmonized Framework for Impact Reporting.

Where appropriate, Riyad Bank will seek to map reported allocation and impact information to relevant environmental objectives and activities under the European Union Taxonomy and to key themes and targets under Saudi Vision 2030 and the Saudi Green Initiative, in order to enhance comparability for investors and national stakeholders.





4

Eligible Activities for Sustainable Finance

The table below lists information on the use of proceeds within qualifying categories, as well as a description of the criteria for qualified green/social/blue activities.

The qualifying categories mentioned below have also been linked to their respective Sustainable Development Goals (SDGs) and the Kingdom's Vision 2030 key themes, they are referenced and aligned with ICMA. we will evaluate each transaction on a case-by case basis and will determine if it meets the criteria listed below.

4.1 Eligible Green Activities

Eligible Categories	Sub Category	Eligible Activities	SDG & Vision 2030 Mapping
Renewable Energy	Generation of energy from renewable sources	<p>The generation of electricity from:</p> <ul style="list-style-type: none"> • Wind (onshore and offshore) • Wave, tidal and ocean thermal energy conversion • Solar photovoltaic systems (including floating) • Concentrated solar heat and power generation, where large majority of electricity (more than 85%) generated from the facility is derived from solar energy sources • Hydropower¹: (i) For new facilities: power density above 10W/m²; Lifecycle carbon intensity below 50 gCO₂/kWh (ii) For facilities that became operational before 2022: Power density above 5W/m² ; Lifecycle carbon intensity below 100 gCO₂/kWh • Waste to energy from: (i) municipal solid waste where majority of recyclables are segregated before incineration, (ii) anaerobic digestion of sewage sludge, or (iii) bioenergy limited to facilities with life-cycle emissions intensity below 100 gCO₂/kWh. This also includes the production of biofuel² with a greenhouse gas savings threshold of 65% relative to the fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001 • Geothermal (direct emissions intensity threshold below 100 gCO₂/kWh) • Green hydrogen projects³ • Retrofit of renewable energy power plants 	 <p>A Thriving Economy: • Grow contribution of renewables to national energy mix</p>
	Manufacture of components for renewable energy technology	<p>Development and/or manufacture of renewable energy technologies and associated assets wholly dedicated and used for purpose of supporting renewable energy generation facilities, including equipment for renewable energy generation and energy storage systems.</p> <p>Examples could include wind turbines⁴; solar panels; battery storage connected to renewables; energy storage systems connected to an eligible transmission and distribution system as defined by this Framework; and the development, manufacturing or purchase of vessels (boats, barges, ships) fully dedicated to the construction or other services of marine renewables</p>	
	Construction/ maintenance/expansion of associated distribution networks	<p>For transmission and distribution systems, the following applies:</p> <ul style="list-style-type: none"> • If the system carries more than 90% electricity from renewable sources, the full financing or project is considered eligible • If the system carries less than 90% renewable energy, but is on a decarbonisation trajectory in line with the EU Taxonomy⁵, then the full financing is considered eligible; and • If the system carries less than 90% renewables, but the percentage of renewables is expected to increase, a pro-rata approach will be adopted for allocation 	
Energy Efficiency	Commercial, public and residential buildings (existing and new construction)	<ul style="list-style-type: none"> • Development, manufacture and installation of energy-efficient lighting or equipment to increase the operational energy efficiency of utilities and/ or other public services (excluding improvements in buildings) • Improvement of heat efficiency of non-fossil-fuel powered-utilities, power plants, and other public services. Example projects could include rehabilitation of electric-powered district heating systems, electric powered district cooling systems heat-loss reduction, and/or increased recovery of wasted heat • Mobile network upgrades to 5G technology and 4GLTE migration from 3G or lower • Internet of Things (IoT) and Artificial Intelligence of Things (AIoT) development and operation of networks, services and products that are specific to energy efficiency improvements • Telecom towers upgrades, including cooling systems, insulation and reflective paints that enhance energy efficiency • Modernisation of broadband network from copper to fibre optic • Installation of zoned thermostats, smart thermostat systems and censoring equipment, e.g. motion and day light control 	 <p>A Thriving Economy: • Grow contribution of renewables to national energy mix • Enhance competitiveness of the energy market</p>
	Industrial processes and supply chains	<ul style="list-style-type: none"> • Upgrades, improvement and installation of technologies and equipment to industrial and manufacturing processes to increase energy efficiency • Development, manufacture and distribution of equipment and software that are specifically designed to increase the energy efficiency of industrial and manufacturing processes such as demand management technologies • Financing steel manufacturing that uses (i) direct reduced iron (DRI) in an electric arc furnace (EAF), (ii) green hydrogen as a fuel and (iii) electricity for the facilities is sourced from renewable sources 	






1 - For all new hydropower an environmental and social impact assessment by a credible body (third-party/external audit) is required per project. There should be no significant risk or expected negative impact identified.





2 - Biofuel must be sourced from a sustainable feedstock (the only timber feedstock allowed is waste wood)



3 - Production by electrolysis powered by renewable energy where renewable energy is as defined by this Framework.

4 - Wind turbine manufacturing involving the use of balsa wood will be limited to companies with a sustainable sourcing policy in place and/or use balsa wood certified by recognized international standards such as FSC and PEFC.

5 - Please refer to the technical screening criteria (b) and (c) under activity "4.9. Transmission and distribution of electricity" of the EU Taxonomy Delegated Act 2021: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2800-2021-annex1_en.pdf



<p>Energy Efficiency</p>	<p>Transmission and distribution systems</p>	<p>Industrial/utility energy-efficiency improvements which result in reduction of heat losses and/ or increased waste heat recovery. This includes - Installation of renewable-powered cogeneration plants</p> <ul style="list-style-type: none"> • Retrofit of distribution systems, transmission lines or substations to reduce energy use and/or technical losses (except for capacity expansion). Distributed assets, such as hybrid solar invertors, that will be limited to those where the intent is to reduce the curtailment of renewable energy into the grid. Electrical grid development and maintenance projects will be limited to those systems dedicated to connecting renewables to the power grid or supporting at least 90% renewable electricity • The development, manufacture, installation of technologies/components for efficient transmission and distribution. Examples could include smart grid technologies such as advanced/smart meters, monitoring and control automation devices, computing platforms, distributed generation, peak demand management, smart energy algorithms, green computing systems designed for energy efficient use, etc. • Distribution networks for districting heating/cooling where these are primarily (more than 50 %) powered by renewables, waste heat or both • Subsea cables for renewable energy transmission, where more than 90% of energy transmitted through the cables is renewable • Installation and operation of electric heat pumps is eligible, if Refrigerant threshold: GWP ≤ 675 	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Grow contribution of renewables to national energy mix • Enhance competitiveness of the energy market
<p>Clean Transportation (lower-carbon)</p>	<p>Sustainable infrastructure and transportation</p>	<p>Investments and expenditure in low energy consuming or low emission transportation, including:</p> <ul style="list-style-type: none"> • Electric vehicles including passenger cars (under 50 gCO₂/km up to 2025, and zero tailpipe emissions thereafter) and electric scooters, motorbikes, and light commercial vehicles including electric shuttles • Electric planes for freight transportation, with share of fossil fuel freight transported limited to 25% in mass • Public transportation (under 50 gCO₂/p-km up to 2025, and zero tailpipe emissions thereafter) including electric trams and trains • Other zero direct emissions vehicles not intended for road including cranes and forklifts • Freight rail transportation (under average portfolio emissions of 25 gCO₂/t-km up till 2030, 21 gCO₂/t-km from 2030 up to 2050) • Active mobility including bicycles, and other forms of self-propelled types of transportation • Infrastructure for active mobility including walking/ cycling lanes • Low-carbon transport infrastructure including electric charging stations, low-carbon fueling stations, such as for green hydrogen or biofuels, battery exchange and swapping stations and railway tracks • Investments and expenditure into development and production of electric vehicles (EVs), including construction of new dedicated manufacturing facilities and upgrading and retrofitting of existing facilities for the purpose of expanding production (including R&D), as well as the manufacture of EV batteries and development of its specialized parts, such as cathode/anode material, ternary precursor 	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Improve local, regional & international connectivity of trade & transport networks <p>A Vibrant Society:</p> <ul style="list-style-type: none"> • Enhance traffic safety • Reduce all types of pollution
<p>Sustainable Water and Wastewater Management</p>	<p>Sustainable water and wastewater management</p>	<p>Activities that improve water quality:</p> <ul style="list-style-type: none"> • Water and wastewater treatment facilities (WWTP) (where - The net energy consumption of the waste water treatment plant equals to or is lower than: 35 kWh per population equivalent (p.e.) per annum for treatment plant capacity below 10 000 p.e.; or 25 kWh per population equivalent (p.e.) per annum for treatment plant capacity between 10 000 and 100 000 p.e.; or 20 kWh per population equivalent (p.e.) per annum for treatment plant capacity above 100 000 p.e.) • Sewer systems and pumping stations • Upgrades to wastewater treatment plants to remove nutrients • Wastewater discharge infrastructure • Desalination plants powered by electricity with an average carbon intensity at or below 100 gCO₂e/kWh over the residual asset life or desalination plants primarily powered by low-carbon sources, such as renewables • Sustainable urban drainage systems and river training and other forms of flooding mitigation <p>Activities that increase water-use efficiency</p> <ul style="list-style-type: none"> • Water recycling and reuse • Water saving systems, technologies and water metering 	 <p>An Ambitious Nation:</p> <ul style="list-style-type: none"> • Ensure sustainable use of water resources <p>A Vibrant Society:</p> <ul style="list-style-type: none"> • Reduce all types of pollution
<p>Pollution Prevention and Control</p>		<p>Activities with capital expenditures which achieve the following:</p> <ul style="list-style-type: none"> • Reduce air emissions • Greenhouse gas emissions control • Soil remediation • Waste prevention ,reduction, waste recycling energy/emission-efficient waste to energy <p>Investment in the following infrastructure facilities and activities that contribute to the objectives outlined above:</p> <ul style="list-style-type: none"> - Development of waste collection facilities and the provision of waste collection services which supports source segregation of waste - Development of recycling facilities that process (i) recyclable waste into secondary raw material, (ii) mixed residual waste to produce feedstock for waste to energy plants, (iii) food and/ or green/ garden/ yard waste to produce compost - Process upgrades, sensors to monitor/test emission control or compliance 	 <p>A Vibrant Society:</p> <ul style="list-style-type: none"> • Reduce all types of pollution
<p>Green Buildings</p>	<p>Commercial, public and residential Buildings (existing and new construction)</p>	<ul style="list-style-type: none"> - Buildings that meet regional, national or internationally recognized standards or certifications for environmental performance such as: <ul style="list-style-type: none"> • LEED: Gold or above • Mostadam: Gold or above • BREEAM: Excellent or above • Global Sustainability Assessment System (GSAS): 4 star or above • EDGE: Certified • WELL: Gold or above • Fitwel: 2 star or above • Buildings that comply with a CBI-approved proxy, such as a city-specific, national, or international proxy. • Green Building Index: Gold or above • Higg FEM (for textile sector buildings with 75 points and above) • SS 564 for data centres with PUE below 1.5 • Earth Check: Gold or above • HQE: Excellent or above • Singapore Building and Construction Authority (BCA) Green Mark: Gold Plus or above • CASBEE: A very good or above • Green Star: 5 star or above • Al Sa'fat certification: (Platinum) • Estidama : 4 Pearl rating or above • BEAM Plus: Gold or above • BEAM Plus Selective: (Very Good or above with Energy Use (EU) category included under the assessment OR all levels, subject to the building achieving at least 20% energy efficiency improvement) • BEAM Plus Neighborhood: Gold or above • or equivalent certifications - Building renovation that achieve a minimum 30% improvement in energy use and/or carbon emissions - Replacement of existing heating/cooling systems in buildings with more efficient, non-fossil fuel powered systems - Waste heat recovery improvements 	 <p>A Vibrant Society:</p> <ul style="list-style-type: none"> • Improve the urban landscape in Saudi cities

<p>Environmentally Sustainable Management of Living Natural Resources and Land Use</p>	<p>Sustainable Agricultural, Fishery and Aquaculture processes</p>	<ul style="list-style-type: none"> - Organic or fair-trade certified farming, hydroponic farming or vertical farming - Improving the energy efficiency of irrigation - Investment in integrated cropland-livestock- forestry systems and agroforestry systems targeted at smallholder farmers with sustainable forestry management plan in place - Investments in improved farming techniques and equipment which improves yields and reduces inputs such as water, pesticides, and fertilizers. Examples include promotion or implementation of sustainable agricultural techniques and practices including no-till farming systems, soil recovery and restoration of degraded pasture, agricultural practices that use no synthetic fertilizers and pesticides, crop rotation for carbon sequestration and nitrogen accumulation purpose - Investments in vertical farming projects powered by renewable energy sources or power source with carbon intensity threshold of 100 CO2e/kWh or below <p>Financing of products and associated activities with any of the following certifications applicable to natural materials:</p> <ul style="list-style-type: none"> • US Soy Sustainability Assurance Protocol for agricultural purposes • RSPO (waste to energy from palm oil operations) • Cotton compliant with the CmiA Standard or Better Cotton Standard • 2BSvs (soy) • Rainforest Alliance • Certified forests (FSC, PEFC, China Forest Certification Scheme) • Certified organic agriculture, including USDA Organic22 • Aquaculture Stewardship Council (ASC) • Best Aquaculture Practices (BAP) with two stars or higher • Marine Stewardship Council (MSC) • Best Seafood Practices (BSP) • International Sustainability and Carbon Certification (ISCC) • Sustainable Rice Platform (SRP) with a score of 95 or above • Round Table on Responsible Soy (RTRS) Standard for Responsible Soy Production • Global Organic Textile Standard (GOTS) <p>Investment in management and maintenance of protected areas (national and regional natural parks and other protected areas, including coastal and marine ecosystems)</p> <p>Investment in alternative proteins:</p> <ul style="list-style-type: none"> • R&D related to management of living natural resources and land use. • R&D towards cultured meat • R&D and production of fermented meat with significantly lower GHG emissions compared to plant and animal production counterpart • R&D and production of plant-based protein with (i) evidence of life-cycle GHG emissions being significantly lower than meat counterparts and (ii) production that procures raw materials from certified sustainable sources listed above • Increased green cover in urban centers 	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Safeguard the environment from natural threats • Protect & rehabilitate natural landscapes </p>
<p>Terrestrial and Aquatic Biodiversity</p>	<p>Conservation of terrestrial and aquatic biodiversity</p>	<p>The protection of variability among living organisms from coastal, marine, watershed environments and other aquatic ecosystems, eligible activities include, but are not limited to:</p> <ul style="list-style-type: none"> • Conservation and restoration of natural landscapes • Safeguarding and/or developing protected terrestrial and marine areas and systems • Forest conservation, or REDD (Reducing Emissions from Deforestation and Forest Degradation) • Preserving terrestrial, marine natural habitat • Investments in measuring, tracking, reporting water quality indicators and in new restoration techniques to achieve sustainable fishery and aquaculture management, ecosystem restoration and disaster resilience • Training conservation workers, forestry personnel, farmers in biodiversity conservation • Replacement of phosphate-based or nitrogen-based synthetic fertilizers with alternative sustainable and biodegradable fertilizers, in areas connected to rivers or coastal water basins • Infrastructure that prevents runoff of chemicals, solid waste, mercury, plastics, and pollutants into areas connected to rivers or coastal water basins • Nature-based solutions for solar farms to cool solar panels and enhance their performance (for example, seeding with native grasses and flowers, agrivoltaics) 	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Protect & rehabilitate natural landscapes </p>
<p>Climate Change Adaptation</p>	<p>Sustainable tourism</p>	<p>Ecotourism and sustainable tourism activities, such as:</p> <ul style="list-style-type: none"> • Sustainable or ecotourism ventures that meet established standards for best practices, conserve or restore habitats or avoid increasing encroachment on habitat, and work to reduce carbon emissions • Licensed certified sustainable tourism in the vicinity of marine conservation areas, within less than 20 kilometers from the marine-protected areas and internationally recognized areas (e.g., KBAs, IBAs, Ramsar Sites), with inclusive livelihood elements and business opportunities, such as resorts, hotels, boat operators, sailing schools, and diving centers • Nature-based freshwater and marine visitor centers showcasing the environment and disseminating research and knowledge about lakes, wetlands, reefs, and other aquatic ecosystems 	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Protect & rehabilitate natural landscapes </p>
<p>Climate Change Adaptation</p>		<ul style="list-style-type: none"> - Data driven climate monitoring solutions, such as early warning systems, climate observation, systems for monitoring GHG emissions - Development and/or use of information and communications technology (ICT) solutions for the exclusive purpose of collecting, transmitting, storing and using data to facilitate GHG emission reductions - Expenditures related to the design, construction, refurbishment of existing infrastructure and maintenance of eligible infrastructure that features intentional integration of climate resilient construction (design, materials) and/or soft infrastructure improvement (asset-focused resilience). <p>Examples include:</p> <ul style="list-style-type: none"> • Heavy rain drainage systems, flood prevention, flood defence systems, sluice gates, drainage systems, tunnels and channels reinforcement of existing infrastructure • Use of climate resilient crops (e.g., drought resistant seeds) and drip irrigation for agricultural production systems, stormwater storage, grain storage, soil rehabilitation, climate resilient livestock infrastructure (e.g., cooling sheds, emergency shelters) • Wildfire safety infrastructure and equipment such as hd-cameras, weather stations, fire resilient utility lines • Construction of sea walls • Reinjection of Treated Sewage Effluent (TSE) into groundwater as per the Kingdom's Standards¹ • Artificial Aquifer Recharge and Storage (AARS) of desalinated water to recharge groundwater • Operation and Maintenance of the hydrological network <p>Infrastructure that fulfils the asset-focused resilience criteria above and also adds climate resilience benefit to the broader local system against negative physical climate impacts (systems-focused resilience).</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Coastal pumping stations in areas of water stress, water reclamation plants in areas of water stress, wetland protection, stormwater management, flood defences • Green roofs and walls, water retention gardens, porous pavements • Wild brush clearing, species diversification, transmigration of species more capable of survival, nature-based solutions such as afforestation and reforestation, mangrove conservation and replanting, restoration of salt marshes, peatland restoration • Grid resilience, back-up generation and storage designed for climate-related disruption • For monitoring the human health risk due to climate change the implementation of air quality forecasting system, monitoring of fire propagation and smoke transport systems 	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Reduce all types of pollution • Safeguard the environment from natural threats </p>

<p>Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes</p>	<ul style="list-style-type: none"> • Research and development of products designed for circularity and/or adaptive re-use. Eligible products go beyond an eco-label and demonstrate significant waste diversion and/or use of waste products • Equipment / technology / IT systems which help in reducing the resource intensity of economic activities • R&D (incl. pilot project) of products, processes and technologies using bio-based materials (such as biopolymers/bioplastics) • Procurement and sale of recycled or waste materials as an input • Production of resource-efficient or low-carbon products that are RSB-certified (in case of bio-based materials) • Manufacturing of plastic products with: (i) at least 90% waste, recycled, renewable or bio-based input, (ii) recycling activities are limited to mechanical recycling, (iii) at least 90% of the plastic products are not intended for single use customer products, and (iv) all products are recyclable. Biogenic inputs are sourced sustainably • Repair, refurbishment and reuse activities/products including materials that are aimed at increasing the lifespan of existing products and put them back to its original use with very minimal processing or without any further pre-processing required 	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Nurture & support the innovation & entrepreneurship culture • Localize promising manufacturing industries <p>• A Vibrant Society:</p> <ul style="list-style-type: none"> • Reduce all types of pollution • Protect & rehabilitate natural landscapes
<p>Green financing instruments</p>	<p>Projects involved in various international, regional or national carbon markets and trading systems, as well as well established, credible voluntary carbon standards like the VCS or the Gold Standard. For certainty, such projects must otherwise be eligible under this Framework</p>	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Nurture & support the innovation & entrepreneurship culture



4.2 Eligible Social Activities

Eligible Categories	Sub Category	Eligible Activities	SDG & Vision 2030 Mapping
Affordable Basic Infrastructure	Clean water and sanitation	Activities that expand public access to safe and affordable drinking water and adequate sanitation facilities including: <ul style="list-style-type: none"> • Construction, maintenance and equipment for water supply and storage infrastructure such as pipework and water towers and storage • Activities that improve access to clean water, including desalination projects • Activities that provide access to adequate sanitation facilities 	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Improve quality of services provided in Saudi cities • Improve the urban landscape in Saudi Cities </p>
	Transport	<ul style="list-style-type: none"> • Development and refurbishment of rural/feeder roads (including road infrastructure such as bridges and tunnels) in regions without connection/access to key social infrastructure (e.g., healthcare, schools) • Financing of roads in underserved⁷ or remote areas⁸ • Financing the construction, equipping, or maintenance of clean transportation facilities, such as cycleways, pedestrian thoroughfares and other public transportation infrastructure contributing to the reduction of harmful emissions 	
	Power and Energy	<ul style="list-style-type: none"> • Development of sustainable (hydropower plants, solar power plants, renewable energy, energy efficiency equipment) electrical transmission and distribution infrastructure to link regions with a low power connection rate (below 50%) • Development of transmission and distribution infrastructure aimed at improving access to electricity in underserved areas 	
	Community, recreational, and cultural infrastructure	<p>Development, refurbishment and maintenance of recreational facilities such as parks, sport facilities and cultural centers with free or discounted access to all</p> <p>Target population: General Population including those who lack quality access to essential services with a focus on underserved⁹</p>	
Access to Essential Services	Healthcare	<p>Finance to enhance access to public, not-for-profit, free or subsidized essential services in healthcare including:</p> <ul style="list-style-type: none"> • Construction and/or operation of healthcare facilities such as hospitals and primary care facilities, affiliated to the relevant national healthcare system. Retrofitting of healthcare facilities, developing healthcare facility infrastructure, and financing basic medical equipment and devices • Infrastructure for the provision of emergency services, such as related to fire, rescue, medical response, and disease control services. Such services are free and accessible to all • Educational and vocational training for medical care, emergency care and public health professionals • Vaccination programmes, programmes fighting against disease and epidemics (COVID, Ebola, malaria, tuberculosis, infectious and tropical diseases) • Sale of affordably priced or subsidized medicines on the WHO essential medicines list¹⁰ • Research and development of critical medical equipment or provision of diagnostic services, medicines (from the WHO essential medicines list). <p>Target population: General Population including those who lack quality access to essential healthcare with a focus on underserved, vulnerable communities¹¹, remote and rural areas, low-income individuals¹²</p>	 <p>A Vibrant Society: <ul style="list-style-type: none"> • Ease the access to healthcare services • Improve value of healthcare services </p> <p>A Thriving Economy: <ul style="list-style-type: none"> • Build a life-long learning journey • Improve equity of access to education • Improve fundamental learning outcomes • Develop our brightest minds in priority fields • Ensure alignment of educational outputs with labor market needs • Expand vocational training to provide for labor market needs </p>
	Education and vocational training	<p>Activities that provide access to essential services for education and vocational training, including but not limited to the following:</p> <ul style="list-style-type: none"> • Construction of public/free/subsidised schools in underserved and rural area • Construction of campuses for public schools and universities • Affordable schools and education providers which 90% of population are able to afford the fees charged • Construction of student housing for public universities provided the rent is capped below the local or regional average to ensure affordability to all students • Free or subsidised training for educational professionals • Education loans for low-income or marginalized students, where some kind of financial advantages are in place, such as (loans below the market rate /collateral free loans / merit-based loan sanctioning /loan extensions) • Activities such as (retrofitting infrastructure, school transportation service, mobilising skilled resources, remote education, leveraging hi-tech, low-tech and no-tech approaches) to expand access to education for underserved communities <p>Activities to promote entrepreneurship and innovation among students, including financing hackathons and FinTech competitions</p> <p>Target population: General Population including those who lack quality access to essential education with a focus on</p>	

7 - Underserved areas and communities refer to populations or geographic regions that lack adequate access to essential resources, services, or opportunities. As defined per the Saudi Central Bank, small cities are cities with population of 0,1 to 0,5 million, while rural areas are villages and small towns with population less than 0,1 million. <https://rulebook.sama.gov.sa/en/regulation-branch-network>





8 - Remote areas (small and rural areas) are locations that are geographically isolated or difficult to access, often characterized by low population density, limited infrastructure, and minimal access to services and amenities.

9 - Rural areas in Saudi Arabia are legally recognized as municipal zones characterized by lower population density and distinct economic-social features, governed under the Law of Municipalities and Rural Areas to facilitate local administration and development aligned with national policies. <https://momah.gov.sa/sites/default/files/02-2022/Law20%of20%Municipalities20%and20%Rural20%Areas.pdf>

10 - The World Health Organization (WHO) Essential Medicines List (EML) identifies the most effective, safe, and cost-efficient medicines to meet priority health needs. <https://www.who.int/groups/expert-committee-on-selection-and-use-of-essential-medicines/essential-medicines-lists>

11 - Vulnerable communities are groups of people that require additional support due to social, economic, environmental, or health-related factors. The Saudi Human Resources and Social Development developed social security system provides financial support, rehabilitation, and to vulnerable citizens, such as elderly, widows, orphans, divorced women, women without family support, and children of Saudi widows. <https://www.hrsd.gov.sa/en/ministry-services/services/69888>

12 - Low-income people are those earning below the minimum wage for Saudi citizens (SAR 4,000 per month) as defined in the Nitaqat (Saudization) program by the Ministry of Human Resources and Social Development. <https://www.hrsd.gov.sa/sites/default/files/02-2023/E61706.pdf>

Access to Essential Services	Education and vocational training	Target population: General Population including those who lack quality access to essential education with a focus on youth ¹³ , underserved, vulnerable communities, remote and rural areas	
	Access to services for other disadvantaged populations	<ul style="list-style-type: none"> • Projects involving purchase of new equipment including wheelchairs, and other mobility devices affordable to the target population • Projects including retrofits of spaces and infrastructure such as installation of handrails and ramps • Expenditures related to consultancy services including services for pre-employment support, and training programs for job assistance <p>Target population: People with disabilities¹⁴, elderly and aging population¹⁵, low-income individuals</p>	
Affordable Housing		<p>Financing and/or refinancing of government-supported or government-subsidized mortgages for the provision of affordable housing or first-time home access (e.g. Real Estate Development Fund Housing Support and Ministry of housing Programs¹⁶, Sakani program, Masakin program)¹⁷ as well as projects related to the development and construction of homes covered under such programmes</p> <p>Target population: Low income individuals, marginalized communities aligned with local social welfare guidelines beneficiaries</p>	 <p>A Vibrant Society:</p> <ul style="list-style-type: none"> • Enable suitable home ownership among Saudi families
Employment Generation	MSME lending and programmes designed to prevent and/or alleviate unemployment	<ul style="list-style-type: none"> • Activities that support employment generation through lending to Micro, small and medium sized enterprises (MSME)¹⁸, as defined by the Saudi Central Bank. • The provision of support measures to these customers such as offering extension of payment periods and exemption of facility fees during natural disasters and pandemics. • Providing financing to a small-medium sized enterprise (SMEs) among under-banked populations¹⁹ (undereeducated, underserved, unemployed, people with disabilities, rural populations) <p>Target population: MSME, MSMEs whose economic activities have been affected by pandemics and natural disasters people of determination, and under-banked populations</p>	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Enhance ease of doing business • Develop promising local companies into regional & global leaders • Grow SME contribution to the economy <p>An Ambitious Nation:</p> <ul style="list-style-type: none"> • Enhance businesses focus on the sustainability of the economy
Food Security and Sustainable Food Systems	Activities which enhance food security	<p>Food security and sustainable food systems (e.g. physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers). Eligible activities include but are not limited to:</p> <ul style="list-style-type: none"> • Technology and infrastructure that improves agricultural productivity and enhances livelihoods and food security and nutrition in poor rural communities • Food security and livelihoods programmes, ensuring access to food and the protection of livelihoods during and immediately after an emergency • Strengthening food security, expanding climate-smart and green livelihoods, and building household resilience by supporting improved rural and urban production, self- and paid employment, and entrepreneurship • Technology and infrastructure that improves agricultural efficiency and the agricultural supply chain and prevents food waste • Support to smallholder farmers²⁰ including equipment and facilities that help to prevent food loss and waste, improve productivity and increase market access to smallholder producers 	 <p>An Ambitious Nation:</p> <ul style="list-style-type: none"> • Ensure development & food security
Socioeconomic Advancement and Empowerment	Gender equality and inclusion	<ul style="list-style-type: none"> • Projects supporting women-owned enterprises / businesses, as defined by the International Finance Corporation (IFC), the enterprise qualifies as a woman-owned enterprise if it meets at least one of the following criteria: <ul style="list-style-type: none"> (i) ≥ 51% owned by woman/ women; OR (ii) ≥ 20% owned by woman/women; AND has ≥ 1 woman as CEO/COO/President/Vice President; AND has ≥ 30% of the board of directors composed of women, where a board exists. • Financial institutions helping to acquire and serve women- owned business • Financial institutions that help to provide access to economic resources, microfinance and skills training for women on social welfare programmes <p>Target population: Women, Women owned businesses and small and medium-sized enterprises</p>	 <p>A Thriving Economy:</p> <ul style="list-style-type: none"> • Increase women participation in the labor market

13 - According to the General Authority for statistics, the definition of youth is considered to be individuals aged between 15 and 34 years. <https://www.stats.gov.sa/documents/d/guest/saudi-youth-statistics-en-pdf>

14 - The Saudi Disability Welfare Law Any person suffering from a permanent, total or partial, impairment affecting his senses, or his physical, mental, communicative, learning, or psychological abilities, to an extent that reduces his ability to perform daily activities compared to a non-disabled person.

15 - The Saudi Ministry of Health define aging people and elderly as individuals who are 60 years older <https://www.moh.gov.sa/en/Support/FAQ/FAQs-Elderly/Pages/default.aspx>

16 - The Real Estate Development Fund (REDF) and Ministry of Housing in Saudi Arabia provide diverse housing support programs, offering financial assistance and subsidized financing solutions to help citizens own homes. with a monthly subsidy up to SAR 500,000 that covers funding profits at a minimum rate of %35 and a maximum rate of %100 based on income thresholds. Eligibility criteria include first time home buyers only and the program also guarantees borrowers with salaries under SAR 5,000 and segments including About to Retire customers to ensure affordability <https://ndf.gov.sa/en/fund/redf/>

17 - First home owners and primary residence cannot use the property as an investment.

18 - The micro, small and medium enterprises were classified according to the definitions of the Central Bank of Saudi Arabia (micro businesses are companies with revenues of up to SR 3 million, small-sized companies are those with revenues ranging from SR 3 to SR 40 million, and medium-sized companies are those with revenues ranging from SR 40 to SR 200 million) <https://rulebook.sama.gov.sa/en/definition-small-and-medium-enterprises>

19 - Underbanked populations consist of individuals or households who have some access to banking services but rely heavily on alternative financial services due to barriers in traditional banking, such as low income, limited education, or minority status. <https://www.worldbank.org/en/topic/financialinclusion/overview>

20 - Smallholders are small-scale farmers, pastoralists, forest keepers, fishers who manage areas varying from less than one hectare to 10 hectares. Smallholders are characterized by family-focused motives such as favouring the stability of the farm household system, using mainly family labour for production and using part of the produce for family consumption. <https://www.fao.org/family-farming/detail/en/c/273864/>

4.3 Key Performance Indicators

Riyad Bank intends to align, on a best-efforts basis, the impact reporting with the approach described in the ICMA's Harmonized Framework for Impact Reporting Handbook and Harmonized Framework for Impact Reporting for Social Bonds and will report the expected environmental and/or social impacts, when available. Indicative examples of impact reporting indicators are outlined below:

Eligible Green Categories	Sample of Key Performance Indicators*
Renewable Energy	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) Additional capacity of renewable energy plant(s) constructed or rehabilitated in MW
Energy Efficiency	<ul style="list-style-type: none"> Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent
Clean Transportation (lower-carbon)	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tCO2-e p.a. Type of transport financed Distance travelled by the mode of transport financed (km) Estimated reduction in fuel consumption Number of clean vehicles deployed (e.g., electric) Estimated reduction in car use in number of kilometres driven or as share of total transport ridership
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Annual absolute (gross) water use before and after the project in m3/a, reduction in water use in % Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3 and p.e. and as % Annual absolute (gross) amount of raw/untreated sewage sludge that is treated and disposed of (in tonnes of dry solids p.a. and in %) Annual absolute (gross) amount of sludge that is reused (in tonnes of dry solids p.a. and in %)
Pollution Prevention and Control	<ul style="list-style-type: none"> Amount of waste treated or recycled (tons) Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent Amount of energy generated from waste (MWh) Annual amount of waste (separated, collected, treated, and disposed) (% of total waste) How many fractions of waste were separated before and after the project
Green Buildings	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent Building certification standard % of energy and water use reduced vs local code
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Sustainable land use area (hectares) Area of certified forests managed (hectares) Number of indigenous species, flora, or fauna (trees, shrubs, and grasses...) restored through the project Increase of natural landscape area in urban areas (km. /% for increase) Water savings from improved irrigation, stormwater and rainwater capture, groundwater recharge and/or the reuse of highly treated wastewater (e.g., m³ /year) Increase in area under certified organic or sustainable agriculture Increase in area under integrated pest management Increase in feedstock supply chain certification coverage Increase in % of certified sustainable fisheries, aquaculture
Terrestrial and Aquatic Biodiversity	<ul style="list-style-type: none"> Annual GHG emissions reduced in tCO2-e p.a. Types of living organisms protected Increase of protected area/habitat (km. /% for increase) Number of conservation workers (e.g., game wardens, rangers, natural park officials) trained in biodiversity conservation
Climate Change Adaptation	<ul style="list-style-type: none"> Type of resilient infrastructure financed Increase in grid resilience, energy generation, transmission/distribution, and storage (MWh) Increased number of people/businesses/acres with secure water supply Reduction in repair costs and/or operating days lost due to landslides Reduction in the number of customers/employees suffering loss of power/transport services Additional water availability and/or increased water catchment in m³ /year
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	<ul style="list-style-type: none"> Increase in materials reusable, recyclable, and/or certified compostable as a result of the project Proportion of circular materials produced as a % of the total material production of the project Waste that is prevented, minimised, reused or recycled before and after the project (% of total waste) Single use products replaced by products designed and produced for reuse (%) Amount of virgin raw materials that are substituted by secondary raw materials and by-products from manufacturing processes (% , tonnes p.a)
Green Financing Instruments	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent Number of carbon credits generated / purchased or traded

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Eligible Social Categories	Sub Category	Sample of Key Performance Indicators*
Affordable Basic Infrastructure	Clean water and sanitation	<ul style="list-style-type: none"> Number of water infrastructure projects built/upgraded Number of new household water connections Number of people provided with adequate and equitable sanitation
	Transport	<ul style="list-style-type: none"> Number of people provided access to clean and affordable energy Number of additional transport units purchased to allow for social distancing
	Power and energy	<ul style="list-style-type: none"> Number of new household power connections Number of people provided access to clean and affordable energy
	Community, recreational, and cultural infrastructure	<ul style="list-style-type: none"> Number of beneficiaries Number of recreational facilities projects built/upgraded
Access to Essential Services	Healthcare	<ul style="list-style-type: none"> Number of people treated Number of people with improved access to healthcare Number of hospital beds Number of hospitals and other healthcare facilities built, upgraded, financed or acquired Number of units of medical equipment purchased Number of health professionals trained, hired, benefiting Number of people provided access to health products, pharmaceuticals, equipment, or devices Number of people benefiting from health public goods or services or public health measures Number of people vaccinated (broken down by age, income-level, gender)
	Education and vocational training	<ul style="list-style-type: none"> Number of schools, universities and other education facilities built, upgraded, financed or acquired Number and amount of loans provided to low-income or vulnerable students Education facilities for inclusive and effective learning environments Number of people provided with skill development and/or vocational training Number of education facilities, loans and/or initiatives
	Access to services for disadvantaged	<ul style="list-style-type: none"> Number of people reached Number of people benefiting from financial assistance or social protections for health
Affordable Housing	-	<ul style="list-style-type: none"> Number of individuals/ families benefiting from subsidised housing Number of affordable houses constructed, improved, rented, financed, or acquired Number and amount of outstanding affordable housing loans/grants/subsidies
Employment Generation	MSME lending and programmes designed to prevent and/or alleviate unemployment	<ul style="list-style-type: none"> Number and amount of loans granted to MSMEs Number of jobs created / preserved at MSMEs, if possible Number and amount of loans to MSMEs and start-ups facing the effects of natural disasters and / or health pandemics Number of disabled people employed
Food Security and Sustainable Food Systems	Activities which enhance food security	<ul style="list-style-type: none"> Number of people provided with safe, nutritious and sufficient food Products with certified improvements in nutritional value Number of smallholder farmers reached or /and provided with access to agricultural inputs (financial inputs, equipment, training, etc.) Number of people benefitting from agricultural projects and using improved farming technology
Socioeconomic Advancement and Empowerment	Gender equality and inclusion	<ul style="list-style-type: none"> Number and amount of loans granted to women-owned SMEs Number of financial institutions financed, helping to acquire and serve women-owned SMEs Proportion of women in management positions Number of women provided with access to information or financial services through digital products/services Number of women provided with decent work conditions

*Depending on availability and subject to confidentiality agreements, Riyad Bank might seek to complement below indicators with relevant case studies.



5 General Purpose Financing

Where financing is for general corporate purposes and not specified towards dedicated use of proceeds purpose, the transaction will be eligible for inclusion as per this Framework if the core business of the companies “Pure Play Companies” falls within eligible green and/or social categories. Such companies derive %90 or more of its revenues from the green and/or social eligibility criteria defined in section 5.

In line with ICMA and LMA guidance, for general corporate purpose instruments classified as sustainable under this Framework, Riyadh Bank will assess both the share of revenues derived from eligible green and/or social activities and the overall sustainability profile of the issuer, including its strategy, governance and risk management, and its alignment with relevant national and international goals such as Saudi Vision 2030, the Saudi Green Initiative and the Paris Agreement. If one or more of the eligibility criteria parameters contributes to the achievement of the Sustainable Development Goals (SDGs) and is in line with our commitments to sustainability, a transaction can be classified as Sustainable Finance after Riyadh Bank’s due diligence. At present, our existing due diligence requirements are based on the international standards listed in Section 4,3.

Riyadh Bank will not classify general purpose financing as sustainable where material parts of the client’s business are in conflict with the eligibility criteria or Exclusion List, or where the client is subject to significant, unmanaged environmental or social controversies.

6 Transition Finance

As described in Riyadh Bank’s Transition Finance Framework, transition finance refers to financing for activities and entities that are not yet aligned with a low-carbon end state, but which are on a credible, science-based and time-bound pathway to alignment with the goals of the Paris Agreement and the Kingdom’s net zero by 2060 objective.

The Transition Finance Framework sets out in more detail the four key elements used by Riyadh Bank to assess client transition plans, the activity-level eligibility criteria (including for hard-to-abate and fossil-related sectors) and the safeguards designed to avoid carbon lock-in and to support a just transition. Where a transaction is labelled as transition finance, the criteria and processes in the Transition Finance Framework will prevail and complement this Sustainable Finance Framework.

7 Sustainability Linked Loans

Riyadh Bank recognizes the strategic importance of Sustainability-Linked Loans (SLLs) in supporting Saudi Arabia’s sustainable finance market, and is committed to developing this product class in line with international best practice and established market principles. In 2026, the bank will establish processes for originating, assessing, and structuring SLLs, including the identification of material Key Performance Indicators (KPIs) and the calibration of ambitious, credible Sustainability Performance Targets (SPTs). These processes will be designed to align with leading sustainability-linked loan principles, and to facilitate the potential for independent verification or second-party opinions, ensuring transparency and market confidence.



8 Exclusions

Riyad Bank is also explicit about the types of activities that it will not support under the Sustainable Finance Framework. These include clients whose businesses and projects are involved in the operations listed below, and therefore they will be ineligible for the use of proceeds of a Sustainable Financing Transaction:

- Illegal products /activities under host country laws or international conventions
- Fossil fuel
- Nuclear power generation
- Tar sand extraction
- Fracking
- Ultra-deep-sea drilling
- Thermal coal (mining and power)
- Palm oil, soy, and timber
- Landfill without gas capture
- Waste incineration without energy capture
- Animal mistreatment
- Hazardous substances
- Weapons and munitions (except for defence-related activities)
- Liquor and tobacco businesses
- Gambling, lotteries, raffles and equivalent enterprises
- Activities involving modern slavery, child labour or forced labour
- Drift net fishing in the marine environment (with nets over 2,5 Km)
- Wood and forestry products not from unmanaged forests

These exclusions apply to the use of proceeds and pure-play activities under this Sustainable Finance Framework and do not limit Riyadh Bank's ability to provide transition finance under its separate Transition Finance Framework, where such financing is demonstrably aligned with credible, science-based decarbonisation pathways and the Bank's applicable transition policies.

9 External Review and Verification

Riyad Bank values the role of external reviews and accordingly engages independent third-party providers to issue a second-party opinion on the Framework and deliver annual assurance on the Bank's Sustainable Finance Reports.

Where Sustainable Financing Instruments are issued in the Saudi capital market, Riyadh Bank will structure external reviews, opinions and post-issuance verification in a manner consistent with the Saudi Capital Market Authority Green, Social, Sustainability and Sustainability-Linked Debt Instruments Guidelines and, where applicable, the Kingdom of Saudi Arabia Green Financing Framework 2024.

Second Party Opinion (Pre-issuance Verification)

The Framework has been reviewed by Moody's Ratings who has issued a Second Party Opinion (SPO), Moody's Ratings is one of the world's leading rating agencies and SPO providers, assesses the environmental and social performance. This review ensures we are aligned with market practices in terms of the eligible activities in our Framework.

The Second Party Opinion will be made available on Riyadh Bank's investor relations webpage: <https://www.riyadbank.com/investor-relations/esg-report>

Post Issuance External Verification

Riyad Bank will, as required, obtain independent external verification. A third-party auditor will review our asset base to provide assurance that our Sustainable Finance assets exist and align with our Framework, in line with our commitment to international best practices and standards. The scope of this requirement will depend on the international standards applicable to each product or transaction type, and will include any relevant external limited assurance conducted by an independent auditor.

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Thank you

