



RESPONSIBLE FINANCE FOR A SUSTAINABLE AND PROSPEROUS SOCIETY

ESG REPORT 2022

ABOUT THIS REPORT

Riyad Bank's (the Bank) 2022 Environment, Social and Governance (ESG) Report provides a review of the Bank's ESG initiatives and performance in 2022. It covers the opportunities and events that could have a material impact on the Bank's long-term business and the environment in which it operates. It provides an overview of the processes and governance structures the Bank has put in place to ensure ethical practices and sustainable value creation. The ESG Report illustrates our commitment to fostering a robust culture of accountability, ethics, and proper conduct throughout the Bank. This commitment is evident in our dealings with clients, suppliers, our regulator, and the communities where we operate. It should be read in conjunction with the Bank's other ESG publications.

Reporting Scope

This Report covers the Bank's operations in Saudi Arabia for the period 1 January to 31 December, 2022, in line with our annual financial reporting cycle. There have not been any significant changes to the Bank's organizational structure since the 2021 reporting period. Unless specified, information on the Bank's subsidiaries is not included in this report. Financial data is expressed in Saudi Riyal (SAR), except for our USD 750 Mn. Sukuk, as USD was utilized as the currency for this transaction.

Target Audience

This is of potential interest to all our existing and prospective Stakeholders. It presents information relevant to how we create and preserve value for these key Stakeholders, including our employees, clients, regulators and the wider society.

Materiality

This is Riyadh Bank's second report, which follows our inaugural ESG report in 2021. Our material ESG focus areas are identified through a structured, independently facilitated process. In carrying out the Bank's ESG work, we take into account our external operating environment and our approach to creating value, together with an assessment of the most significant human, natural and social capitals and the views and interests of our Stakeholders. We consider industry standards and global best practices in

ESG reporting. This Report has been structured to reflect these focus areas and associated issues.

Reporting Standards

This Report reflects the way ESG is integrated into our business in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI).

Forward-looking Statements

Contained within are certain forward-looking statements relating to the Bank's financial position, results, strategy, operations and performance. These statements and forecasts involve risk and uncertainty, as they relate to events, and depend on circumstances that could occur in the future. Actual results may differ materially from the Bank's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and local markets, economic conditions, industry factors and changes to the regulatory environment. Riyadh Bank disclaims any intention and assumes no obligation to update or revise any forward-looking statement, even if new information becomes available because of future events or for any other reason.

Feedback

Using this document as a baseline for future reports, we aim to improve our reporting year on year. Please email your views on our progress and ambitions to csr@riyadbank.com.

The disclosed forward-looking financial information has not been reviewed, audited or otherwise reported on by our auditors.

Board Approval

The Board has considered the integrity of this Report and is satisfied that it contains appropriate material disclosures of the Bank's overall ESG activities.

Iconography: Bukra Pillars

Riyad Bank contributes to sustainable development through our social responsibility program named Bukra. Our aim is to be a leading contributor, adding value to communities in the Kingdom of Saudi Arabia. This is being achieved through several initiatives that are in line with Vision 2030. These are organized under 4 pillars: economy, community, knowledge and environment.



Economy



Environment



Knowledge



Community

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01

Introduction

We are pleased to present Riyadh Bank's second ESG Report, which highlights our sustainable initiatives and the positive impact the Bank made in 2022.



Message from the Chairman

I am honored to present Riyadh Bank's 2022 ESG Report, which records the Bank's initiatives towards creating sustainable value for the Kingdom's society and its economy. Through our Bukra strategy, we are introducing sustainable practices and products that add value to our Stakeholders, which include our customers, investors, employees and the broader Saudi Arabian community. Our drive towards sustainability is shaping our organization and positioning Riyadh Bank as a catalyst for positive change within Saudi Arabia.

Sharing our sustainability journey with Stakeholders

In 2022, the Bank reached several milestones along our sustainability journey. A major achievement was implementing Riyadh Bank's inaugural Sustainable Finance Framework, which sets parameters for and guides the design of a growing range of sustainable finance instruments being issued by the Bank. The most notable of these was a USD 750 Mn. Additional Tier 1 (AT1) Sustainability Sukuk – which is a world-first.

Another was the publication of our inaugural ESG Report, a comprehensive document showcasing the Bank's sustainability initiatives, progress and future aspirations. This initial report affirmed Riyadh Bank's commitment to openness, accountability and meaningful engagement with our Stakeholders. This ESG Report – which covers our 2022 financial year – builds on the initial report by describing the Bank's performance in key sustainability areas and previewing the next steps towards a sustainable bank within a sustainable society.

By sharing our sustainability journey and initiatives, we seek to foster trust and collaboration with our material Stakeholders in building partnerships and alliances across the sustainability ecosystem to help address the most pressing climate and social challenges.

We invite you to explore this ESG Report and learn more about how Riyadh Bank is working towards creating a sustainable and inclusive future for all.

Steps along the road to sustainability

Riyad Bank took a great stride along the road to embedded sustainability by establishing a Sustainable Finance Working Group (SFWG) in 2022. Made up of representatives drawn from divisions across the entire Bank, the SFWG developed a Sustainable Finance Framework to guide Riyadh Bank's sustainable financing policy and products.

During the year under review, the Bank continued rolling out its digital transformation into a more efficient organization that can further enhance its customer experiences. We focused on 2 major initiatives. The first was a migration into cloud computing to accelerate all our digital processes, with the second being a deeper exploration of data and machine learning to provide key feedback mechanisms for Management. Given that 82% of our customers are now active on digital channels, we have prioritized continuous improvement of all our digital and customer processes.

For years, Riyadh Bank has been renowned for our targeted SME offerings, and we continued building on this reputation during 2022 by revising our issuance of SME credit and improving our point-of-sale (POS) offering. This was reflected in Riyadh Bank – for the fifth year in a row – being ranked as the top financial institution supporting SMEs through the Kingdom's Kafalah program.

In 2021, we launched the Riyadh Academy to centralize and enhance the continuing education of our personnel and those preparing to join our ranks. The Academy has quickly become known as a leading institution of its kind and a major asset to the Kingdom's financial services sector. The Academy collaborates with local and foreign training entities and is especially proud of our Future Leaders program, which we deliver in partnership with the University of Michigan's Ross School of Business and the IESE Business School.

Becoming a greener bank for a more prosperous society

The Kingdom of Saudi Arabia is committed to environmental sustainability and is taking important steps towards a greener future. As part of this commitment, the Kingdom launched the Saudi Green Initiative to address environmental challenges and promote sustainable development.

As a proud supporter of the Saudi Green Initiative, Riyadh Bank has launched an ambitious program to plant 4 million trees over the next decade. Through active participation in reforestation efforts, we will help restore and preserve the Kingdom's natural ecosystems, promote biodiversity and contribute to the mitigation of carbon emissions.

In another first, Riyadh Bank collaborated with Restart LLC to establish the longest line of solar-powered streetlights in the world. On World Cleanup Day, we worked with an environmental group and Jeddah's Municipality to clear approximately 1,000 kg of litter from the beaches and city.

We also implemented a culture of ethical and sustainable procurement from vendors, along with initiatives to reduce waste, water consumption, harmful gases and emissions. The Bank's Board of Directors and leadership are motivated by the positive impact that sustainability-focused procurement and these initiatives will have on the realization of Vision 2030. Riyadh Bank's commitment to being a greener bank has been recognized through various awards and accolades, as detailed on page 14 of this report.

Embedding good governance

Riyad Bank upholds a high standard of good governance to ensure transparency, accountability and ethical practices. In 2022, we accordingly introduced a range of new policies, standards and procedures to embed sustainability into governance and enhance the Bank's overall governance platform. As a result, the Bank was awarded the ISO 26000 Social Responsibility certification in 2022 in recognition of our commitment to good governance.

Outlook

We remain committed to reducing our carbon footprint and are proud to champion ethical practices that support the vision of a thriving and sustainable future for Saudi Arabia. The Bank's key ESG focus areas in 2023 revolve around education and financial literacy, while continuing to undertake social-focused initiatives to help spur innovation and community-driven solutions as part of our Bukra strategy.

Acknowledgments

I take this moment to express my utmost appreciation for the exceptional dedication and honorable service rendered by my esteemed colleagues whose terms concluded in October 2022. They have played a pivotal role in supporting the Bank's Executive Management during a period of remarkable accomplishments.

I extend a warm welcome to our new Board members and eagerly anticipate collaborating with them. Together, we will diligently work towards the realization of our strategic objectives, aiming to position Riyadh Bank as the epitome of innovation and trust in the banking sector.

I also sincerely thank every Riyadh Bank employee who works so diligently to ensure the success of this organization. You are the heart and soul of our Bank.

On behalf of the entire Riyadh Bank family, I would like to express our deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, the Crown Prince and Prime Minister. May Allah protect them and grant them success. Furthermore, we extend our heartfelt thanks to the Ministry of Finance, Saudi Central Bank, Capital Market Authority, and Ministry of Commerce for their unwavering support and dedication in fostering the growth and development of the Saudi banking sector, thus ensuring its continuous advancement and providing a solid foundation for the sustainable success of our Bank.

In proud support of the Saudi Green Initiative, Riyadh Bank launched an ambitious program to plant 4 million trees over the next decade, helping to restore and preserve the Kingdom's natural ecosystems, promote biodiversity and contribute to the mitigation of carbon emissions.

Abdullah Mohammed Al-Issa
Chairman of the Board

Message from the CEO

In 2022, Riyad Bank undertook numerous high-impact ESG initiatives. These included publishing our first ESG report, launching a first of its kind Sustainability Sukuk, investing SAR 13 Bn. across 25 green and renewable energy projects, expanding the support we provide to our SMEs, and pushing forward with digitizing the Bank's systems and customer channels.

I am particularly pleased that, as part of our ongoing digitization focus, our Retail Banking segment now offers an end-to-end digital customer journey for opening accounts and applying for credit. These updated facilities have enhanced our client service while enabling greater financial inclusion and access for the Kingdom's population.

Riyad Bank continued to provide market-leading support for SMEs – the bedrock of our economy – through collaborative engagement. This support included improved credit terms and an enhanced point-of-sale offering. In the SME marketplace, we continued our partnership with the Kingdom's Kafalah Loan Guarantee program, and we were again ranked Kafalah's most prolific collaborator.

During 2022, Riyad Bank established a green nursery to produce millions of trees, developed an Arabic carbon footprint calculator that helps our employees monitor their individual impacts on the environment, and empowered customers and employees with disabilities. The Bank also engaged in financial awareness programs, financed recycling and electricity reduction initiatives, and contributed towards community development and food security.

Driving environmental stewardship

We believe our commitment to environmental stewardship is intricately aligned with our ambition of becoming the preferred bank in Saudi Arabia by 2025. We recognize that further developing our sustainability and responsible practices to address the most pressing environmental and social challenges will be an essential step in achieving that objective. Throughout 2022, the Bank implemented several water, waste and emissions management initiatives, including a new building management system (BMS) that will contribute towards greater energy efficiency. Our recycling projects, electricity reduction efforts, extensive seeding and tree planting, and paperless banking initiatives, detailed on pages 49–53 of this report, further reflect our commitment to reducing the negative impacts on the environment, help restore and preserve the Kingdom's natural ecosystem, and reduce the Bank's carbon footprint.

Providing sustainable finance

A worldwide shift to a low-carbon and sustainable economy will require trillions of dollars in finance. In this changing reality, we recognize that banks have a critical role in facilitating and enabling the necessary capital to fund and scale solutions needed for this low-carbon transition.

In 2022, the Bank made notable progress in sustainable finance. We published our debut Sustainable Finance Framework, which is aligned with the International Capital Market Association's green, social and sustainability principles. We were also pleased to announce the successful issuance of our AT1 USD 750 Mn. Sustainability Sukuk.

This ground-breaking Sukuk underscores our commitment to playing a crucial role in promoting sustainable development and addressing environmental challenges. We continue to be active in both environmental and social project financing in Saudi Arabia, with SAR 13 Bn. funding across 25 green and renewable energy programs.

Training and education

Throughout 2022, the Bank trained over 5,050 employees on how to effectively serve persons with disabilities (PWD), enabling us to provide tailored assistance to ensure their financial independence. We have equipped 37 branches for PWD clients and intend upgrading all branches similarly over the next 2 years.

Once again, our collaboration with key partners ensures we provide maximum benefit to our Stakeholders. We partnered with the National Center for CSR to provide financial literacy classes, while working with the Social Development Bank to offer a customized savings program to the Kingdom's younger generations. Riyad Bank also signed a collaboration agreement with the Culture Development Fund to create programs for business enablers, while our Tamheer Training Program works with the Human Resources Development Fund (HRDF). We will continue building strategic partnerships that support national, industry and regulatory sustainability priorities.

Strengthening our corporate social responsibility

The Bank established a dedicated Corporate Social Responsibility (CSR) Committee to ensure effective risk management and the implementation of our sustainability goals. As Executive Management we recognize and appreciate the valuable corporate social responsibility contributions of our volunteers. We are therefore currently exploring the possibility of incorporating their contributions into our performance evaluations to further embed ESG and sustainability into Riyad Bank's corporate culture.

Outlook

Riyad Bank's Bukra strategy mission is to deliver ethical and impactful corporate social responsibility practices that align with the Bank's strategy and operations, the United Nations Sustainable Development Goals (UNSDG), and the Kingdom's 2030 Vision. The accomplishments documented throughout this report demonstrate our dedication to environmental stewardship. We are proud of the progress we have made, but we remain steadfast in seeking to improve and enhance our sustainability contribution to Saudi society and the environment.

Acknowledgements

I would like to express my heartfelt gratitude to our CSR Committee, whose guidance has been instrumental in shaping our sustainability initiatives. I also extend my appreciation to all Riyad Bank employees for their unwavering commitment to our ESG goals. Finally, I want to thank our valued customers and Stakeholders for their trust and support as we strive to create a greener future together.

Together, let us forge ahead on our journey towards a sustainable and prosperous future.

In 2022, we successfully closed our inaugural Sustainability Sukuk, making us the first bank globally to issue an Additional Tier 1 (AT1) Sukuk.

Tareq A. Al-Sadhan
Chief Executive Officer



About Riyadh Bank

Established in 1957, Riyadh Bank is one of the largest financial institutions in Saudi Arabia. The Bank is ranked third in assets, with a current paid-up capital of SAR 30 Bn. The Bank provides an integrated system of banking services for companies and individuals, and finances commercial and industrial activities and projects. We are proud to have one of the highest national employment rates, with 96% of our circa 6,000 employees being local. The Bank conducts banking and investment business in the Kingdom of Saudi Arabia and abroad. In 2022, our foreign shareholdings stood at 9.8%.

The Bank delivers its products and services through a network of 338 branches and more than 189,270 points of sale, in addition to 2,219* ATMs carefully positioned in selected locations around the Kingdom.



*As at 31 December, 2022 (Source: SAMA Monthly Bulletin Report)

96%

of our ± 6,000 employees are Saudi nationals



Vision, Mission and Values



Year Established

1957

Vision

To be the most innovative and trusted financial solutions partner

Mission

To help people, organizations and society achieve their aspirations by being their trusted and caring financial solutions partner

Values

- We care
- We win
- We are one team

Our service offering is split across the following segments:

Retail Banking

Deposits, loans and investment products for individuals, and micro and small to medium-sized businesses

Corporate Banking

Handling corporate customers' current accounts, deposits and providing loans, overdrafts and other credit facilities

Treasury and Investment

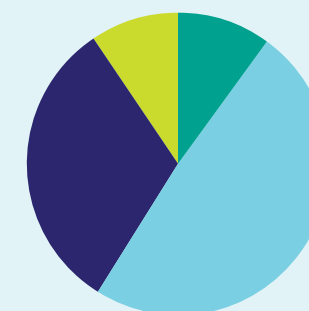
Providing money market, trading and treasury services, derivative products as well as the management of the Group's investment portfolios

Investment and Brokerage Services

Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities

We also provide Islamic Banking products to our customers.

Net operating income mix by segment:



| | |
|-----------------------------------|-------|
| Retail Banking | 10.0% |
| Corporate Banking | 49.1% |
| Treasury and Investment | 31.5% |
| Investment and Brokerage Services | 9.4% |

Operating Footprint

Our operating footprint spans a network of 338 branches within the Kingdom, a London branch in the United Kingdom, a Houston agency in the United States of America, and a representative office in Singapore. An office is scheduled to open in China in the near future.

Riyad Bank is one of the Top 10 largest banks in the Gulf Cooperation Council Region*.

*Source: The Fintech Times



International Offices



ATM Machines

2,219



Total Active Branches

338



UK Branch

London



USA Agency

Houston



Points of sale

189,270



Employees

±6,000



Representative Office

Singapore

Soon in China

2022 Sustainability Performance Highlights

Additional Tier 1 (AT1)
Sustainability Sukuk launched

USD 750 Mn.

First in the world

Developed a **Sustainable
Finance Framework**

20 social responsibility
programs in

30 cities

Added

45 dedicated centers

across the Kingdom to provide
the best financing solutions and
banking facilities to SMEs

37 accessible branches
for People with Disabilities (PWD)

Funding for 25 green and
renewable energy projects

SAR 13 Bn.

Financing facilities for SMEs

SAR 8 Bn.

3.45%

growth in female
employees since 2015

Total plastic and paper
recycled

98,000 kg

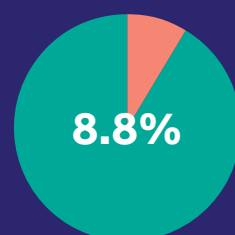
Awarded

'Excellence in CSR'

in financial sector by CSR Arabia
Award

Electricity consumption

We reduced energy consumption
by 8.8% in our head offices and
warehouses.



In 2022, we rolled out our new Building
Management System (BMS) to 13
branches, with a further 21 branches
scheduled for the upgrade in 2023.

SME Support



- Provided over SAR 8,143,547 Bn. in financing facilities
- Added 45 dedicated SME centers across the Kingdom
- Ranked number one in number of entities and volume of loans granted to SMEs through Kafalah
- Conducted ongoing digitization of the lending process for SMEs

Digital



- Developed our WSL Platform, designed for entrepreneurs and innovators
- Revamped and scaled the Bank's AI and machine learning platform, enabling it to continue utilizing data science and machine learning to generate value

Workforce



- 48,619 total training days
- 40 new employees with disabilities
- 3.45% growth in female employees since 2015
- 28.45% total percentage of female employees

Data Privacy and Security



- Cybersecurity ISO/IEC 27001:2013
- PCI DSS certification
- ISO business continuity
- ISO 22301:2019

Community Support



- Over SAR 48 Mn. in donations and philanthropy
- Donation accounts: 432,902 transactions to the amount of SAR 13.9 Mn.
- 20 social responsibility programs in 30 cities
- 452 volunteers contributed a total of 1,907 volunteering hours
- Autism Center sponsorship: 16 ABA graduates in 2021/total 37 graduates

Sustainable Finance



- Contributed to accelerating the transition towards a green, low-carbon economy, most recently through the successful issuance of our USD 750 Mn. Sustainability Sukuk, which will be deployed to finance a range of energy projects in the energy and water sectors, among others
- SAR 13 Bn. investment across 25 green and renewable projects

Financial Literacy



- More than 29,000 people participated in classes held in collaboration with the National Center for CSR

Customer Experience



- 13% improvement in Net Promoter Score (NPS) year on year
- There are currently 37 accessible branches for People with Disabilities (PWD), and all branches are expected to be made accessible over the next 2 years

Electricity Consumption



- Reduced energy consumption by 8.8% in our head offices and warehouses
- Started rolling out our new BMS, which will contribute an estimated 15% in electricity savings

Recycling



- Total plastic and paper recycled 98,000 kg
- Saved: 684,778 gallons of water, 1,662 trees, 225 cubic meters of landfill, 391 tons of CO₂, and 391,302 kW of energy by recycling 98,000 kg of materials

Governance



- 4 Independent Directors and 6 Non-Executive Directors
- 9 Sharia meetings and 20 Fatwas in 2022
- Implemented 11 new policies, 6 Committee charters and 112 new governance procedures during 2022

Awards

17
prestigious awards
received for our
commitment to
excellence



Capital Markets Saudi Arabia Awards, presented by GFC Media Group



Best Private Banking of the Year, presented by Arabian Business magazine



Excellence in CSR in the Financial Sector, presented by CSR Arabia Award



Excellence in Digital Banking, presented by Finnovex Saudi Arabia Awards 2022



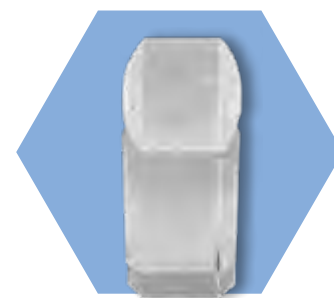
Outstanding Contribution to SMEs, presented by Open Banking Form Awards



Best Banking CEO in the KSA 2022, presented by Future Banks Awards 2022



Best Bank for SME Banking presented by Euromoney



Best Bank for Digital Solutions presented by Euromoney



Best Coaching and Mentoring Initiative, presented by CIPD



Best Annual Report, presented by GFC Media Group



Best Digital Annual Report, presented by GFC Media Group



Best Recruitment and Talent Management Strategy, presented by CIPD



Most Impactful Diversity and Inclusion Initiative, presented by CIPD



Best Development Bank for Real Estate Finance, presented by Sakny Program



Best Marketing Promotion for Real Estate Finance, presented by Sakny Program



MT103 Quality Award, presented by JP Morgan



MT202 Quality Award, presented by JP Morgan

02

Sustainability at Riyad Bank

Our sustainability journey is characterized by continuous improvement, fostering economic growth, and preserving the environment for generations to come.



Our Approach to CSR

Bukra: Embedding CSR



Launched in 2019, our Bukra strategy was developed in consultation with a range of partners. This allowed the Bank to identify the needs and priorities of our Stakeholders and develop an appropriate and effective road map.

The Bukra Sustainability Strategy at a Glance

Vision

To be a leading member of sustainable practices that would add value to employees, customers, Stakeholders and the whole community of Saudi Arabia

Mission

To deliver quality corporate social responsibility practices of impactful values and benefits in alignment with the Bank's strategy and operations, the United Nations Sustainable Development Goals (SDG), and the Kingdom's 2030 Vision

Objectives

- Align our practices with the Guidance on Social Responsibility (ISO 26000), Accountability Principles Standard (AA1000) and the GRI. In addition, we consider the goals of the UN Global Compact
- Be recognized for our professional and collaborative approach to protecting the environment, to contributing to education and to supporting our employees, the communities in which we operate and society at large
- Measure the impact of our programs internally and externally, and share reports, insight and statistics with our Stakeholders
- Play a meaningful role in the Kingdom's community service programs by involving our employees in relevant initiatives
- Be diverse, inclusive, transparent and accountable in all our projects and practices

Our Bukra strategy in action

| Pillars | Activities | Focus Areas | Reference |
|-----------------|---|--|---|
| Economy | Economic support initiatives intended to improve the national economy and the social welfare of the Kingdom's people in line with Vision 2030 | <ul style="list-style-type: none"> • Sustainable Finance Framework • Financial literacy programs • Saudization of vendors | Page 30–31 Page 35 Page 47–48 |
| Environment | Initiatives to protect and promote awareness of the environment | <ul style="list-style-type: none"> • Reducing our carbon footprint • Recycling • Electricity saving • Tree planting • Beach and park cleaning | Page 49–53 |
| Knowledge | Developing the nation through education, and by creating and enabling new skills to empower successful communities | <ul style="list-style-type: none"> • Supporting educational/mentorship programs • Training for SMEs • Social responsibility awareness messaging | Page 36 Page 43–46 Page 68 |
| Community | Programs and activities, including health, art, sports and culture initiatives, which enhance communities across the Kingdom | <ul style="list-style-type: none"> • Food distribution • Employment of people with disabilities • Providing accessible branches • Blood donation initiatives • Bukra Ambassadors volunteering program | Page 68 Page 67 Page 35 Page 67 Page 65 |

Each pillar of the Bukra strategy is reviewed monthly, with results tracked and monitored on an ongoing basis.

CSR Governance

Riyad Bank's governance, supported by sustainability principles and practices, enables us to have a meaningful impact on our Stakeholders.

Corporate Social Responsibility Committee

The Bank has appointed a dedicated Corporate Social Responsibility (CSR) Committee, led by the Chairman of the Board with support from the CEO, CXO

and representation from all business and functional areas. The Committee's role is to oversee systems, policies and processes to achieve the Bank's sustainability objectives and monitor sustainability risks.

Key activities during 2022

During 2022, the Committee provided guidance on the implementation of the Bukra strategy. This included assessing

all new proposals to make sure those initiatives are consistent with the Bank's corporate strategy and objectives, the SDGs and Vision 2030.

Looking ahead

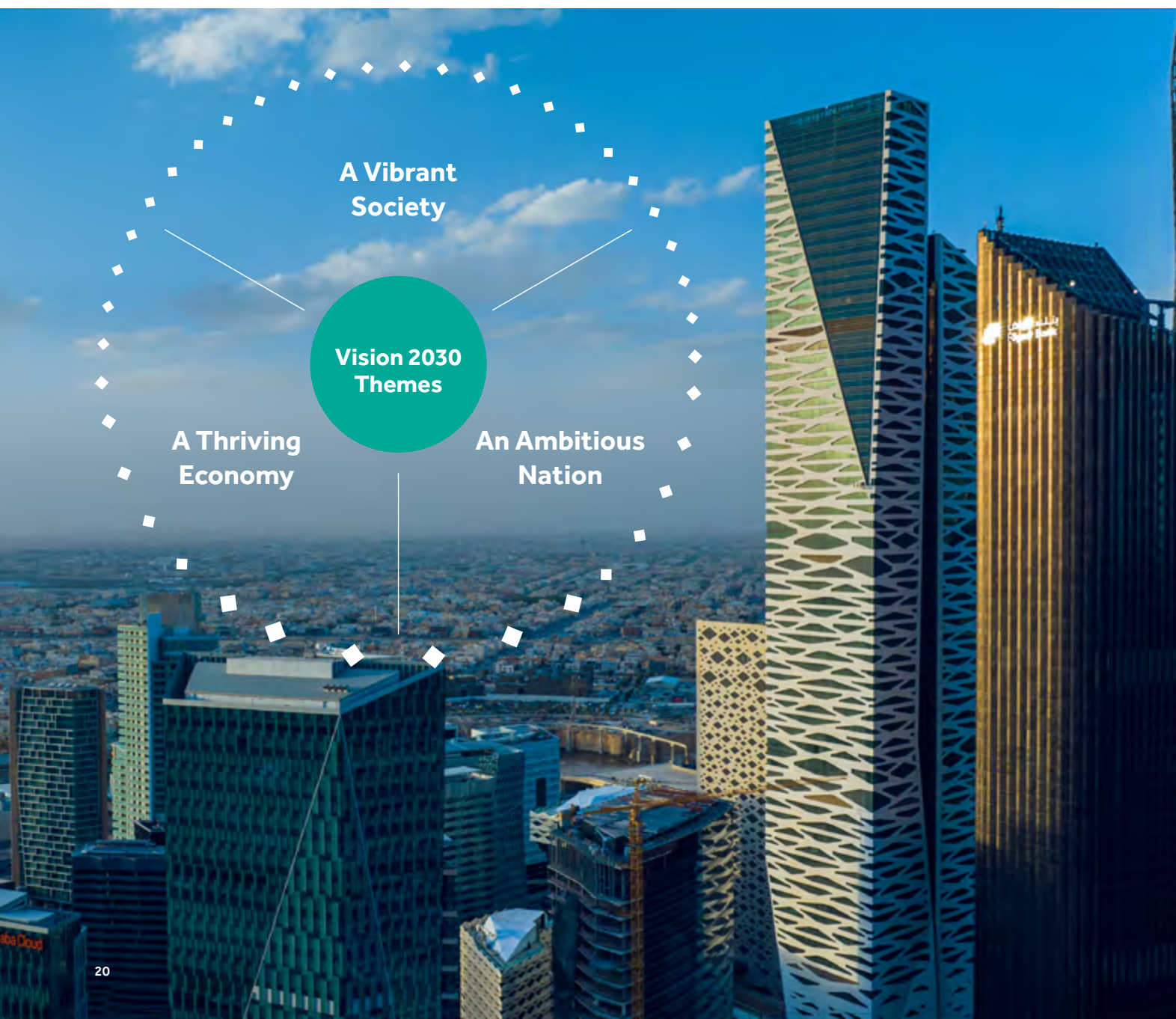
The Committee will monitor the Bank's ESG initiatives for compliance with best practice. This includes evaluating feedback from external Stakeholders.

Aligning with National and Global Sustainability Goals

Riyad Bank is fully committed to the success of Saudi Arabia's Vision 2030. This is in line with our responsibility towards the Kingdom and our desire to stimulate the national economy and diversify its revenues for future growth.

Saudi Arabia's Vision 2030

Vision 2030 is a development road map aimed at driving Saudi Arabia's future sustainability. Founded on 3 themes, the Vision aims to achieve the following strategic objectives: enhancing government effectiveness, enabling social responsibility, growing and diversifying the economy, as well as increasing employment.



Vision 2030 Initiatives

Since 2021, Riyad Bank has actively supported the Kingdom's Vision 2030 through a number of initiatives. During 2022, Riyad Bank implemented 69 initiatives that altogether contributed to 12 of the Vision Realization programs.

Vision 2030 Initiatives

Riyad Bank is fully committed to the success of the National Agenda

| Entities | Initiatives | Signed Agreements | Live Programs |
|----------|-------------|-------------------|---------------|
| 38 | 69 | 27 | 18 |

| 14 March, 2021 | | 29 April, 2021 | |
|---|---|---|--|
| <div><p>رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA</p></div> | <div>The initiatives contribute to</div> <div>96</div> <div>KPIs of the Saudi Vision 2030</div> | <div><ul style="list-style-type: none">Financial support initiative for National Center for Privatization (NCP)Agency services</div> <div>10 KPIs signed</div> <div></div> | <div><ul style="list-style-type: none">Program 100%Program 90%Agency programTourism Partnership program (TPP)Facility guaranteeProject finance</div> <div>25 KPIs signed</div> <div></div> |
| | | <div>18 November, 2021</div> <div><ul style="list-style-type: none">Developing execution tools for National Industrial Development and Logistics Program (NIDLP) Strategic Dimensions (5 initiatives)We Finance, You ManufactureWe Invest, You Manufacture</div> <div>33 KPIs signed</div> <div></div> | <div>3 November, 2021</div> <div><ul style="list-style-type: none">Massar business enablers initiatives</div> <div>33 KPIs signed</div> <div></div> |
| 21 April, 2022 | | 18 May, 2022 | |
| <div><ul style="list-style-type: none">Cultural development initiativesCulture Road program</div> <div>22 KPIs signed</div> <div></div> | <div><ul style="list-style-type: none">Supportive initiatives for developing business enablers</div> <div>25 KPIs signed</div> <div></div> | <div>28 September, 2022</div> <div><ul style="list-style-type: none">Developing financial initiatives and solutions for economic cities</div> <div>25 KPIs signed</div> <div></div> | |

Aligning with National and Global Sustainability Goals continued



United Nations Sustainable Development Goals


| UN SDG Goal | How Riyad Bank contributes to these goals | References |
|---|--|--|
|  | <p>We are working towards ending poverty by:</p> <ul style="list-style-type: none"> Providing convenient access to a broad range of financial services, including products and services for those on low incomes Paying fair prices to all suppliers, particularly Small and Medium Enterprises (SME) Providing earnings, wages and benefits to our employees Driving economic development through our focus on supporting SMEs Supporting economic inclusion for all, especially People with Disabilities (PWD) Paying our fair share of taxes to support key state-funded services | <p>Page 35</p> <p>Page 47 Page 55–61 Page 43–46 Page 66–67 Annual Report: Page 153 [Zakat]</p> |
|  | <p>Riyad Bank helps to achieve food security and improved nutrition by:</p> <ul style="list-style-type: none"> Supporting SMEs, which contributes to increased employment opportunities in the Kingdom Providing food baskets and meals to those in need | <p>Page 43–46 Page 64</p> |
|  | <p>We promote healthy lives and wellbeing for all through:</p> <ul style="list-style-type: none"> Numerous health and wellness drives throughout the year, including a focus on international days related to health COVID-19 campaigns Improving air and water quality through our environmental initiatives Responsible handling of waste | <p>Page 67–69</p> <p>Page 56 Page 49–50, 52 Page 49–50</p> |
|  | <p>Riyad Bank drives inclusive and quality education and promotes life-long learning</p> <ul style="list-style-type: none"> For our employees For our communities | <p>Page 58–61 Page 35, 66</p> |
|  | <p>We encourage gender equality and empower women through policies regarding gender equality, equal remuneration for women and men, non-discrimination and workplace violence and harassment.</p> <p>Furthermore, our workplace practices eliminate gender-based discrimination by enabling and encouraging women in leadership.</p> | <p>Page 61</p> |
|  | <p>Riyad Bank contributes to affordable, reliable and sustainable energy by focusing on energy efficiency and reducing energy consumption in our own operations. We are designing our new headquarters in line with 'green' building principles, and all new branches will be built to preserve precious natural resources and improve quality of life.</p> | <p>Page 48, 51</p> |
|  | <p>We promote inclusive and sustainable economic growth by unlocking opportunities for SMEs and PWDs across the Kingdom. We provide employment and decent work through:</p> <ul style="list-style-type: none"> A safe working environment with initiatives to ensure the wellness of people Clear remuneration structures acknowledging individual merit Employment of PWDs Working towards achieving Saudization targets Enterprise-development initiatives | <p>Page 61 Page 58 Page 43–46</p> |

Our sustainability framework and long-term aspirations guide our firm commitment to the realization of the UN SDGs. We have prioritized the following 14 SDGs, where we believe we can have the most meaningful impact.

| UN SDG Goal | How Riyad Bank contributes to these goals | References |
|---|--|---|
|  | <p>Riyad Bank builds resilient infrastructures, promoting sustainable industrialization and fostering innovation, through:</p> <ul style="list-style-type: none"> Guaranteeing efficiency, resilience and sustainability in our buildings and information and communication technology Investments in strategic infrastructure projects aligned with Vision 2030 Developing platforms that provide SMEs with useful banking services | <p>Page 48</p> <p>Page 32–33 Page 43–46</p> |
|  | <p>We are reducing inequality by providing:</p> <ul style="list-style-type: none"> Equal access to responsible and affordable financial services Financial literacy training to all Employment policies that do not exclude or restrict access to employment to currently marginalized/underrepresented groups <p>We aim to empower SMEs through training and access to finance.</p> | <p>Page 35 Page 61 Page 43–46</p> |
|  | <p>The Bank contributes to inclusive, safe, resilient and sustainable cities by providing financing solutions for sustainable infrastructure, technology and services. We complement government action to achieve the strategic objectives of the Kingdom's Vision.</p> | <p>Page 32–33</p> |
|  | <p>As a responsible corporate citizen, Riyad Bank sets strict parameters for our business activities in order to meet sustainable resource consumption and waste management standards. We monitor our impact on the environment and constantly seek to improve energy and water efficiency.</p> | <p>Page 49–53</p> |
|  | <p>We are combating climate change and its impact on the environment by implementing targeted reductions in emissions and improving water security and waste management.</p> <p>We are raising awareness and understanding among customers and employees about climate change and natural disaster reduction.</p> | <p>Page 49–53</p> <p>Page 68–69</p> |
|  | <p>Riyad Bank supports the promotion, building or strengthening of legal frameworks and accountable institutions. We comply with laws and regulations and practice effective, accountable and transparent governance. Internally, we are raising awareness of the relevant laws, codes and regulations among employees.</p> <p>Our codes of conduct and standards of behavior are strictly enforced, and we have implemented internal and external mechanisms for reporting unlawful behavior, with appropriate escalation methods in place.</p> | <p>Page 72–79</p> |
|  | <p>We actively partner with and support the Government to promote its activities to gain the public's interest.</p> | <p>Page 32–33</p> |

Stakeholder Engagement

| STAKEHOLDER GROUP | THEIR NEEDS AND EXPECTATIONS | OUR RESPONSE | HOW WE ENGAGE |
|---|--|---|---|
| Customers | | | |
| <p>Riyad Bank aims to be the first choice for customers. Our ability to deliver on our vision and strategic objectives depends on our continued ability to provide new and diversified services and products to meet customer needs and expectations. We strive to understand our customers so that we speak to them in a way that is relevant and offer products that are right for them.</p>  | <ul style="list-style-type: none"> • Appropriate and accessible financial solutions • Convenient access to services, increasingly through digital channels • Data security • Compliance with Islamic/Sharia principles • Friendly and efficient service • Information empowerment that leads to financial wellness • Transparency • Ethical and fair treatment | <ul style="list-style-type: none"> • Retail Banking services • Corporate Banking services • Treasury and Investment services • Investment and Brokerage services • Excellent customer service • Convenient access to banking, increasingly through digital channels • Stable and secure IT systems | <ul style="list-style-type: none"> • Marketing campaigns • Customer polls and surveys • Branches • Website • Call centers • Customer service channels • Social media • Riyadh Mobile • Riyadh Online • Telesales • Interactive Voice Response (IVR) • SMS |
| Employees | | | |
| <p>Our people are an integral part of Riyad Bank. It is through them that we are able to deliver value to our customers and Stakeholders and build the growth and success of our business. Our people's confidence in our strategy, their collaboration in performance and delivery, as well as their commitment to creating a memorable experience for our customers, are crucial elements of our long-term success.</p>  | <ul style="list-style-type: none"> • Fair remuneration, effective performance management and recognition • Training, skills development and talent management • Career development and advancement opportunities • A diverse and inclusive work environment • Clear communication • A safe and healthy work environment | <ul style="list-style-type: none"> • Learning and development opportunities through the Riyad Bank Academy • Equipping Staff with the necessary skills to stay abreast of digital changes • Flexible working arrangements for the 'new normal' • Career path and succession programs • Employment and development of Persons With Disabilities | <ul style="list-style-type: none"> • Kafo Recognition program • Wellbeing programs • Investment programs • Enhancing Retail Incentive scheme • Learning and development opportunities • Employee engagement programs |

| STAKEHOLDER GROUP | THEIR NEEDS AND EXPECTATIONS | OUR RESPONSE | HOW WE ENGAGE |
|--|--|---|--|
| Investors | | | |
| <p>We engage with our investors to:</p> <ul style="list-style-type: none"> • Build their confidence in Riyad Bank • Ensure access to funding • Foster open dialogue to understand and address their concerns <p>Our investors and lenders provide the capital and financial support that enables Riyad Bank to deliver appropriate financial solutions for our customers, invest in our operations and channels, and to deliver greater value to Shareholders in the long term.</p>  | <ul style="list-style-type: none"> • Sustainable financial returns • Attractive and sustainable growth strategy • Strong balance sheet and profitability • Strong risk management • Transparent reporting and disclosure • Sound governance • Long-term stability | <ul style="list-style-type: none"> • Sound business strategies aimed at delivering growth and value • Maintaining strong financial performance • Transparent communication of opportunities, risks and performance • Strong corporate governance structures • Releasing the 2022 ESG Report • Developing a Sustainable Finance Framework and, in 2023, releasing a Sustainable Finance Impact Report to guide the issuance of Riyad Bank's Sustainable Finance instruments • Further development of corporate governance processes | <ul style="list-style-type: none"> • Financial results and releases • Investor and funder updates • Engagement events • Annual reports • Website updates • Formal report back at Shareholders Annual General Assembly Meeting |
| Suppliers and Business Partners | | | |
| <p>Effective strategic commercial partnerships facilitate Riyad Bank's ability to deliver innovative customer value propositions and superb customer experiences. Business partner engagements are key to developing lasting relationships with vendors and service providers through mutual trust, ensuring beneficial outcomes for both parties.</p>  | <ul style="list-style-type: none"> • Mutual benefits and profitability • Clear agreement on terms and adherence to agreements • Ethical principles and business practices | <ul style="list-style-type: none"> • Selecting partners that are aligned with our key values and objectives • Primarily engaging local suppliers for procurement • Clear and transparent agreements • Terms of payment schedules | <ul style="list-style-type: none"> • Requests for proposals • Scope of work agreements • Audits • Training and knowledge sharing, e.g. issuing Vendor Manual for Banking Procurement |
| Communities | | | |
| <p>We believe thriving communities enable businesses to succeed. We therefore engage with our communities to understand their needs and further align our business to meet these needs. Communities gain indirect benefits from our operations, through which we seek to improve the lives of our customers on a sustainable basis.</p>  | <ul style="list-style-type: none"> • Access to advice, products and solutions to enhance financial wellbeing • Social investment • Community upliftment • Financial education/inclusion | <ul style="list-style-type: none"> • Community support and investments • Supporting people with disabilities • Financial literacy programs • Community health and wellness initiatives • Internships | <ul style="list-style-type: none"> • CSR initiatives: 12 social responsibility programs in 15 cities • Volunteering: 452 volunteers contributing to a total of 1,907 hours • Charity donations: 432,902 transactions, amounting to SAR 13.9 Mn • Blood donation campaigns: 794 blood donors, resulting in over 350 liters of blood donated • Ramadan meals: 200,000 meals distributed in 5 cities to 162 charitable organizations • Financial literacy classes: More than 29,000 people participated in classes held in collaboration with the National Center for CSR |

Our Material Matters

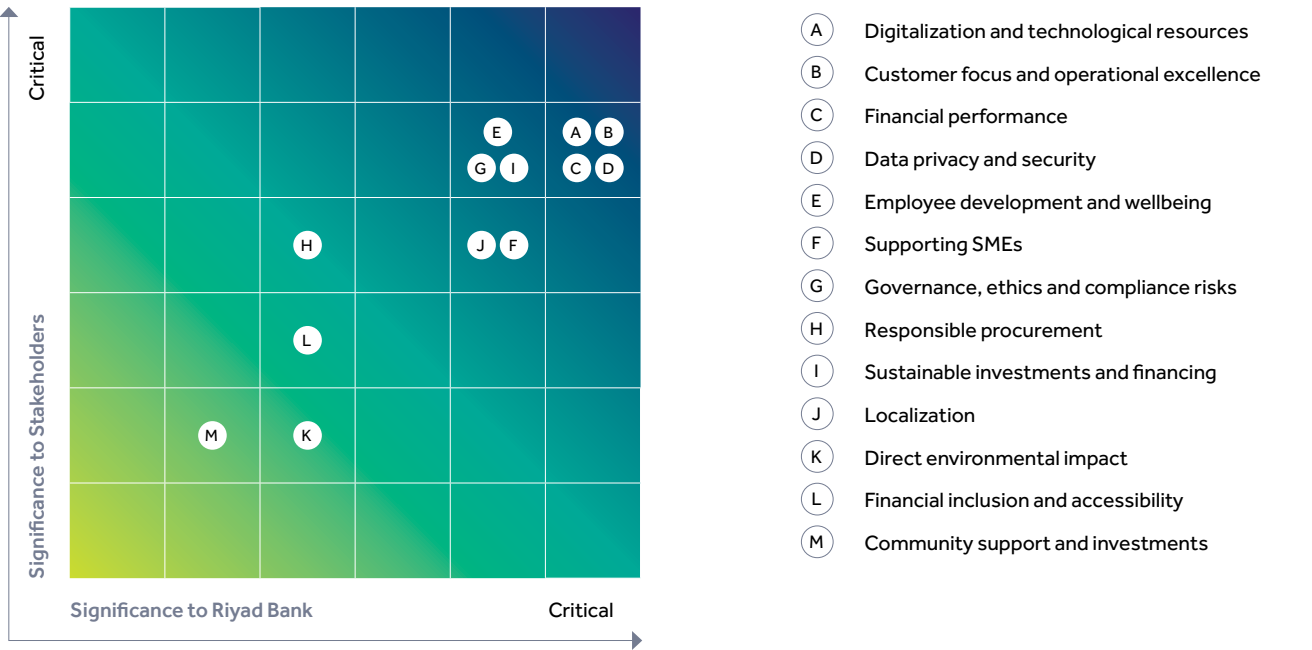
As one of the largest financial services institutions in Saudi Arabia, we play a pivotal role in the economic activity of the nation. We assist with the creation, growth and protection of wealth through partnerships in economic development. Several factors affect our ability to create value, including our operating environment, our risk landscape, the legitimate needs and priorities of our Stakeholders and our strategic objectives. We report according to what we have deemed our material matters – those that can significantly affect our ability to create or preserve value, or may lead to value erosion, over the short, medium and long term.

Our Materiality Determination Process

Identifying our material matters is an organization-wide activity, and input from a range of business units and divisions is considered. The process includes identification of our Stakeholders' expectations as well as industry and market trends.



Our Material Matters in 2022



| | Topic | Description | Our Response |
|----------------|---|--|---------------------------|
| Critical | A. Digitalization and technological resources | Leveraging technology to increase self-service and efficiency for customers, as well as internal processes | Page 41–42 |
| | B. Customer focus and operational excellence | Improving customer experience and delivering efficient, innovative products to existing and new customers | Annual Report: Page 66–67 |
| | C. Financial performance | Maintaining strong financial growth that delivers sustainable returns to Shareholders | Annual Report |
| | D. Data privacy and security | Ensuring data privacy and security approaches result in the utmost confidentiality and security of data across the entire business | Page 41–42 |
| | E. Employee development and wellbeing | Creating a work environment where individuals can grow through career development and advancement opportunities and enjoy a high degree of job satisfaction | Page 57–61 |
| Very Important | F. Supporting SMEs | Contributing to the diversification of the national economy by supporting local entrepreneurs and SMEs | Page 43–46 |
| | G. Governance, ethics and compliance risks | Making certain that robust ethical principles underlie all business conduct, that solid governance structures manage risks and that transparency and compliance meet national regulations | Page 72–79 |
| | H. Responsible procurement | Working with vendors to enhance Riyad Bank's positive impacts through responsible procurement practices | Page 47–48 |
| | I. Sustainable investments and financing | Integrating ESG considerations in investment decisions, focusing on more long-term investments in sustainable activities and projects | Page 30–36 |
| | J. Localization | Recruiting and developing local talent and empowering Saudi nationals by offering them fulfilling careers and development opportunities | Page 47–48 Page 61 |
| Important | K. Direct environmental impact | Recognizing that climate change is a critical challenge facing the planet and committing to protect the natural environment by managing direct environmental impacts | Page 49–53 |
| | L. Financial inclusion and accessibility | Serving all customers regardless of gender, ethnicity, nationality, religion or profession and seeking to increase financial inclusion by offering products and services catering to typically underserved individuals | Page 35 |
| | M. Community support and investments | Contributing to local economic development through dedicated investments, sponsorships and campaigns | Page 64–69 |

03

Providing Sustainable Finance

We are dedicated to providing sustainable finance solutions. Through our commitment to sustainable finance, we actively support initiatives that promote renewable energy, green infrastructure and social development.



Sustainable Investing and Financing

Riyad Bank is active in both environmental and social project financing in the Kingdom. The establishment of our Sustainable Finance Framework has allowed us to map each financed project under the related ESG category and obtain an accurate classification of Riyad Bank’s financing facilities.

In 2022, Riyad Bank established a Sustainable Finance Working Group (SFWG), consisting of representatives from divisions and departments across the Bank. The SFWG developed a Sustainable Finance Framework, which guides the Bank’s sustainable financing activities. The Group provides oversight of the allocation of Sustainable Sukuk and determines the issuance of sustainable finance instruments such as green bonds, social bonds,

sustainability bonds, Sukuk, loans and other debt instruments. The SFWG updates the CSR Committee on its progress.

In May 2023, the Bank issued its first 2022 Sustainable Finance Impact Report. Going forward, the Bank will continue using the Sustainable Financing Framework as the basis for issuing green, social and sustainability bonds, Sukuk, loans and other debt

instruments. Our sustainable financing instruments will fund eligible green and social projects that conform to the sustainable finance principles as outlined in the following:

- The International Capital Market Association Green Bond Principles 2021, Social Bond Principles 2021 and Sustainability Bond Guidelines 2021
- The Loan Market Association Green Loan Principles 2021 and Social Loan Principles 2021

Micro, Small and Medium Enterprises

Riyad Bank plays an influential role in all sectors of the economy, as we hold the largest Micro, Small and Medium Enterprises (MSME) credit portfolio in the Middle East. As a responsible corporate citizen, the Bank supports MSME businesses with a wide range of offerings that help turn business ideas into enterprises, create new products and services, scale up existing businesses and access new markets to realize their full potential.

Through approximately 45 Riyad Bank MSME centers strategically placed across the country, including all remote areas, our specialized MSME Relationship Managers advise MSMEs with their financing options and facilitate their access to funding.

In partnership with the SMEs authority, the Kafalah program, the SMEs Bank, Chambers of Commerce and other partners, Riyad Bank aims to raise financial awareness among MSMEs to enable growth. Furthermore, in partnership with the International Finance Corporation (IFC), Riyad Bank has launched the MSME Toolkit, which offers a wide range of how-to articles, business forms, business software, online training, self-assessment exercises, quizzes and many other resources for free to MSMEs.

In recognition of Riyad Bank’s contribution to MSMEs, the Bank was named the Best SME Bank in Saudi Arabia by Kafalah in 2022 for the fifth year in a row.

The Bank also received 2 other awards: the Best Bank for SME Banking in Saudi Arabia (from *Euromoney* and *Asiamoney*) and the Open Banking Forum Award.

We are proud to be leaders in creating SME success stories, particularly through empowering young Saudis to turn their aspirations into reality as well as helping to diversify the economy away from oil.

For more detail about our support for small business, please see ‘Financing and Empowering SMEs’ on page 43.

Providing Sustainable Finance

Riyad Bank contributed to the Saudi Green Initiative and to renewable energy through the launch of 9 programs aligned with the Saudi Vision 2030.



| | | |
|--|--|---|
| 1 Smart Green Buildings Housing, offices and commercial projects | 2 Green Supply The project suppliers | 3 Green International Investments Overseas projects |
| 4 Green SMEs Small and medium projects | 5 Green Industries Local factories | 6 Green Energy Sales of solar and renewable energy |
| 7 Green Land Green landscape projects | 8 Green Transportation Transportation projects | 9 Green Fintech Digital solutions and startup financing |

Sustainable Sukuk

In 2021, Riyad Bank began working on its inaugural Sustainability Sukuk. In February 2022, the Bank successfully closed its inaugural USD 750 Mn. Additional Tier 1 (AT1) Sustainability Sukuk, making it the first sustainability AT1 Sukuk issuance in the world. The profit rate of 4% per annum is equivalent to the lowest credit spread that a Gulf Cooperation Council bank has ever achieved for an AT1 Sukuk. The order book was 4.3 times oversubscribed, which affirms the confidence placed by investors in the Bank’s strategic direction, the Board and the Management team.

To structure this transaction as a sustainability AT1 Sukuk, the Bank has published its debut Sustainable Finance

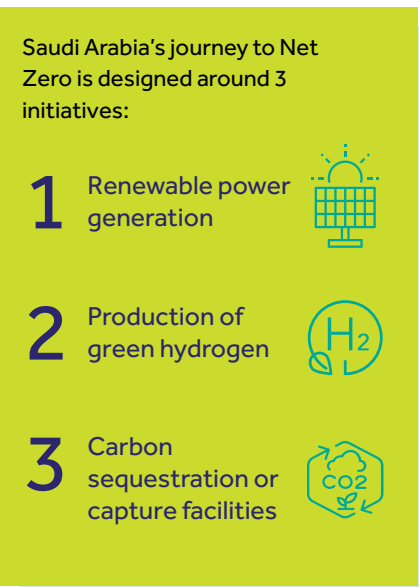
Framework in line with the International Capital Market Association’s green, social and sustainability principles. The framework covers a diverse range of eligible sustainable activities linked to Riyad Bank’s ambition to become a regional ESG leader. It will help drive green and social development in the Kingdom in line with Vision 2030 and the Bank’s own Bukra strategy. Furthermore, the framework meets global best practice standards and has received a Second Party Opinion from S&P Global Ratings confirming its alignment with all the sustainable finance principles. S&P awarded Riyad Bank with a ‘Strong’ score for its Use of Proceeds section, highlighting the link between each category and the Bank’s wider sustainability agenda.



Sustainable Investing and Financing continued

Partnering with the Government to Deliver Sustainability Goals

Several of the Vision 2030 goals are either directly connected to finance or have a financial implication. This means Riyadh Bank has an important role to play in contributing to the attainment of Vision 2030. Areas of alignment include the financing of government projects, advancing digital inclusion, cybersecurity, women's empowerment and support for SMEs. Our dedicated government segment submitted 75 Vision 2030-related proposals and initiatives to several government departments during 2022. In this way, the Bank made a meaningful and measurable contribution towards the goals of Vision 2030.

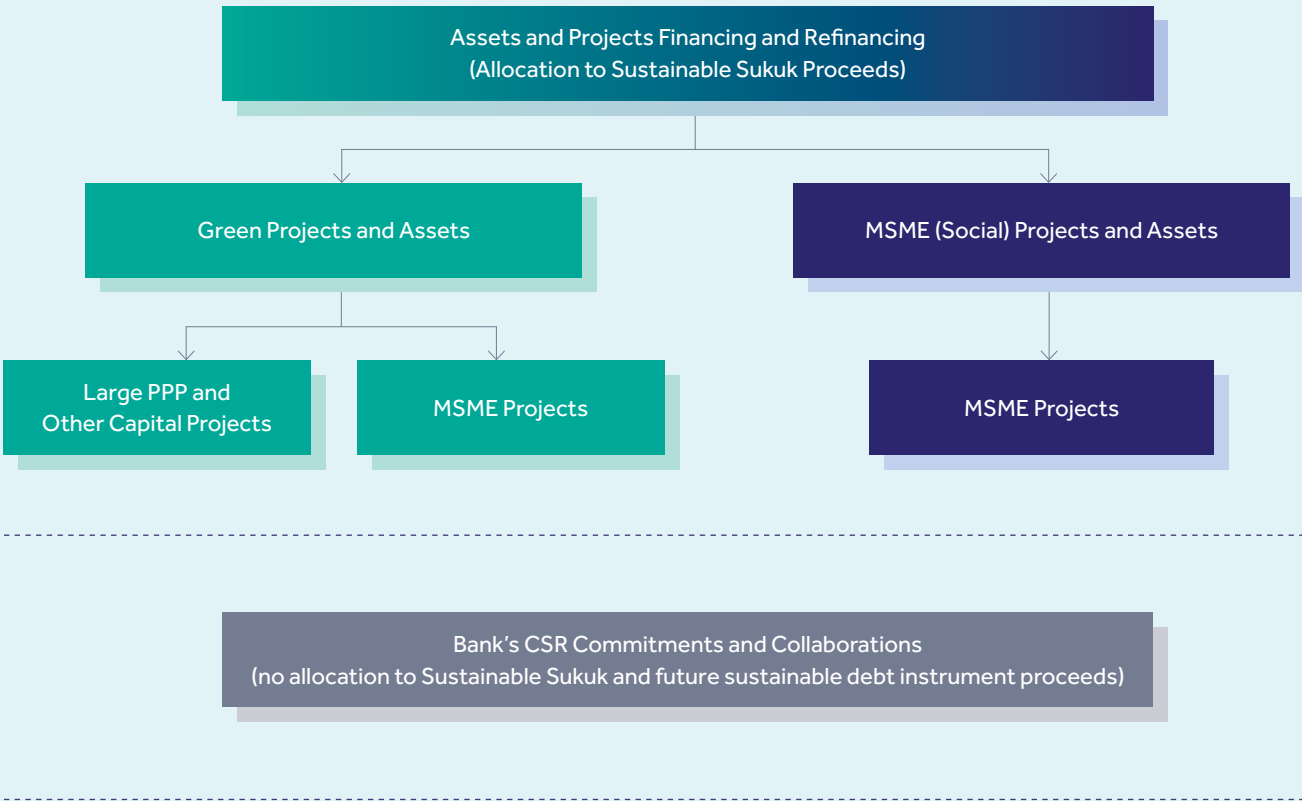


In 2022, Riyadh Bank participated in all 3 initiatives by providing financing for numerous projects. The Bank also participated in energy efficiency projects as part of its sustainability strategy and support initiatives.

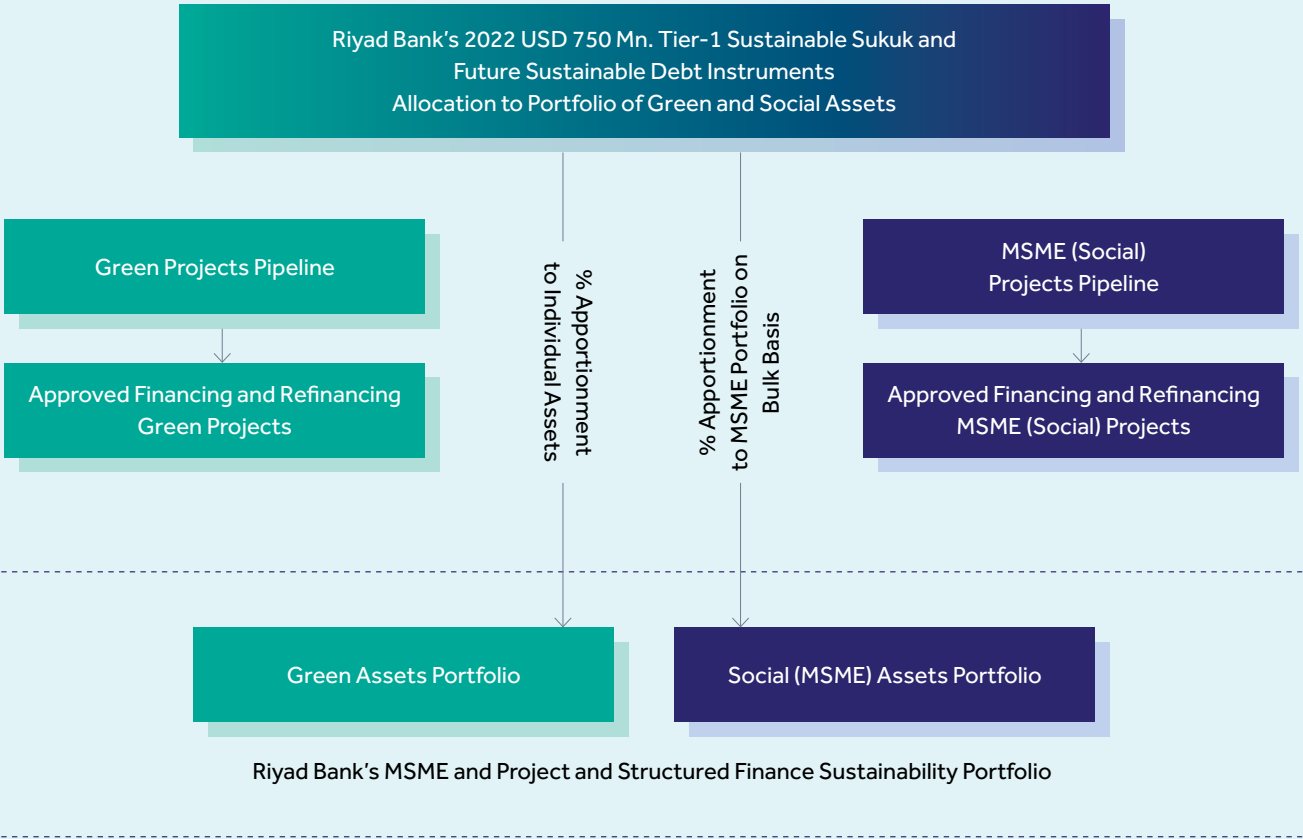


Riyad Bank's Allocation Scheme for Green and Social Projects

The Bank's sustainable financing commitments and funding allocations to green and social projects are based on a formal structure, as depicted in the following diagrams.



Riyad Bank's Allocation Scheme for Green and Social Projects



- Green projects and assets comprise 2 categories:
 - Larger public-private partnerships (PPP) and infrastructure projects, i.e. capital projects which fall under the environmentally friendly or green projects category. This category typically comprises projects that are sponsored and undertaken by government entities such as the Renewable Energy Project Development Office (REPDO), the Public Investment Fund (PIF) and NEOM. This category also caters for local and international developers, including financial investors under the PPP procurement scheme
 - Small-scale undertakings of environmentally friendly or green projects carried out by MSMEs either as independent contractors or subcontractors of large capital projects
- The social projects and assets category includes undertakings by MSMEs that enhance social and human capital by generating employment and undertaking affordable basic infrastructure projects
- The social projects under the Bank's CSR program are not allocated funding from the Sustainable Sukuk, as these are the Bank's own initiatives as a responsible corporate citizen
- The apportionment of green and social assets is based on the Bank's approved and executed financings, which become part of Riyadh Bank's asset portfolio
- The apportionment between green and social projects is kept flexible. However, environmental projects are expected to attract higher percentage allocations, given the larger size of these projects
- For certain large projects and assets, partial allocation, as a percentage of their financing amount, is used rather than the full amount committed by the Bank to these projects and assets. This allows the Bank to diversify the allocation and confirm a broad cross-section of projects and sectors are included and represented

Sustainable Investing and Financing continued

Following the Guidance of Islamic Banking Principles

Islamic banking fundamental principles originate from the Islamic religion, which promotes honesty, trust, fulfillment of contracts and other morals based on justice. It also prohibits lying, cheating, deception and behaviors based on injustice.

Islamic banking refers to a system of banking or banking activity that is consistent with the principles of the Sharia (Islamic rulings) and its practical application through the development of Islamic economics. Sharia prohibits the payment or acceptance of interest charges (riba) for the lending and accepting of money, as well as conducting trade and other activities that provide goods or services considered contrary to its principles.

While the elimination of riba in all its forms is an important feature of the Islamic financial system, Islamic banking is much more.

At the heart of Islam is a sense of cooperation - to help one another according to principles of goodness and piety, and not to participate in matters of evil or malice. In essence, Islam aims to eliminate exploitation and establish a just society through the application of Sharia to the operations of banks and other financial institutions.

Riyad Bank has applied a robust and effective Sharia governance framework in line with the 'Sharia Governance Framework for Local Banks Operating in Saudi Arabia', issued by SAMA, in order to ensure an effective internal control environment and that Islamic banking transactions are Sharia-compliant.

Riyad Bank values Islamic banking principles and has a reputable Sharia Committee to which it presents all its Sharia-compliant banking products and activities. This Committee pays close attention to the ethical aspects of tolerant Sharia.

As a result, the Bank adheres to the Sharia Committee's recommendations and does not implement anything our Sharia Committee forbids. During 2022, 9 meetings were held between the Islamic Banking Department and the Sharia Committee, in which 20 products and financing solutions were approved.

Riyad Bank offers a wide range of banking products and solutions that are Sharia-compliant. In the year under review, we continued to expand our portfolio of Islamic products, which includes financing and investment services and solutions to serve our customers and those of Riyad Capital.

The Islamic Banking Department approved the investment solutions developed by Riyad Capital, through the approval of the Sharia Committee to establish 5 Sharia-compliant funds, and agreed on their terms and conditions. The Committee also approved a number of Islamic banking solutions, offered by the Digital Banking Department through the adoption of the financing platform, by using Sharia-complaint agreements for corporate and individual sectors.

Vision 2030 includes the objective of increasing household savings rates. As a result, a greater sense of financial awareness has led to customers demanding more services catering to their own specific needs. In response, we offered Edikhar and Wazen Islamic saving products and are working towards introducing several others, including new saving plans and advance profit accounts.



Supporting Financial Inclusion

Riyad Bank is an inclusive institution committed to serving all customers regardless of gender, ethnicity, nationality, religion or profession. We place financial inclusion at the heart of all we do. Technological advancements such as increased smartphone penetration and artificial intelligence have made it easier for banks such as ours to offer accessible, low-cost digital financial services to previously underserved segments of the population.

People with Disabilities

We drive financial inclusion at all levels of society by providing accessible branches and suitable services for People with Disabilities (PWD). During the year under review, we achieved that goal through the following:

- Established adequate accessibility at 37 branches around the Kingdom to meet the needs of customers and employees with disabilities

- Conducted training for over 5,000 employees on how to deal with customers with disabilities
- Hired 40 new qualified employees with various disabilities during 2022 (2021: 19)

More information regarding our support for PWDs during 2022 is available on page 66 of this report.

Financial Literacy Classes

We support low-income individuals and educate a range of customers on financial management by providing financial literacy sessions on an ongoing basis. During 2022, we helped students, graduates and young people manage and understand the value of their finances by collaborating with the National Center of CSR to deliver workshops and seminars about saving and financial literacy.

This initiative was available nationally and internationally, with more than 29,000 people taking part. We encouraged our employees to register their children for the sessions.

Youth Financial Inclusion

To capture the interest of younger generations, Riyad Bank launched the Token Junior Banking program for children and adolescents. The program provides appropriate banking experience for each age group and is delivered with an educational tone under parents' supervision. The offering includes the following:

- Prepaid card
- Token bracelet
- Token application
- Savings program in collaboration with the Social Development Bank

In 2022, approximately 14,830 young people participated in the educational program.



7

Training courses and workshops



More than

29,000

Attendees



Sustainable Investing and Financing continued

Innovation in Financial Products

Our strategic aspiration for 2025 is to become the Best Bank in the Kingdom of Saudi Arabia. One of our strategic themes to achieve this is 'value through innovation' and we reaped the benefits of this approach in 2022. We embed a culture of innovation among our employees, enabling us to create new products and services while enhancing existing ones. This results in a better experience for our customers and other Stakeholders.

Molhem (Innovation initiative) Internal Innovation Program

During 2021, we launched a program called Molhem (Innovation initiative), which recognizes and rewards ideas from employees that help the Bank become more efficient and increase profitability. This program raised a variety of ideas from employees with diverse backgrounds and experience. In response, we conducted the first innovation bootcamp to shape employee ideas into genuine business models that can be launched to market. In 2022, we continued with the implementation of the program, focusing on new innovative customer-centric solutions through the employee idea sourcing pipeline.

Key activities included an intensive 6-day bootcamp with over 65 participants from across the organization. Participation was diverse, with 51% female and 4.5% PWD participants. A total of 3,264 mentoring hours were completed, generating 3 prospective innovation solutions and a 94% overall satisfaction rate.

WSL Open Innovation Program

Riyad Bank takes a keen interest in digital transformation. We were the first bank to launch a SAR 100 Mn. venture capital fund directed towards investment in the Fintech field, and we have strategic partnerships with several global platforms for innovation.

Riyad Bank permits anyone to communicate or enroll through our WSL website: [WSL.riyadbank.com](https://www.wsl.riyadbank.com)

Riyad Bank launched its WSL Platform in July 2021 as a simulation platform designed for entrepreneurs and innovators. We anticipate that this platform will play a pioneering role in accelerating financial sector development program objectives in accordance with Vision 2030.

The WSL Platform aims to give entrepreneurs and innovators a simulation experimental environment that allows them to:

- Develop programs and applications that simulate data
- Access banking connectivity to build innovative business models
- Conduct instant and effortless testing
- Operate under high security standards with technical support

Our WSL Platform provides an environment that enables talent in the Kingdom to innovate and develop in digital banking, find solutions for economic development and accelerate innovation for the next generation. Looking ahead, the WSL Platform will provide opportunities for cooperation between financial institutions and Fintech companies to create innovative financial solutions and develop forward-thinking banking applications for the Saudi financial sector.

The WSL Open Innovation program is an 8-week intensive cohort for Fintechs to build, test and validate their products and services in a robust bank-sponsored testing infrastructure. It is part of the Bank's effort to embrace innovators as partners in disrupting the financial sector and in preparation for the Saudi Central Bank's Open Banking regulations and framework. The main aim of WSL is to help empower these startups to build the future of financial services.

Since the launch of the initiative in 2021, we have run 3 consecutive cohorts, with 38 diverse participants from 9 countries. We have also accumulated 304 mentoring hours through 33 mentors and 60 virtual sessions.

Additionally, Riyad Bank participated in the WSL Demo Day at the Global Entrepreneurship Congress 2022 in an effort to actively support Fintechs and the entrepreneurship ecosystem. A total of 8 leading Fintechs participated. This gave them an opportunity to showcase their solutions to a group of Venture Capital Firms including STV, Seedra Ventures and S3 Ventures from Joa Capital.

Open Banking

Open Banking is rapidly accelerating in the Middle East, with the Kingdom of Saudi Arabia paving the way forward. Riyad Bank embarked on its Open Banking journey in 2021. Since then, we have developed various Open Banking financial and non-financial use cases. In addition, we developed a strategy and road map to guide the initiative in accordance with Saudi Central Bank (SAMA) guidelines. Consequently, 2022 was a great success. We went live with Malaa, an Open Banking partner, and received an award for **Outstanding Contribution to SMEs** from the Open Banking Forum for our SME initiatives and for providing successful financial solutions. In addition, Riyad Bank was selected by SAMA as a **KSA Open Banking Champion** in recognition of our efforts towards complying with the Kingdom's Open Banking standards and making the implementation of Open Banking a success in the Kingdom.

04

Product and Service Responsibility

We leverage digitalization and empower SMEs by providing them with accessible financial services, to support growth and foster a vibrant economy. Our commitment to digitalization and SME empowerment drives inclusive and sustainable progress.



Engaging and Satisfying Our Customers

We deliver a wide range of financial products and services to meet the unique needs of our clients and customers. We aim to be the bank of choice for customers, and to continually exceed their expectations, by delivering a seamless experience in all their interactions with the Bank.

Our strategic goals provide a road map for our customer service ambitions. This includes a wide range of initiatives through which we enhance our competitiveness, increase market share, accelerate the progress of digital transformation, improve the customer experience and develop a strong corporate culture. We believe that many possibilities can be unlocked for our customers.

Enhancing Customer Experience

Customer experience is a key differentiator for Riyad Bank. This has been a core part of our strategy since 2019. To make certain our performance meets these objectives, we track a range of metrics, including Net Promoter Score (NPS), Customer Effort Score (CES), Customer Satisfaction (C-SAT), turnaround time, error rates and customer feedback. These metrics are reported directly to the CEO and Customer Focus Committee members. We proactively anticipate our customers' needs and create new products and services to meet the demands of our customers.

During 2022, our turnaround times for mortgage loans, personal loans and auto lease services reduced significantly. We continued to provide employees with intensive training in customer service, which improved our brand value. This is evidenced by our NPS, which increased from a score of 50 in 2021 to 63 in 2022. The NPS measures the willingness of customers to recommend our products and services to others.

In line with our aim of enhancing the customer experience, we conducted transactional surveys measuring NPS, customer effort and customer satisfaction. Insight gained from these exercises was used to drive operational improvements and product development.

In addition, we continued to monitor our social media performance through internal reviews, as well as reviews conducted by external vendors. The aim was to make sure we obtained accurate and relevant insight into customer experiences, needs and priorities. We also conducted ongoing benchmarking against our competitors in terms of pricing and products.

Furthermore, we continued operating a dedicated user experience lab to measure interactions with our online and mobile application tools. This data was used to enhance the user experience and user interface. Insight was shared with senior Management daily, and with the CEO. This ensures that several business units have a line of sight on areas requiring improvement.

Performance: Customer Growth, Engagement and Satisfaction

During 2022, we achieved an 84% customer satisfaction rate and rapidly expanded our customer total, reaching 2.3 Mn. customers. Some 82% of our customers are active on our digital channels, compared to just 29% at the beginning of 2021. This is a testament

to the success of the Bank's digitalization programs.

Customer experience efforts led to demonstrable results this year, with NPS increasing across the board. Branches' NPS improved by 26% compared to 2021. ATMs scored 14% more than the year before. Riyad Mobile and Riyad Online NPS scores grew by 2%. The Call Center NPS climbed by 23% from 2021.

Net Promoter Score

| 2020 | 2021 | 2022 |
|------|------|------|
| 40 | 50 | 63 |

84%

customer satisfaction rate in 2022



26%

improvement in branch NPS in 2022



Leveraging Digitalization and Technology

Since 2018, Riyad Bank has invested in its technical and digital infrastructure with the aim of becoming a digitally powered organization, underpinned by a winning, talented and diverse team, and being an active force for good in everything we do.

Digital Transformation Strategy

Riyad Bank has adopted digitalization as one of our strategic pillars. Through this pillar, the Bank will develop and automate all transactions. We plan to expand our financial services through both digital and physical channels. Our digital transformation is therefore taking place in 2 parts:

- Digitizing our processes and providing smoother operations so that customers can apply for products online and receive services without going into a branch
- Improving the front-end applications with which our customers interact, including ATMs, Interactive Voice Response (IVR) and branches

Our digital transformation strategy relies on adopting modern technologies and innovative business solutions. It goes even further by harnessing the power of innovation to create a distinct customer experience and add value for all Stakeholders. The Bank contributes to the overall value of the digital economy and the achievement of key strategic initiatives outlined in Vision 2030.

Increasing Efficiency through Digital Technology

During 2022, we continued to digitally reengineer our business by prioritizing 2 initiatives aimed at increasing our efficiency through digital

technology. To begin with, the Bank implemented internal and external cloud computing to accelerate systems development processes and support remote work. This was a significant step towards improving operational efficiencies and reducing costs. This initiative will contribute to the growth of cloud computing services in the Kingdom and will enhance collaboration among role players in the Fintech community.

The second initiative is data and machine learning, which has become a feedback mechanism in key areas such as risk evaluation and management. We continued to partner with players in e-commerce and Fintech to create a solution that assists our customers in generating recurring revenues. This model is being promoted in the market.

Heightened uncertainty and volatility in the global markets have catalyzed the evolution of banking and accelerated the need to embrace cutting-edge technology to transform how we interact with our customers and conduct our daily business. Similarly, the increased availability of data, the use of analytics and Artificial Intelligence (AI), the continued adoption of cloud computing, and the emergence of new technologies – such as the distributed ledger – will rapidly transform our operations. In the period under review, our Analytics and Data Science team continued to leverage modern technologies to implement several value-adding business use cases, including digital channels and data privacy and security.

Digital Channels Performance

During 2022, Riyad Bank achieved a significant milestone in digital transactions: 82% of our customers are active on our digital platforms. In addition, more than 72% of our new customers were attracted through digital channels. This highlights the growing preference for digital banking among our customers. As customer expectations for availability and performance continue to rise, we are committed to delivering reliable and fast services across all our platforms.

To meet these expectations, Riyad Bank has made continuous investments in performance improvement and modern performance management tools and resources. Our technology spend on platforms and infrastructure reached an all-time high, enabling us to effectively support our larger bank strategy. Key areas of investment include platform expansion to accommodate the growth in our customer base and digital transaction volumes, enhancing security through advanced tooling and resources, and developing new features and functions for our customers and Staff.

In 2022, we remained focused on the ongoing digitization of the customer journey, recognizing the importance of digital platforms. Our Retail Banking segment now offers an end-to-end digital customer journey for account opening and credit applications, resulting in improved sales and enhanced client onboarding experiences.

Leveraging Digitalization and Technology continued

To keep pace with the rapid growth of digital banking, we redesigned and reorganized our internal digital channels, adding and updating several key services. Customers can now conveniently apply for banking products and services, open accounts, apply for financing, manage their payment cards, request credit card stops and receive account statements, among other digital services.

In addition to these customer-centric changes, Riyad Bank's technology and digital teams continually evaluate innovative technologies to modernize and enhance our capabilities. We adopt new technologies in a measured manner, ensuring they do not expose the Bank or our customers to unnecessary risks. The Bank implements modern tools and capabilities for data management, advanced analytics and data science, cloud and DevOps, and new platform architectures.

Riyad Bank remains committed to leveraging technology to provide seamless and secure banking experiences for our customers. We will continue to invest in digital innovation, expand our digital offerings, and adopt emerging technologies to meet the evolving needs of our customers in the digital era.



Data Privacy and Security

Cyberattacks have increasingly posed a significant challenge to organizations, with threat actors becoming more sophisticated and continuously evolving their capabilities.

With the increased digitalization of its services, the security of the Bank's sensitive data, transactions and availability of services have become a higher priority. Furthermore, the adoption of emerging technologies (such as cloud computing and Open Banking) in the Bank has necessitated enhancements to its cyber capabilities.

In 2022, the Bank restructured its cybersecurity processes to effectively identify and counter the increased sophistication of cyberattacks. A more robust cyber threat intelligence practice was established in alignment with SAMA guidelines, to proactively anticipate cyberattacks and protect the Bank's critical information assets. The cyber defense center continued to monitor and respond to attacks targeted at the Bank's environment, while closing off the exposed vulnerabilities associated with its IT assets within the defined framework. The security measures to protect its cloud environment, enhance DevOps practices, and identify third-party risks have been strengthened. The overall risk management methodology is an integral part of the continuous enhancement process. Riyad Bank is

effectively complying with the applicable regulatory requirements and best practices. The Bank has been constantly strengthening its cyber awareness program to raise awareness among all of its employees, contractors, vendors and customers.

Overall, the cybersecurity risk landscape continues to be dynamic and challenging. Riyad Bank has been able to proactively address the ongoing cybersecurity challenges and has deployed dynamic defense using multiple countermeasures for prevention, detection and response.

Since we are committed to maintaining a high standard of data privacy and to continuously monitoring and improving our processes in this area, data privacy is a key aspect of our Environmental, Social and Governance (ESG) performance. We respect the rights of our customers, employees and other Stakeholders to control their personal data and to be informed about how we use it. In 2022, we completed the preparation for complying with the personal data privacy law that will come into effect in 2023. This involved conducting a comprehensive data protection impact assessment, updating our privacy policy, and identifying appropriate technical and organizational measures to safeguard personal data, as well as assessing the training needs of our Staff in the best practices of data privacy.

Financing and Empowering SMEs

SMEs and entrepreneurs are essential for innovation and economic growth. SMEs are the major job creators in the Kingdom, and indeed around the world. However, they often lack access to finance, or available products or services may not meet their specific needs.

For many years, Riyad Bank has focused on the development of SMEs to support local industries and promote a diversified national economy. Supporting micro, small and medium enterprises is important to the Bank as it ties in with the Government's vision of job creation, as well as our own. We are focused on increasing the support that we provide to SMEs. We tailor our products to what SMEs require and process feedback so we can adapt and develop our products and services in line with their needs.

During 2022, we continued to provide accessible financing solutions to these establishments to enable them to continue their activities and retain their employees, despite disruptions resulting from the COVID-19 pandemic. We also enhanced our point-of-sale for retailers and reviewed the way we structure credit issuance. The Bank's improved Net Promoter Score (NPS) is evidence of its improved services during the year.

During 2022, for the fifth year in a row, Riyad Bank remained at the top of the list of institutions that support SMEs in cooperation with the Kafalah program. According to the 2022 Kafalah Report, our share of SME entities supported through the program was 31%, a remarkable achievement recognized by the Ministry of Trade and Finance. We are proud to be the top finance provider for SMEs in the Kingdom.

We look to support SMEs beyond financing. In cooperation with the IFC, we provide our SME customers with an SME toolkit, a platform that contains a comprehensive and expanded directory of models, software, research and information sources, as well as self-evaluation exercises and useful questions. The objective of the SME toolkit is to refine the administrative, marketing and financial skills of the owners and administrators of these enterprises to ensure the continuity of their businesses. In addition, we created a procurement certification course that equips small businesses to work with larger institutions.

2022 SME Support Initiatives

While SMEs are fundamental to a healthy economy, the effect of COVID-19 has been devastating for many of them. Financial and advisory support is a lifeline to survival and Riyad Bank has concentrated its efforts on providing practical finance options and expert guidance.

A highlight of 2022 was the launch of a SAR 100 Mn. Fintech fund to support SMEs and provide the Bank with valuable insight into the market. Two innovations were selected for further development funding.

Corporate Banking supported the National Technology Development Program in its latest initiative to finance technology startups, SMEs and large corporations. Riyad Bank signed a Collaboration Agreement with the

Culture Development Fund to create programs for business enablers in segments such as large corporations and MSMEs.

In combining 2 of our most important strategic goals during 2022, Riyad Bank expanded its operations for smaller businesses by adding 45 dedicated SME centers across the Kingdom. At the same time, we are building an end-to-end digital platform to fully digitize the lending process for SMEs.

We enhanced the capacity and capabilities of our workforce to serve SMEs better by:

- Increasing the number of employees dedicated to serving SMEs
- Expanding the number of dedicated SME centers across the Kingdom
- Increasing the amount of training provided to SME Staff
- Investing in SME client training to improve their business capabilities
- Initiating SME client workshops

Product Offering and Development

In support of micro-enterprises, the Bank launched the Kafalah product, which provided guaranteed financing to those affected by the COVID-19 pandemic. Collaborating with the Central Bank of Saudi Arabia, the Kafalah program offered a high coverage rate of 95%. Additionally, the Bank developed a financing product based on point-of-sale receipts. For SMEs, the Bank focused on updating and developing financing products to better cater to the needs of the sector.

Financing and Empowering SMEs continued

Programs and Agreements

Micro-enterprises:

We concluded an agreement with Salla E-commerce to support and help customers of MSMEs to enable them to use technical solutions in sales operations. This resulted in a major pivot to e-commerce for selling and delivering its products via the internet.

Small and medium enterprises:

- Agreement on the Tatweer program to enable real estate sector companies and institutions to obtain real estate support and financing
- Agreement on the Tourism Partners program with the aim of financing qualitative tourism facilities and activities around the Kingdom
- Memorandum of Understanding with the Cultural Development Fund to develop initiatives to support business ventures in the cultural sector

- A major partner and financier in green initiatives and projects in the Kingdom
- A cooperation agreement with the National Industrial Development and Logistics program, Ndaleb, to work on developing investment financing capabilities for the program's strategic axes
- Business development financing through the Technology Growth Financing Initiative, in partnership with the National Technology Development Program and the Small and Medium Enterprises Financing Guarantee program (Kafalah)
- Joining the Jadeer service provided by the General Authority for Small and Medium Enterprises to link enterprises with purchasing opportunities in the public and private sectors
- Extending the period of the 'Payment Deferment' and 'Secured Financing' programs to support the SME sector to March 2023

Sponsorships and Participation in Exhibitions

Micro, small and medium-sized enterprises:

- Main sponsor of the Global Entrepreneurship Congress in Riyadh (GEC) 2022
- Participated in LEAP Event 2022 in collaboration with National Technology Development Program (NTDP) Riyadh Bank
- Sponsored the Industrial Hackathon Event 2022
- Sponsored the Asharqia Chamber Incubator Project for Entrepreneurship Inauguration Event
- Sponsored E.shop Exhibition in partnership with Entrepreneurship Hafr Al-Batin & Hafr Al-Batin Chamber
- Main sponsor of Asharqia Chamber Forum
- Participated in Dulani Bosala event

Participation in Seminars and Conferences

Micro, small and medium-sized enterprises:

The Bank collaborated with the General Authority for Small and Medium Enterprises, as well as Chambers of Commerce and Industry, to organize over 10 seminars designed specifically for SMEs. Through these collaborative efforts, the Bank sought to empower and equip SMEs with the necessary knowledge and resources for their growth and success.



SME Performance

Financing SMEs

| 2022 | SAR'000s | | | |
|--|----------------|------------------|------------------|------------------|
| | Micro | Small | Medium | Total |
| Financing for small and medium enterprises – on-balance sheet items | 3,992,919 | 10,055,979 | 20,782,825 | 34,831,723 |
| Financing for small and medium enterprises – off-balance sheet items (nominal value) | 1,087,945 | 3,470,136 | 8,887,803 | 13,445,884 |
| On-balance sheet financing to small and medium-sized enterprises as a percentage of total on-balance sheet financing | 3.14% | 7.91% | 16.35% | 27.41% |
| Off-balance sheet financing to small and medium-sized enterprises as a percentage of total off-balance sheet financing | 1.75% | 5.57% | 14.27% | 21.58% |
| Number of financing (on and off- balance sheet) | 5,333 | 15,988 | 15,310 | 36,631 |
| Number of loan clients (on and off- balance sheet) | 3,627 | 4,577 | 1,735 | 9,939 |
| Number of secured financing from the Kafalah program (on and off- balance sheet) | 954 | 8,555 | 3,689 | 13,198 |
| Total secured financing from the Kafalah program (on and off- balance sheet) | 308,963 | 3,992,892 | 3,841,692 | 8,143,547 |

Supporting SME Development

Riyad Bank undertook several initiatives to support SMEs, including training and support for both customers and employees, as follows:

| 2022 | Micro | Small and Medium |
|--|---|--|
| Sector they belong to | Personal Banking | Corporate Banking |
| Their administration | Branch network | Small and medium-sized companies |
| Number of employees serving the segment | 28 | 187 |
| Number of employees who have been given training courses | 20 | 157 |
| Number of training days provided to employees | 58 | 280 |
| Number of clients who have been given training | 23,604 | 3,959 |
| Number of workshops offered to clients | 13,192 | 2,047 |
| Number of training days provided to clients | 230 | 61 |
| Number of centers or branches where the segment provides its services to customers | All branches of Riyadh Bank in all regions of the Kingdom serve a micro-segment | Small and medium enterprise centers: 45 centers dedicated to serving small businesses around the Kingdom, in addition to all Riyadh Bank branches and electronic channels |

Financing and Empowering SMEs continued

2022 SME Support Awards and Achievements

| Award | Presented by |
|--|--------------------------|
| Outstanding Contribution to SMEs | Open Banking Form Awards |
| Best Bank for SME Banking in Saudi Arabia Awards | Euromoney |
| Achievements | |
| <ul style="list-style-type: none">The Bank received awards from Kafalah for outstanding performance as the Most Enabling Bank (based on number of entities accessing funding for the first time), and the Best MSMEs Bank in the financing, tourism and technology sectors. The Bank also received 2 other awards: the Best Bank for SME Banking in Saudi Arabia (from <i>Euromoney</i> and <i>Asiamoney</i>) and the Open Banking Forum Award.In 2022, the Bank achieved a significant milestone by securing the top ranking in terms of the volume of loans granted to SMEs among all commercial banks in Saudi Arabia. This achievement highlights the Bank's commitment to supporting and financing SMEs, underscoring its leading role in driving the growth and development of the SME sector in the country. | |



Embedding a Culture of Strategic, Sustainable Procurement

Relationships with reliable vendors and other third-party service providers are ever more important in the era of globalization, banking digitization and technological innovation.

We consider our vendors to be strategic assets, and intend to establish strong, long-lasting and mutually beneficial relationships with all our suppliers and vendors. We developed a Vendor Manual for Banking Procurement that provides clear and comprehensive guidance for managing vendors in a consistent manner. The Bank reviews vendor performance to capture or prevent any operational losses or cybersecurity breaches.

The Procurement and Contracts Department at Riyadh Bank has updated all the Bank's procurement contract templates with best practices from a legal and compliance perspective.

Riyad Bank maintains a Code of Conduct for our vendors, which the Bank embeds by holding sessions and certification courses to introduce best sustainability practices. In 2022, the Bank engaged 679 vendors, which was 54 more than in 2021.

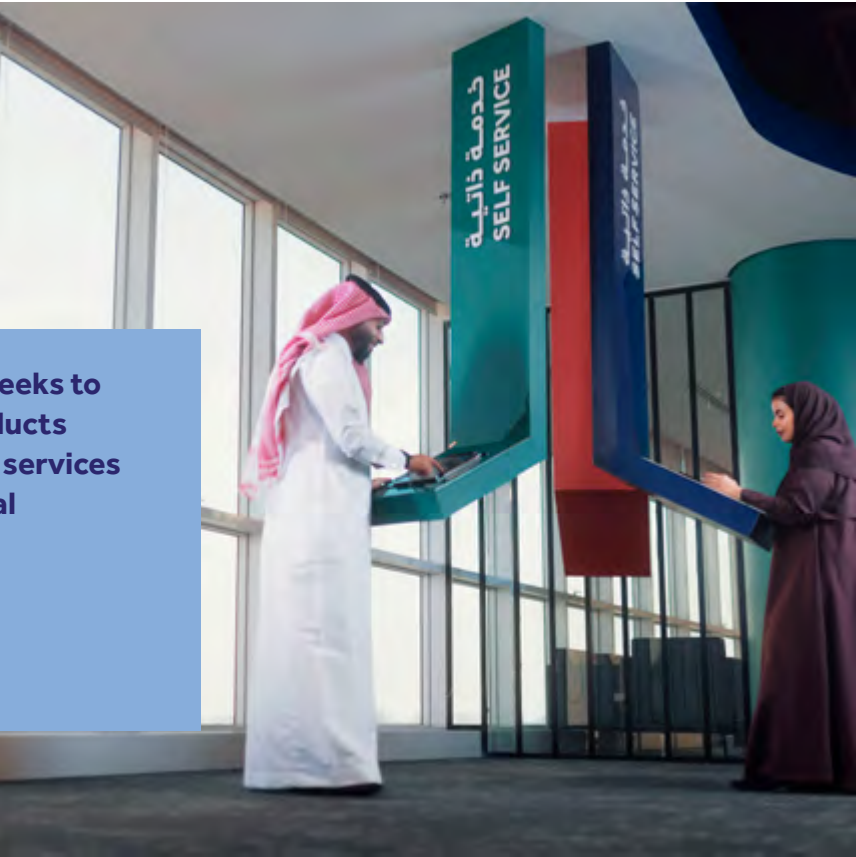
Procurement from Local Suppliers

The Bank seeks to procure products and external services from the local community whenever it is possible and feasible to do so. This is not only in line with the Kingdom's Vision 2030, but also delivers tangible value for our business. Sourcing locally increases the bottom line for suppliers and manufacturers in our communities, which stimulates the local economy.

Sustainable procurement represents an opportunity to preserve the environment and, ultimately, helps build consumer confidence, thereby increasing positive brand awareness and customer loyalty.

Our internal procurement practices include KPIs for the procurement team that take into account the number of SMEs supported and the Saudization rates of these companies.

Riyad Bank seeks to procure products and external services from the local community.



Embedding a Culture of Strategic, Sustainable Procurement continued

2022 Procurement Performance

| Procurement Performance | 2020 | 2021 | 2022 |
|--|-----------|-----------|-----------|
| Total number of suppliers engaged | 652 | 629 | 679 |
| Total number of local suppliers engaged | 530 | 531 | 470 |
| Total number of SME suppliers engaged | 290 | 365 | 341 |
| Procurement spending/contracting on local suppliers | 2.926 Bn. | 2.118 Bn. | 1.947 Bn. |
| Procurement spending/contracting on SME suppliers | 1.324 Bn. | 893 Mn. | 835 Mn. |
| Total procurement spending | 3.073 Bn. | 2.567 Bn. | 2.199 Bn. |
| % of the Bank suppliers engaged with are SMEs | 44% | 58% | 50% |
| One of the first local Saudi Banks to publish the Vendor Manual for Banking Procurement (English and Arabic version) to support the SMEs | | | |

Procurement and Contracts Departments' Progress and KPIs 2022

| Internal | Achieved |
|---|----------|
| Procure bank logistics demand from SMEs and enhance our procurement local content | 50% |



50% of the Bank's suppliers are SMEs.

Protecting the Environment for Current and Future Generations

We aim to reduce the environmental impacts of all Riyadh Bank facilities and diminish their carbon footprint. The Bank's new headquarters, currently under construction, is designed with the environment in mind.

Riyad Bank is excited to see work progressing on its new office building, which is being constructed in line with Leadership in Energy and Environmental Design's (LEED) sustainable and efficient building standards, with the interior designed to achieve LEED certification.¹

In addition, the building design incorporates the WELL Building Standard to support our employees' health and wellness.

We focus our efforts on increasing the efficiency of our spaces to reduce the environmental impacts stemming from

energy consumption, water consumption and waste generation by seeking ways to lower emissions and optimize our resources. This adaptation plan was developed with the support of global environmental experts and extends until 2027.

A Greener Bank for a Better World

We implement ongoing initiatives to reduce energy consumption while at the same time increasing energy efficiency through process redesigns,

the conversion and retrofitting of our equipment, operational changes, and increased employee awareness.

Having recovered from the disruption of the pandemic, we doubled our efforts to achieve our goals. Our recycling and energy-saving projects illustrated society's approach to waste and how we can all play a part in improving our outlook. We were delighted to be recognized by the Gulf Sustainability Awards in the Awareness and Education category.

Recycling

The cornerstone of the Bank's internal environment initiatives is our multi-pronged recycling project. Our headquarters initiated its recycling program in 2019. As part of the 'Saving the Environment Movement' and 'Be a Responsible Employee' initiatives, 2 recycling bins were placed in each division: 1 for paper and 1 for plastic. Recycling bins were also placed at selected branches.

In addition, regular communication encourages employees to sign the Pledge of Recycling. The Bank promoted the idea of the 'Recycling Ecosystem' to the head office, regional offices and 10 branches of the Bank.

During 2022, we continued with our recycling program. Material was collected as mixed recyclable waste in the following categories:

- Mixed paper, including office paper, magazines and newspapers,

envelopes, hard and soft-backed books, paper cups and confidential and non-confidential documents

- Plastic materials such as plastic cups and plastic bottles

Since the formalization of our recycling program, we have steadily increased our collections year on year, bringing the Bank closer to our goal of zero office waste to landfill.

Recycling Data kg/Year

| 2019 | 2020 | 2021 | 2022 |
|------|-------|-------|--------|
| 120 | 3,480 | 5,045 | 98,000 |

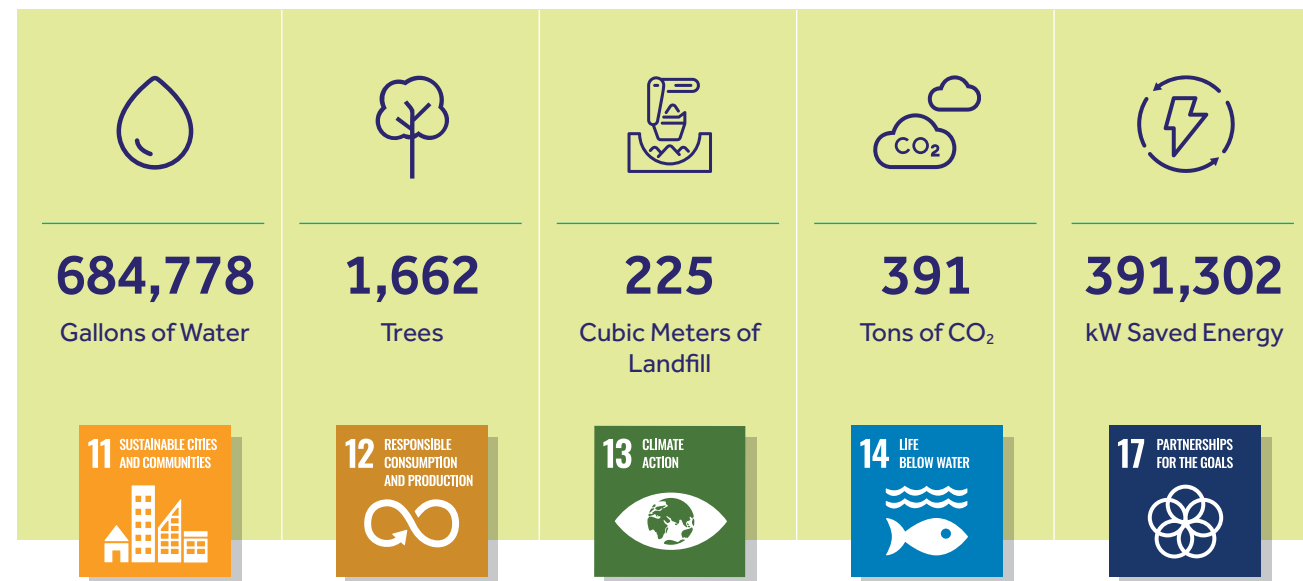
During 2022, the Riyadh Bank Granada building and Heart of Riyadh recycled 98,000 kg of plastic and paper. This was achieved through a structured program that collected ±8 tons of recyclable waste once or twice a week at both locations.

1. For more information about LEED, visit <https://www.usgbc.org/leed>

Protecting the Environment for Current and Future Generations continued

Environmental Impact Analysis

By recycling 98,000 kg of Riyadh Bank's premises waste, we saved:



The Bank is driving awareness of paper and waste material recycling across the organization. Our switch to digitalization and paperless banking will also organically reduce paper volumes.

We continued to promote the concept of the recycling ecosystem, aiming to recycle 40% of the paper consumed within our organization.

| | 2021 | 2022 |
|-----------------------|----------|-----------|
| Pages printed in kg | 3,174.22 | 33,305.46 |
| Recycled papers in kg | 1,809 | 82,932 |

Recycling at our Headquarters

| | Q1 | Q2 | Q3 | Q4 |
|-----------------------|-----------|-----------|-----------|----------|
| Pages printed in kg | 8,424.105 | 7,906.725 | 8,123.805 | 8,850.82 |
| Recycled papers in kg | 40,684 | 23,785 | 15,823 | 2,640 |

Electronic Recycling

During 2022, Riyadh Bank collaborated with Ertiqa Organization to recycle PC-hardware items.

| Hardware | 2021 | 2022 |
|--------------|------------|--------------|
| Computers | 226 | +1,000 |
| LCD screens | 235 | +700 |
| Printers | 22 | 22 |
| Scanners | 5 | 5 |
| Total | 488 | 1,727 |

Electricity



In line with our commitment to minimizing our environmental footprint, we reduced energy consumption by 8.8% in our head offices and warehouses in 2022.

| | 2020 | 2021 | 2022* | Change |
|-------------------|----------------|---------------|---------------|--------|
| Consumption in kW | 357,730,720.67 | 31,674,908.35 | 28,686,717.30 | 10.4% |

*Ghurnata Tower consumption was excluded in the 2022 electricity consumption, as figures were not fully submitted. When considering the 2021 consumption, we estimate around SAR 1.8 Mn. per tower, which calculates to an estimated total of SAR 10.3 Mn.

Earth Hour

To raise awareness about the importance of saving energy, we shut off all the lights in the head offices and main buildings in solidarity with this global event. We also launched our carbon footprint calculator, giving our employees a chance to track their habits and behaviors – which result in pollution – by calculating their own carbon footprint. The Bank shared with employees the number of new trees needed to offset their carbon footprint.

Building Management System

Riyad Bank started rolling out its Building Management System (BMS) at its branches in 2022.

This system will save an estimated 15% in electricity consumption per branch per annum.

13 branches

were upgraded in 2022.

A further

21 branches

are scheduled for upgrading by Q1 2023.

2018 to 2021



41.2%
Saved

Guinness World Record for Solar-Powered Streetlights

In collaboration with Restart LLC, we received a Guinness World Records Certificate for breaking the record in establishing the longest line of solar-powered streetlights, which consisted of 48 lights in Riyadh extending 9,735 meters in total.



Protecting the Environment for Current and Future Generations continued

Water

In 2021, we launched our World Water Day initiative. This initiative continued in 2022 with the aim of raising awareness about the importance of saving water. We installed stickers on the toilet mirrors in the Head Office in Granada and in HOR to remind the employees to use less water.

In addition, we raised awareness about saving water by way of a competition, asking employees to share their best daily practices to save water.



| Water Consumption | 2020 | 2021 | 2022 |
|---|------------|------------|------------|
| Total water consumption (liters) | 42,265,094 | 41,396,918 | 43,602,209 |
| Water consumption intensity (liters/employee) | 8,090 | 7,750 | 7,790 |

Gray Water System

Gray water, or waste water from bathroom and kitchen basins, can be reused for landscaping and irrigation purposes, helping to save the environment by limiting water use and discharge.

Riyad Bank is implementing gray water systems at its branches. Each system can recycle an estimated 10,000 liters of water per day. In 2022, the systems were rolled out at 3 branches, with a further 9 to be added in 2023.

Beach Cleaning

In collaboration with an environmental group and Jeddah's Municipality, we activated our World Cleanup Day contribution by sponsoring a cleaning initiative in Jeddah. Riyad Bank employees and their families volunteered in the biggest environmental event to clean the beach. They also dived to collect waste from the ocean. This initiative involved the collaboration of more than 500 volunteers and 12 divers from among Riyad Bank's employees.

| Waste Materials | 2021 | 2022 |
|-----------------|--------|--------|
| Glass | 38 kg | 123 kg |
| Paper | 54 kg | - |
| Plastic | 178 kg | 856 kg |
| Steel | - | 67 kg |

Tree Planting

Planting trees helps to offset greenhouse gases, thereby combating climate change, and improve biodiversity. Therefore, it is a key part of Vision 2030, implemented through vehicles like the Saudi Green Initiative.

Today's plantation is tomorrow's future

In collaboration with جمعية آفاق خضراء, Riyad Bank participated in a tree planting event that included employee volunteers from Riyad Bank, employees of the Quality-of-Life program, Princess Noura University students, Al-Maarefa University students and Al-Ghad School students. A total of 200 volunteers participated, with 5,000 trees being planted.

Looking ahead

We signed an MOU with جمعية آفاق خضراء with the target of planting 4 million trees in 10 years. The project aims to:

- Use renewable energy to reduce electricity consumption by 650 GW per hour
- Develop vegetation cover for over 3 Mn. square meters
- Reduce carbon emissions by 10 tons per year

In addition, Riyad Bank's Bukra Nursery (مشتل بكرة), strategically located in the Um Shaqouq Park in Thadiq Governorate, will produce an estimated 400,000 seedlings annually while providing education and creating awareness.



+500 volunteers participated in a beach cleaning initiative in collaboration with Jeddah Municipality.

05

Empowering Our People

Our people are central to our ability to create sustainable value. Consequently, human capital development is one of the pillars of our strategy.



Workforce Analysis

| Workforce Overview | 2021 | 2022 |
|--|-------|-------|
| Total workforce (excluding trainees, students) | 5,338 | 5,593 |
| Senior Management employees | 202 | 233 |
| Middle Management employees | 1,469 | 1,600 |
| Non-management employees (Staff) | 3,667 | 3,700 |
| Number of nationalities | 25 | 25 |

| Workforce by Age and Gender | 2021 | 2022 |
|---------------------------------------|-------|-------|
| Employees aged 18–30 | 1,440 | 1,404 |
| Employees aged 31–50 | 3,685 | 3,958 |
| Employees aged 51+ | 213 | 229 |
| Male employees | 3,879 | 4,002 |
| Female employees | 1,459 | 1,591 |
| Female employees in middle Management | 361 | 440 |
| Female employees in senior Management | 18 | 21 |

| New Hires and Turnover | 2021 | 2022 |
|--|-------|------|
| Total new employee hires: | 714 | 882 |
| Male | 412 | 556 |
| Female | 302 | 326 |
| Employee turnover (voluntary and involuntary): | 592 | 719 |
| Male | 422 | 464 |
| Female | 170 | 255 |
| Employee turnover (voluntary) (%) | 9.93% | 13% |

Overview:
Safeguarding Our
Greatest Asset

Riyad Bank’s 5,593 full-time employees are the heart of the organization. Their journey with us is the cornerstone of our operations and our ability to create value for our people. We are therefore driving a philosophy of being the best employer we can be, with the goal of being recognized as the Kingdom’s bank of choice for employees by 2025. We show how much we value our employees through recruitment, selection, engagement, development

and retention initiatives. These are bolstered by a comprehensive rewards program, which allows us to provide competitive remunerations and benefits.

The COVID-19 pandemic’s impact continued into 2022, with Riyadh Bank doing everything possible at the time to safeguard our people in the face of this ongoing threat. We implemented onsite vaccination areas during a strictly monitored return to work and maintained the full spectrum of safety and security measures across all our work environments to comply with regulations.

Post-pandemic, Riyadh Bank prioritized proactive engagement with our employees, along with their general wellbeing. The Bank’s Human Capital Roadshow 2022 saw the Human Capital (HC) team visiting all Riyadh Bank locations and branches across the Kingdom to conduct people-centered awareness sessions, with a view to enhancing our employees’ sense of belonging to the organization. Our annual Organization Health Index (OHI) survey showed that we maintained our position in the top quartile against global benchmarks.

Employee
Engagement

In line with our commitment to providing the best possible work environment for our employees, we have made organizational health a priority at every level of the Bank – from the moment a new employee is onboarded and beyond.

OHI Survey

Evidence shows organizational health can have a direct impact on an organization’s financial performance

and productivity. The more engaged employees are, and satisfied with their jobs and organizational health, the more focused they will be on their roles and responsibilities. For this reason, we conducted the OHI Survey. This gave us a better understanding of our employees’ needs and desires. Over 5,000 employees took part in the survey, generating more than 7,000 employee comments. Combined with additional data, we analyzed the outcomes. Divisional heads and Executive heads cascaded the OHI results to their teams for discussion and they then decided

which practices to enhance and which to replace. The entire end-to-end journey of the incoming organizational health philosophy, along with its specific projects and initiatives, was communicated to all employees to ensure clarity, engagement and transparency.

Employee Engagement
Initiatives

Following thorough engagement with all employees, including through the OHI survey, Riyadh Bank implemented several initiatives and activities to help raise employee engagement.

Kafo Recognition
Program

A total of 50,000 ‘Thank You’ cards were distributed among employees in 2022, to acknowledge their colleagues and demonstrate their pride and commitment to each other. These were sent to thousands of employee LinkedIn accounts.

Value Ambassador of
the Month Program

Over 200 employees who made a significant impact on the business and organizational culture were formally recognized as part of the program.

Mustaqbali
Exhibition

This event was held to educate and spread awareness on career management. More than 4,000 people attended. Over 150 internal vacancies were announced to demonstrate the opportunities for growth across the organization.

Employer of Choice
Activities

Riyad Bank hosted a Family Day – an event for our employees and their families in Riyadh, Dammam and Jeddah to enjoy a day out. Other key events included the Padel Tournament, Baloot Tournament, Kashta, National Day, Foundation Day, Fawazeer Ramadan and Iftar Ramadan.

Careem for
Transportation Services

Following feedback regarding a shortage of allocated employee parking spaces, Riyadh Bank initiated a collaboration with Careem to transport Staff members.

Tuhoon
Application

The Bank offered our employees a free subscription to the Tuhoon app, which supports emotional health and provides a scientific approach for individuals to enhance their sleep patterns and reduce work-related stress.

Human Capital (HC) Roadshow

The HC team conducted its annual roadshow to connect and engage with our employees across the Kingdom, and to present a range of employee programs and offerings in a total of 128 sessions. This roadshow was held at all Riyadh Bank branches, including those in remote areas.

Senior Team Gathering

The HC team conducted 4 team-building sessions with all senior managers to encourage interaction and reduce the silo effect across the Bank. Approximately 180 members of our senior Management teams attended.

Riyad Bank’s initiatives continued to deliver clear improvements in the organizational culture and the lives and wellness of our employees, including:

- Senior leadership becoming closer to employees and more open to their feedback
- Increased willingness to adapt and accept the environment
- Improved employee engagement, with over 74% of employees saying they will not leave the Bank if they have the choice

Remuneration and Rewards

Riyad Bank believes in holistically remunerating its employees through salaries, incentives, benefits, employee recognition, development and care.

The Bank’s performance-based system links rewards directly to contribution on 3 levels: bank performance, functional/ divisional performance and employee performance. Cash and cashless programs are offered to employees as a tool to motivate and encourage outstanding performance in pursuing the highest levels of productivity.

In 2022, we participated in an industry salary survey, followed by an annual pay review that benchmarked employees’ compensation against the market and best practices to ensure we remain competitive as an organization.

To build strong employee retention, we will continue to monitor our total reward strategy and make necessary changes where appropriate.

Learning and Development

We believe that educating our employees not only enhances the skills available to Riyad Bank, but also improves the value proposition of the industry.

Riyad Bank Academy

The Riyad Bank Academy was inaugurated in 2021 to empower our people by introducing them to the latest developments in the banking and financial services sector. The Academy has become a leading contemporary learning hub and an institute of repute in financial and banking studies in Riyadh. It augments the city’s role as an international financial training center.

The Riyad Bank Academy philosophy is as follows:

- Empower qualified professionals who are prepared to make the most of developments in the banking industry, while giving Riyad Bank an edge over its competitors by providing quality training at different levels. We view training as an investment, not an expense

- Provide employees with the skills, knowledge and attitudes needed to improve their performance and advance themselves within the Bank
- Develop employee skills in a way that contributes to reducing work procedures and consequently reduces operating costs, improves productivity, and raises operational efficiency
- Contribute to building future leadership

The Bank holds internal training courses both at the Riyad Bank Academy headquarters and via remote learning channels. In 2022, the Riyad Academy delivered 14,531 in-person training days and 48,619 total training days. These encompassed online training courses organized in partnership with leading local and international training institutes, as well as conferences and courses offered from outside the Kingdom by well-known Arab and foreign advisory and training bodies. Riyad Bank is particularly proud of our Future Leaders program, which we operate in partnership with 2 of the leading executive education providers in the world: the University of Michigan’s Ross School of Business and the IESE Business School.

In addition to a vibrant curriculum, Riyad Academy teaches English to employees to enable them to communicate with clients and absorb the latest developments in the global banking industry. The Bank is also working on developing the professional

qualifications of its employees, with the aim of raising its overall professional and technical expertise internally.

Over the coming years, Riyad Bank Academy will continue to educate and connect more than 6,000 ambitious

professionals from Riyad Bank divisions and branches in several regions. The Academy gives them access to a strong global network with world-class alliances and accreditations.

| Learning and Development Analysis | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Sessions | 826 | 380 | 400 | 604 | 674 |
| Courses | 227 | 184 | 146 | 322 | 245 |
| Offerings without online | 8,360 | 4,741 | 12,338 | 5,911 | 9,810 |
| Online attendance | 8,094 | 30,332 | 27,886 | 8,429 | 35,071 |
| Training days without online | 14,350 | 9,754 | 19,361 | 14,360 | 14,531 |
| Training days with online | 22,444 | 40,086 | 47,247 | 35,162 | 48,619 |
| Training hours (6 hours per day) | 134,664 | 240,516 | 283,482 | 210,972 | 291,714 |
| Attendance | 8,087 | 4,330 | 9,410 | 13,243 | 14,677 |

| 2022 Learning | Total Days | Total Hours | Total Employees | Males | Females |
|---------------|------------|-------------|-----------------|-------|---------|
| Mandatory | 31,877 | 191,262 | 5,334 | 3,762 | 1,572 |
| Non-mandatory | 22,818 | 136,908 | 4,141 | 2,814 | 1,327 |
| E-learning | 33,261 | 199,566 | 4,251 | 2,894 | 1,347 |



Career Management and Succession Planning

Each year we identify, assess and develop employees with the potential to move into Executive Management, leadership or other vital positions, in line with the Bank’s business sustainability and 2025 strategic priorities. We utilize global best practices and local regulatory requirements to mitigate the risk of losing key people. The Human Capital (HC) division has deployed professional career counselors to keep employees informed of their potential career paths.

The HC division adopted a policy of modernizing and developing the frameworks that govern the work of career paths and succession planning at Riyadh Bank. The division reviewed the behavioral, technical, product and functional skills at all organizational levels of the Bank. Following this study, HC intends to introduce an integrated business model that improves current practices and reduces operational risks. The Bank prioritized developing its internal talent through its Maserati program, which seeks to fill vacancies with internal talent first before advertising outside the Bank. So far, we have transferred 187 employees into new roles through this program. All employees undergo yearly performance reviews.



Training Programs

| | Co-op Trainees | Tamheer Trainees | Total Trainees |
|---|----------------|------------------|----------------|
| Number of students | 94 | 107 | 201 |
| Male students | 45 | 34 | 79 |
| Female students | 49 | 73 | 122 |
| Number of students offered permanent employment | 3 | 30 | 33 |

Saudization

Riyad Bank actively participates in the Nationalization Strategic Plan to substitute foreign talent with Saudi expertise.

| Saudization | 2020 | 2021 | 2022 |
|-------------------------|-------|-------|-------|
| Saudization rate 95.73% | 4,827 | 4,913 | 5,354 |

Diversity and Inclusion

The Bank’s HC policies spell out the behaviors we expect from our managers and employees to provide a working environment in which everyone can perform to their full potential. We make sure our employment policies and practices do not unintentionally create the potential for discrimination or unconscious bias. Policies are in place to accommodate the needs of people living with disabilities and to guard against harassment in the workplace.

Gender Diversity

| Saudization | 2020 | 2021 | 2022 |
|-------------------------------------|-------|-------|-------|
| Total number of national employees | 4,827 | 4,913 | 5,354 |
| Number of female national employees | 1,286 | 1,327 | 1,591 |
| Number of male national employees | 3,541 | 3,586 | 3,763 |

We recognize that diversity and inclusion are more important than ever to enable our strategic vision. Therefore, we remain committed to fostering an inclusive and transformed workplace to serve our diverse customers. As part of this effort, the Human Capital team, in cooperation with the Best Place to Work organization, conducted a survey to measure the level of female employees’ satisfaction. The study resulted in Riyadh Bank being certified as the ‘Best Place to Work for Women in Saudi Arabia 2021’.

Supporting Employees with Disabilities

Riyad Bank is an equal opportunity employer. We comply with the necessary practical and emotional standards required to create a safe working environment for People with Disabilities (PWD). This applies throughout the entire employee journey, from recruitment and progress to support and promotion.

Employees with Disabilities

| Saudization | 2020 | 2021 | 2022 |
|-----------------|------|------|------|
| Number of hires | 8 | 19 | 40 |

Maintaining an Inclusively Safe Working Environment

Riyad Bank continues to build a strong health and safety culture within its workforce by standardizing Health and Safety policies and activities across the organization. Everyone is included in our fire drills and evacuation plans as we train our emergency ambassadors to support employees with physical disabilities during evacuation drills and situations.

The Bank pays careful attention to the safety of PWDs, and we continually find ways to improve their safety. Special evacuation chairs for employees with physical disabilities are stationed at marked locations in each building for a safe exit. Designated evacuation ambassadors are trained on how special evacuation chairs should be used to help PWDs in the event of an emergency. The Bank’s fire alarms are equipped with a lighting feature to guide our deaf and hard-of-hearing employees to safety.

Internships and Work Experience

As the Bank becomes a leader in innovation for our products, services and processes, we need to recruit more talent and ensure we have the skills, knowledge and expertise required to take the Bank forward.

Fursan Al-Riyad Program

In 2020, Riyadh Bank launched the Fursan Al-Riyad program, which is designed to acquire top-caliber Saudi graduates for the Bank’s future talent and leadership pipeline. Our aim is to create a new generation of entrepreneurs at Riyadh Bank.

This year-long training program aims to create job opportunities for recent graduates and has succeeded in attracting more than 12,000 applicants since its inception.

In 2022, the program took place in 3 batches:

- Batch 1 with 24 trainees commenced in May
- Batch 2 with 39 trainees commenced in August

- Batch 3 with 35 trainees commenced in December

The successful candidates were selected to participate in the program after completing comprehensive selection and appointment processes at the Bank’s specialized testing centers. During their time in the program, the focus was on developing their capabilities and enriching their knowledge in the behavioral aspects, as well as particular job skills, project management and other dedicated training paths needed to thrive in the working environment.

Some Fursan recruits are now fulfilling key roles throughout the Bank, while others have found work in technology, IT service management, cybersecurity, digital governance and emerging technology.

Internships

Our internship program provides students with an opportunity to gain work experience and training in a professional setting. The internship comprises an ongoing collaboration between the student, the faculty member and the employment

supervisor. In 2022, Riyadh Bank placed over 201 students in its internship program. The program ran for a period of 3 to 6 months across our branches, departments and divisions.

Tamheer Training Program

Riyad Bank participates in the national Human Resources Development Fund (HRDF) Tamheer Training program, which aims to attract Saudi graduates from local and foreign universities by offering them an opportunity to gain the experience and skills required in the market.

HRDF provides a training allowance of SAR 3,000 per month over a 3- to 6-month training period and awards certificates of completion. Riyadh Bank can then hire promising and qualified Saudis once the Tamheer program is complete.

This year, we trained 107 Tamheer recruits. Since commencing our participation in the program, we have placed a total of 33 Tamheer trainees in permanent jobs.

06

Positive Community Impacts

At Riyadh Bank, we make a positive impact on our communities. We are committed to being a catalyst for sustainable change and a trusted partner in building resilient communities.



Community Support and Investments

Riyad Bank is a responsible business committed to the wellbeing of the people of Saudi Arabia. We believe our ability to create sustainable value is linked to the prosperity of the communities in which we operate and that of society at large.

Riyad Bank has developed a comprehensive Bukra CSR strategy that outlines our key priorities for social investment. This strategy is aligned with Saudi Vision 2030 and the UN SDGs and guided by local and global best practice.



| Community Investment and Volunteering | 2020 | 2021 | 2022 |
|--|---------|---------|---------|
| Number of beneficiaries of community activities | 108,321 | 237,253 | 920,044 |
| Total number of employee volunteering hours | 103 | 811 | 1,907 |
| Number of volunteers | 32 | 395 | 452 |
| Financial literacy classes in collaboration with National CSR Center | 16 | 30 | 39 |

Playing an Active Role in Our Community

This Report highlights how Riyad Bank’s activities contribute to meeting these UNSDGs.

During the Holy Month of Ramadan, we partnered with a non-profit enterprise on our food distribution initiative. Consequently, we distributed 20,000 food baskets and 200,000 meals in 5 cities to 162 charitable organizations around the Kingdom. We also implemented a comprehensive employee volunteering program, enabling our employees to support community initiatives.

We contracted an external service provider to conduct a review of our Social Return on Investment (SROI). This enabled us to get deeper insight into the impact of our CSR initiatives. Information on these initiatives was shared with our CSR Committee, led by the Bank’s Chairman and comprising members of the Bank’s Executive and senior Management.

Other key highlights for the period include the successful implementation of our social initiatives, including our Ramadan campaign, blood donation drives, employee volunteering, environmental initiatives, support for small businesses as well as support for PWDs.

Riyad Bank’s community investments span both financial and non-financial support, including direct charitable donations, CSR-based sponsorships, community interventions and initiatives, and employee volunteering. Our multifaceted approach to social investments enables us to deliver structured interventions for long-term impact while remaining agile and responsive to the needs of our communities as they emerge.

Bukra Ambassadors

Riyad Bank has approximately 6,000 Staff. Our employees are integral to our CSR initiatives and contribute to our social investments by volunteering

their time. During 2022, 452 employees spent 1,907 hours (about 2 and a half months) volunteering for various social and environmental causes. This is a marked increase in the number of

employees and volunteering hours recorded in 2021 and a testament to our ongoing commitment and character as responsible corporate citizens.

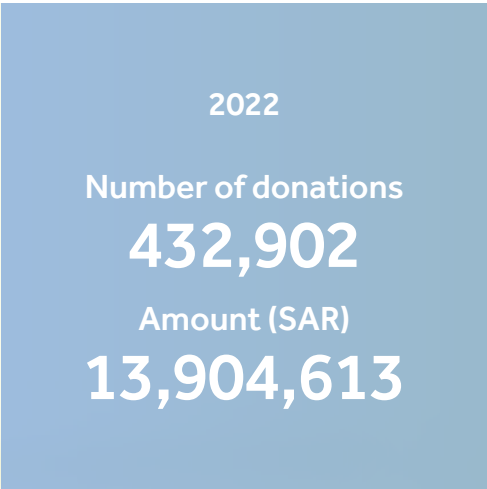
| | 2020 | 2021 | 2022 |
|------------|------|------|-------|
| Volunteers | 32 | 395 | 452 |
| Hours | 103 | 811 | 1,907 |

To provide our employees with even more opportunities to volunteer, Riyad Bank is collaborating with the Minister of Human Resources and Social Development, giving Staff members access to national initiatives that they can contribute to.

Charity Donations

To support non-profit organizations in the work they do, a functionality on Riyad Bank’s digital channels (including the mobile application, website and ATMs) allows Riyad customers who want to donate towards a good cause to find the organization they want to support on a drop-down list and donate directly.

In 2022, over 430,000 donations were made to charities using this function, amounting to almost SAR 14 Mn. in funding.



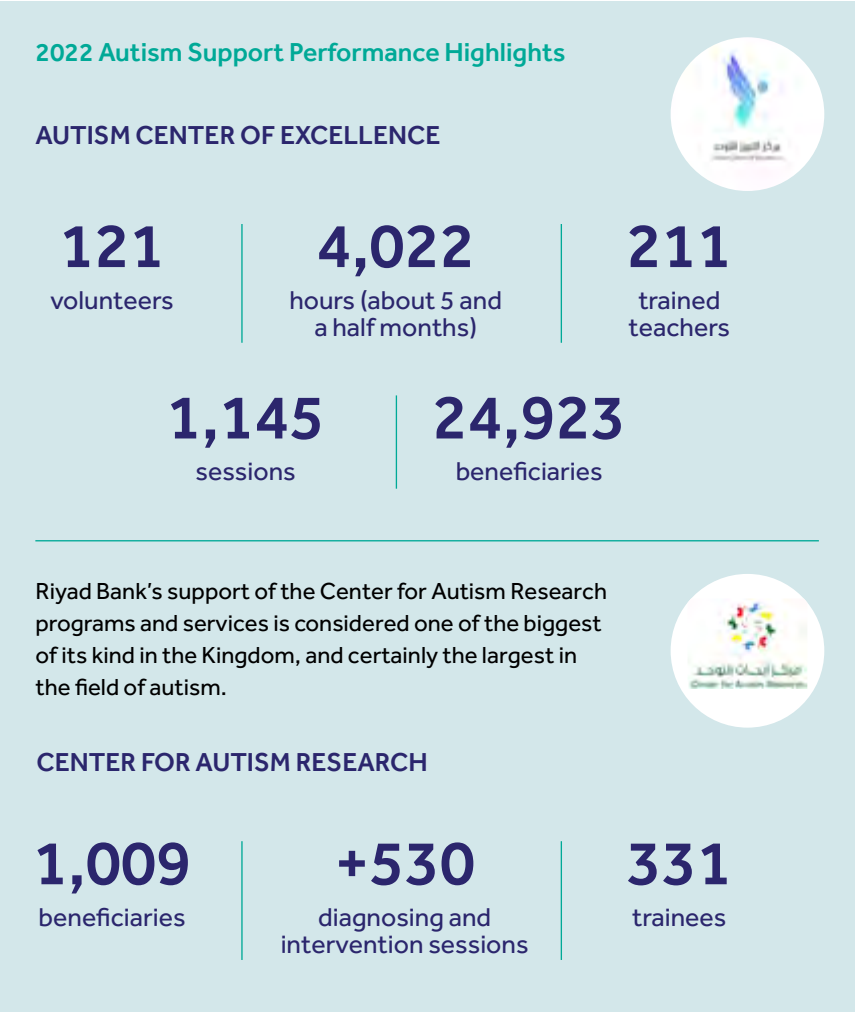
Supporting People with Disabilities

Autism Center of Excellence

In 2018, Riyadh Bank signed an agreement with the Ministry of Human Resources and Social Development to fund the Autism Center of Excellence for a period of 5 years. The agreement was renewed in 2022. As part of the agreement, contributions to the Center's operations, research and development are as follows:

- Providing specialized rehabilitation services for people with Autism Spectrum Disorder (ASD)
- Scientific and applied research in the field of ASD
- Training for therapists in the field of ASD
- Supporting the community and families of ASD through awareness programs

Through support from Riyadh Bank, the Center continued to offer a world-class standard of care and develop its services and rehabilitation programs for the treatment of autism spectrum disorder.



We hired 40 employees with disabilities and supported their participation by installing live transcriptions to WebEx meetings for employees who are deaf or hard of hearing.

Employing People with Disabilities

The Bank aims to be an inclusive institution and emphasizes the needs of People with Disabilities (PWD). We are committed to raising internal awareness, enhancing accessibility to our offices, and promoting sign language and speech-to-text capabilities.

During 2022, we hired 40 employees with disabilities and supported their participation by installing live transcriptions for WebEx meetings for employees who are deaf or hard of hearing. We also installed text-to-speech software to enable our employees with visual disabilities to access written data. Designated employees received tablets equipped with live transcription apps for easier communication.

To create an inclusive culture and work environment, the Bank conducts workshops to educate its employees on the best practices for inclusion. The etiquette of dealing with PWDs is a mandatory course for all Riyadh Bank's employees. This course explains how to engage and interact with persons with physical, hearing and visual disabilities and features important information on different types of disabilities as well as accessibility and reasonable accommodations for persons with disabilities. Over 5,000 Riyadh Bank employees passed the course in 2022. In addition, Riyadh Bank was the only bank participating in the Purple Saturday initiative launched by the Authority for Persons with Disabilities. Exclusive offers on bank products were shared with customers with disabilities on social media.

Health and Wellness

Blood Donation Initiative

As part of our ongoing efforts to increase blood and organ donations, we conduct 2 blood donation drives among our employees every year. In 2022, through our campaigns in June and September, we enlisted a total of 794 blood donors, resulting in over 350 liters of blood donated, which was enough to save an estimated 2,382 lives.

Blood donation campaigns were conducted at the following locations:

- King Faisal Specialist Hospital and Research Center
 - Blood banks in different regions
 - Almana hospitals
 - Regional Laboratory and C.B.B.
- We will continue to target at least 10% growth in the number of donors annually.

| | 2020 | 2021 | 2022 |
|---------|------------|------------|------------|
| Donors | 382 | 549 | 794 |
| Volumes | 168,970 ml | 247,050 ml | 357,300 ml |



Active International Days

The Bank commemorated several key dates on the annual calendar. Activities include raising awareness of the significance of each day through email broadcasts and social media campaigns. These campaigns were conducted in both Arabic and English.

| | |
|-------------------------------|---|
| International Women's Day | We activated International Women's Day through an internal broadcast. The messaging focused on the important role women play in society. |
| World Down Syndrome Day | On 8 and 9 March, we activated World Down Syndrome Day in collaboration with the Help Center in Jeddah by using recyclable waste (60 kg of paper and 30 plastic bottles) to create artwork. Our employees volunteered to help 24 children with Down Syndrome to create artwork explaining the importance of saving the environment. |
| Earth Hour | To raise awareness about the importance of saving energy, we shut off all the lights in the head offices and main buildings. |
| Blood Donor's Day | We activated 2 blood donation campaigns in the Kingdom's 5 main cities: Riyadh, Jeddah, Jazan, Najran and Dammam. |
| World Environment Day | We implemented an initiative to clean Wadi Hanifah Park in collaboration with DGDA. It helped to raise awareness about the community's responsibility towards the environment. |
| International Day of Literacy | We activated International Literacy Day to increase digital literacy awareness among the elderly in collaboration with جمعية المتقاعدين, reaching over 100 beneficiaries. |
| World Saving Day | We participated in the World Saving Day in collaboration with مدارس التربية النموذجية and Classera by conducting saving workshops over 3 days. We promoted Token and Wazen. The effort resulted in the following: <ul style="list-style-type: none">• Total in-school attendees: 1,800 students• Total online attendees: 27,814 students• 7 countries reached• 9 cities reached across the Kingdom |
| Breast Cancer Awareness Month | We raised awareness of breast cancer by sharing short videos of breast cancer survivors. We used the opportunity to address common questions in partnership with the Ministry of Health. |
| World Cleanup Day | In collaboration with an environmental group and Jeddah Municipality, we sponsored a cleaning initiative in Jeddah. The Bank's employees and their families volunteered to clean the beach and collect waste from the ocean. The activity was conducted with the support of over 500 volunteers and 12 divers. A total of 856 kg of plastic, 123 kg of glass and 67 kg of steel were collected on the day. |
| Alzheimer's Awareness Month | To raise awareness about Alzheimer's, we collaborated with the Saudi Alzheimer's Disease Association to raise awareness through messaging distributed via our network of ATMs. |
| Eid Al-Adha Initiative | We encouraged our employees to participate in packaging 1,000 gifts for orphans for Eid Al-Adha. This was done in collaboration with Rikaez Al-Tafaul Corporation in 3 main cities: Riyadh, Jeddah and Dammam. |
| Hajj and Umrah Initiative | The project was aimed at reducing food waste by collecting and sorting 1 Mn. meals from surplus food and preparing them for low-income families. |
| World Diabetes Day | We participated in World Diabetes Day by raising awareness about diabetes. We supported the rollout of HbA1c testing for Riyadh Bank employees. In addition, the Bank's employees participated in a bicycle marathon and sponsored a marathon at Prince Norah University. |
| World Sight Day | We participated in World Sight Day in collaboration with different organizations serving people with visual disabilities. |
| International Day of Charity | We participated in the International Day of Charity through the following initiatives: <ul style="list-style-type: none">• Blood donation• Visit the Autism Center of Excellence• Paintball activity with 150 orphaned children• "Make a Wish" initiative |

THE YEAR IN NUMBERS



A key priority in 2022 was to enhance environmental protection and sustainability without compromising the quality or quantity of our previous commitments which had made a massive impact on the community. To achieve this, we aligned all members and departments within the Bank to contribute to and support our CSR programs and initiatives. Their input was invaluable, and they helped us to maintain our past successes while setting new standards.



We activated 2 blood donation campaigns in the Kingdom's 5 main cities: Riyadh, Jeddah, Jazan, Najran and Dammam.

07

Sustainable Value Creation Through Good Governance

We prioritize transparency, accountability and ethical practices through robust frameworks and responsible decision-making. Our commitment to sustainable value creation drives us to build a prosperous future through sound governance.



The Board of Directors, the Board Committees and our Management team are committed to upholding high standards of corporate governance, reflecting best practice and applicable regulatory guidelines, including those of the Saudi Central Bank (SAMA).

The Board endeavors to create maximum value for Shareholders by providing strategic oversight aimed at the ongoing alignment of the Bank's purpose, values and business model with operating environment dynamics and, ultimately, the relevance and sustainability of the business.

Our governance framework defines and informs the Board's role and responsibilities with regard to this strategic oversight. The framework covers a range of activities, responsibilities, policies and procedures that oversee the operations of the entire Bank to manage and monitor compliance, ethics and risks.

We expect all our employees to be well-versed in Riyadh Bank's Code of Conduct and our Principles of Conduct and Business Ethics Policy, and to act in a manner aligned with our vision and principles.

Board Committees

Riyad Bank's Board of Directors delegates some of its duties to its main Committees:

- Strategic Planning Group
- Audit Committee
- Risk Management Committee
- Nomination and Compensation Committee
- Executive Committee

These Committees are made up largely of members of the Board. Exceptions are the Audit Committee, which includes 3 external independent members; the Nomination and Compensation Committee, which includes 2 external independent members; and the Risk Management Committee, which includes 1 external independent member.

The Board remains responsible for monitoring and overseeing the execution of the Bank's strategy.

Each Committee's mandate is formalized through Board-approved Committee charters, which are reviewed as needed for effective coverage of the operations of the Group. All Committees are free to take independent professional advice as and when necessary.

The Board is satisfied there is a clear division of responsibilities to ensure a balanced distribution of power, time and authority, leaving no one with unfettered powers of decision-making.

Executive Committee

The Executive Committee exercises the credit, banking, financial and administrative powers of the Bank that are granted by the Board of Directors. The Bank's Executive Committee consists of 5 members.

Strategic Planning Group

The Strategic Planning Group supervises the preparation of the Bank's strategic direction and follows up on and evaluates the steps taken to achieve its objectives. It provides the necessary support to the Board of Directors on strategic planning processes and matters of strategic importance, including business development and expansion. The Strategic Planning Group is also responsible for monitoring the Bank's progress in achieving its long-term financial and strategic objectives.

During the year under review, the Committee adopted a formal work plan, and fulfilled the following responsibilities:

- Reviewed and approved the Bank's strategy
- Considered sustainability as a business opportunity that guides strategy formulation
- Made certain that the Bank continued to act as a responsible corporate citizen

Audit Committee

The Audit Committee exercises supervisory oversight of the financial reporting processes and the processes related to compliance with relevant laws and regulations. It evaluates the extent to which the Bank has established an appropriate culture by communicating the importance of internal controls as well as making sure all employees understand their roles and responsibilities. Further, the Committee is responsible for assessing the effectiveness of the Bank's assurance functions, with particular focus on Business Technology Governance and combined assurance arrangements. These include external assurance service providers, internal audit, the finance function, and the independence and effectiveness of the Bank's external auditors. The Committee confirms integrity of the Annual Financial Statements.

During the year under review, the Committee adopted a formal work plan, and fulfilled the following responsibilities:

- Reviewed and was comfortable that all matters raised within the external audit report, internal audit reports, legal, defalcation, tax and governance reports were adequately and appropriately addressed and that the external audit finding tracker was operationalized
- Reviewed the Bank's internal audit's opinion on internal financial controls, including the effectiveness of governance, risk management and control processes as well as the adequacy of internal audit resources and expertise. The Committee approved the Bank's internal audit plan for the year and the combined assurance framework
- Evaluated the performance of the external auditor and assessed the external audit firm and individual lead audit partner

Risk Management Committee

The Risk Management Committee provides a forum for discussing business risk and control issues with the aim of developing relevant recommendations for consideration by the Board. It assists the Board of Directors in carrying out its responsibilities by fully supervising the Bank's risk strategy, reviewing acceptable risk levels, making recommendations to the Board of Directors, and monitoring the Executive Management's commitment to the risk limits approved by the Board of Directors and their implementation. In this regard, it may review all aspects and types of risk to which the Bank is exposed, review the extent of the Executive Management's commitment to the controls for managing these risks, and verify the adequacy of the measures taken to hedge them.

During the year under review, the Committee adopted a formal work plan and fulfilled the following responsibilities:

- Provided oversight of the Bank's risk framework, policies and processes
- Approved risk appetite limits and reviewed the quality and effectiveness of internal controls

Nomination and Compensation Committee

The Nomination and Compensation Committee supports the Board of Directors with regard to the Board's governance, proposes a compensation policy for members of the Board of Directors, its Committees and Executive Management. It reviews and evaluates the adequacy and effectiveness of the compensation and incentives policy on a regular basis to ensure the set goals are achieved, assesses the methods of compensation payment, and reviews the commitment rewards policy according to the rules of the Saudi Central Bank (SAMA).

The Nomination and Compensation Committee sets the nomination and selection policy for Board membership so that all members meet the statutory requirements for Board membership in accordance with the relevant regulations. The Committee consists of 5 members. The Nomination and Compensation Committee conducted 6 meetings in 2022 and the meeting attendance rate was 100%.

During the year under review, the Committee adopted a formal work plan, and fulfilled the following responsibilities:

- Ensured the composition and effectiveness of the Board and its Committees
- Recommended new Directors for appointment and made recommendations to the Board in respect of the remuneration of Directors



Legal And Regulatory Compliance

The Bank continually monitors developments in the regulatory environment, making sure it conforms to best practice and remains compliant.

Our compliance systems are essential for the Bank to adhere to all applicable laws, rules and regulations, and maintains a high degree of professionalism. The covenants the Bank should adhere to include Saudi and other applicable laws, accounting standards, internal procedures and controls, international regulations, best practices, values and ethics.

The Compliance Department plays both a regulatory and advisory role. It provides guidance and advice on all laws, regulations and standards that should be adhered to and disseminates relevant information throughout the Bank. The department monitors work for compliance purposes and manages regulatory affairs. It also exercises vigilance over the conduct of banking operations to prevent financial crimes.

The Compliance function plays a vital role in the achievement of the Bank's Vision, Mission and Objectives by maintaining the highest quality standards and implementing best practices. It provides advisory services to all Bank functions and promotes awareness by disseminating information regarding compliance issues. This, together with the supervisory oversight the department exercises, serves to combat financial crimes as stipulated by the regulations issued by Saudi Central Bank (SAMA)

and Financial Action Task Force (FATF). Annually, the Compliance Department formulates and implements a monitoring and follow-up plan developed through a process of identifying and assessing risks. The Board Audit Committee approves the plan.

The values of 'We care - we commit' are built into the Bank's ethos, which reinforces our culture of commitment. Emanating from this culture, the Bank has continued with awareness campaigns on topics of commitment, principles of behavior, work ethics and combating financial crimes. The campaigns are disseminated to the employees through several awareness methods. These include:

- 'Welcome to Riyadh Bank' introductory session which is mandatory for all newly recruited employees
- An annual online informative awareness program, which is followed by a mandatory quiz for all employees to safeguard its effectiveness
- Visits to branches to conduct awareness and Q&A sessions
- Email awareness messages

In addition, communication channels are provided for employees to exercise their duties and responsibilities towards compliance. Employees can report cases of fraud or money laundering, or any other issues pertaining to the Whistleblowing Policy. All the whistleblowing cases are brought to the attention of the Board and are handled discreetly as per the regulations and Bank's internal policy.

The Compliance Department takes great care to ensure the Bank fulfils the applicable and future regulatory requirements, such as the regulations and circulars issued by SAMA and other legislative bodies. It keeps all interested parties updated on new regulatory requirements.

We are committed to making efforts to comply with any regulations issued by all official bodies with authority and competence.

In this regard, the Compliance Department analyzes and studies the requirements of updated laws and regulations, in addition to monitoring the effects of these updates on the Bank and its controls, and assessing any risks that may arise from their implementation. In addition, the Bank continues to strive to adhere to all the applicable laws and regulations issued by regulatory bodies.

We are dedicated to combat corruption, bribery and terrorism financing and have implemented appropriate policies and procedures.



Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF)

Riyad Bank has implemented a program to combat money laundering and terrorist financing to prevent the use of the Bank's product and services and its affiliates as channels of illegal activities in connection with money laundering, terrorist financing and other financial crimes activities. This program ensures compliance with global requirements, including the Financial Action Task Force (FATF) recommendations, local laws as well as Saudi Central Bank (SAMA), and other regulatory obligations to prevent illegal transactions or activities.

The Bank has established robust AML and CTF policies and procedures based on local and global instructions to combat and prevent criminal activities. The subject policies and proper controls cover several programs such as Know Your Customer (KYC), monitoring customer transactions, sanctions, training and awareness, monitoring suspicious activities and reporting procedures, and independent stress-testing programs. Our AML and CTF programs are reviewed and evaluated by internal auditors along with the periodical visits by Saudi Central Bank (SAMA).

Know Your Customer (KYC) Program

Riyad Bank has implemented KYC procedures to make sure all customers' information is well defined. As part of this program, the Bank:

- Requires all its customers to present valid and updated identity documents based on the applicable requirements
- Applies the proper due diligence measures to update and verify the customer's information according to the risk profile rating or in case of a triggered event
- Does not allow account opening of anonymous, numbered, non-resident individuals or entities
- Does not engage in relationships with shell banks

Monitoring Customer Transactions Program

The monitoring of customers' accounts is based on the identification of suspicious transactions generated by the Bank's automated monitoring system. The system takes into account updated scenarios and trends regarding money laundering typologies. This allows an authorized officer to take the required action to prevent fraudulent transactions. The suspicious transaction verification process is comprised of investigation, examination and analyses of the cases as well as identifying and taking appropriate measures where fraudulent transactions are concerned. The process involves reporting suspicious transactions to relevant authorities and conducting the necessary follow-up.

The Bank identifies proper corrective action plans for the aforementioned accounts, and provides and develops highly efficient programs and systems for monitoring.

Sanction Program

Riyad Bank has implemented a system for the screening of transactions and customers against the names listed either by local authorities or global organizations such as the UN, OFAC, EU and SAMA. The system is implemented to mitigate the risk of non-compliance in applying the instructions related to sanctions as well as preventing the execution of illegal or non-compliant transactions or activities. This ensures compliance with local and international laws and regulations.

Risk Governance

The Board of Directors has ultimate responsibility for the Bank's strategy, governance, risk management, compliance and financial soundness. The Board's designated Risk Management Committee (RMC) has continuous oversight on risk management for successful risk governance. The Committee determines the acceptable levels of risks, oversees the risk management system, and periodically evaluates the effectiveness of the systems and mechanisms for identification, assessment and monitoring of the risks. The Committee provides the recommendations to the Board on risk management-related issues and ensures the availability of adequate resources and systems for risk management.

In accordance with the Saudi Central Bank (SAMA) and the Basel Committee of Banking Supervision (BCBS) guidelines, the Bank has an independent risk management function from other banking functions. The Bank has implemented the 3 lines of defense model as the integral component of the Enterprise Risk Management Framework (ERMF) to guarantee adequate separation of responsibilities and effective risk management processes.

Risk Management

The Bank's risks are determined through a comprehensive risk management framework designed to provide ongoing analysis of our business context and risk assessments to identify potential sources of risk. We calculate the probability of risk events, their potential impact on our business and their ranking in order of material priority. We also have in place a robust governance structure for effective risk management, to anticipate risks and take necessary proactive measures to minimize such risks. Upon this the Bank

bases the formulation of its control measures. This is in line with the Riyadh Bank vision to become Saudi Arabia's bank of choice.

We continue to strengthen our risk capabilities as a means of creating an acceptable balance between pursuing opportunities aligned with our strategy and mitigating any adverse outcomes associated with uncertainty in our operating environment. The Board of Directors bears the ultimate responsibility for the risk management in the business. The Board has delegated the monitoring of risk management to its sub-committees; the Audit and Risk Committee holds specific responsibilities in line with the Committee's Terms of Reference.

Enterprise Risk Management Framework

Risk management lies at the heart of all our operations. Our Enterprise Risk Management Framework (ERMF) enables us to identify, measure, manage and control risks in addition to relating the same with capital requirements so as to safeguard sustainable capital adequacy.

The Enterprise Risk Management division facilitates businesses within the Bank to manage their risks through well-structured departments like Market and Liquidity Risk Management, Operational Risk Management, Technology Risk Management and Cyber and Information Security Risk Management.

Operational Risk Management

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. The Operational Risk Management Department has implemented tools like Risk and Control Self-assessment (RCSA), Key Risk Indicators (KRI), Operational Loss Data Management,

Incident Management and Control Testing within the Bank to support effective management of operational risks. The Bank has also put in place appropriate insurance policies to mitigate risks emanating from unforeseen events/incidents and are managed by the Operational Risk Management Department. Governance of operational risk is driven through the Board and is periodically overseen by the Management level Operational Resilience Committee (ORC).

Risk Appetite Framework

The Bank's Risk Appetite Framework (RAF) is an integral component of the Enterprise Risk Management Framework and is embedded in the Bank's strategy and operating plans. The RAF establishes an overall approach through which the Bank ensures prudent risk-taking. It is based on best practices and outlines the process for developing Risk Appetite Statements (RAS), governance, monitoring and reporting. The RAS is integrated into the Bank's strategic planning process and is approved by the Board on an annual basis.

Strategic risk objectives, containing a full suite of risk appetite metrics and qualitative statements, are defined in the RAS for different risk types and monitored regularly by the relevant oversight Committees and the Board of Directors. The Bank expresses risk appetite qualitatively in terms of policies, processes, procedures and controls meant to manage risks that may or may not be quantifiable. Specific policies have been developed for all types of risks which, taken together, form a holistic system of risk management. The Bank's risk profile, risk appetite and risk exposures are reported regularly to the Board of Directors and senior Management through its Committees and are reviewed periodically.

Capital Management Framework

The overarching purpose of the Capital Management Framework is to guarantee a strong capital base for the Bank. Effective capital management facilitates value creation for Shareholders within the established risk appetite. The Bank sets measurable capital targets to provide the foundation for maintaining its strong solvency position.

Our Internal Capital Adequacy Assessment Plan (ICAAP) links the Bank's strategy, future business plans and related risks. The Bank maintains an ICAAP for precise measurement and reporting of all material risks. In addition, Enterprise Risk Management periodically presents capital-related reports to the Board of Directors and the Risk Management Committee to provide a comprehensive view of risks in relation to capital.

Stress Testing Framework

The Bank has adopted a holistic approach towards stress testing and aims to capture all exceptional but plausible events in the scenario selection process. The Stress Testing Framework sets out the core principles and objectives for managing and conducting stress tests within the Bank. We rely on a set of frameworks and policies in conjunction with the ERMF to manage the stress testing. The Board of Directors maintains an effective oversight over the stress testing program and is satisfied with arrangements currently in place.

Model Risk Management Framework

The expanding use of models in the banking industry reflects the extent to which modelling can improve business decisions. However, potential direct and indirect costs such as the risk of financial loss owing to incorrect or misused models can be incurred.

In accordance with the ERMF, the Bank has developed and implemented a Model Risk Management Framework (MRMF) to effectively manage model risk within the defined appetite. The MRMF establishes high-level guiding principles around model lifecycles, sets model risk taxonomy and clearly defines the roles and responsibilities of Stakeholders to avoid conflicts of interest, thereby ensuring sound model governance.

The Bank will continue to invest in risk management maturity processes for all existing and emerging key risks, including but not limited to cyber, information security risk, AML, reputational and conduct risks.

Effectiveness of Internal Controls

Riyad Bank has established an Integrated Internal Control Governance and Reporting Policy to make sure an effective internal control environment is in line with the Guidelines on Internal Control issued by SAMA. This policy has been approved by the Board of Directors and promulgated by the Executive Management to make certain that strategic goals are achieved by protecting the Bank's assets. It requires all operations to be carried out within set guidelines. Such controls include the corporate governance that defines the roles and responsibilities of members of the Board and its Committees.

The Executive Management team and its Committees make sure that risks related to regulatory requirements, strategy, financial performance, information technology, assets and liabilities management, liquidity, credit, operations, legal affairs and information security are appropriately managed. All Stakeholders in the Bank are responsible for the efficiency and effectiveness of their respective internal control environments. This assurance is provided through periodic self-assessment reviews of processes and controls to proactively identify areas of improvement that may require timely remediation. Additionally, independent control functions and internal and external auditors conduct reviews to certify the adequacy of the internal control environment.

The Compliance is responsible for regulatory compliance. The Internal Audit Department assesses the adequacy and efficiency of the internal control environment by confirming all applicable policies and procedures are implemented and appropriately practiced.

Senior Executive Management and the Audit Committee are regularly updated on the status of the internal control environment and the corrective actions identified to improve its adequacy and effectiveness. They ensure timely implementation of the measures taken to mitigate identified risks.

Business Technology Governance

Business Technology Governance as a concept has contributed to reducing the risks to information security. Riyadh Bank has given utmost importance to providing a secure technical work environment by building a highly penetrable arbitrator.

The Business Technology Governance Department dedicated its efforts to the Bank's strategy of digital transformation by redesigning applications, platforms and e-gates, developing performance indicators to match the strategic transformation of business technology, and supporting the transformation of the digital governance model at Riyadh Bank. Listed here are some of the most important contributions of the Business Technology Governance Department:

- Successful launch of DevOps Governance Framework: this framework covering the RB DevOps and Agile process will enable the Bank's digital transformation to be enabled/processed in an adequate manner
- Successful launch of API Governance Framework: this framework will make sure our implemented APIs are sufficiently enriched with metadata for easy consumption by a wider audience (internal and external)
- Successful launch of Process Mining Project: investigate, assess and optimize the Bank's processes and customer journey
- Successful launch of SAMA IT Governance Framework: implementation of SAMA IT Governance Framework – Phase 2
- Automating the process of creating/reviewing all types of technology operational documents (policies, standards and process) for business technology through CLM; also over 93 business technology procedures have been created and implemented to govern and control the technology operations
- BMC Remedy Upgrade, Digital Workplace and Smart IT rollout for back office users and branches
- Successful execution of DR Live Testing, which is one of the requirements mandated by Saudi Central Bank (SAMA) where all local banks have to perform a LIVE switch over to the Disaster Recovery Site covering all defined and agreed mission-critical and critical systems during the normal business day:
 - 44 applications
 - 19 security components
 - Cybersecurity scenario
- Successfully relocating critical business processes to simulate inability to physically access the Bank workplaces for 30 critical functions, as a combined test for the disaster recovery and the business continuity scenario as per SAMA mandated. Approaches used:
 - Working remotely
 - Physical relocation to BC site (Al-Maseef)
- Executed 62 tests across all the Bank's critical departments
- Departmental recovery testing involves running scenarios in which departments relocate their operations – without disruption – from their main sites to the Disaster Recovery Site. The Bank's Crisis Management Plan was updated to accommodate needed responses to the most common financial or liquidity-related crises, being technology or operations failures, cybercrime, natural disasters and pandemics

Executed 62 tests across all the Bank's critical departments



APPENDIX 1 – ESG Performance Dashboard

Environmental

| | 2020 | 2021 | 2022 |
|---|---------------|---------------|---------------|
| Any legal or regulatory responsibility for an environmental impact? | No | No | No |
| Specify the primary source of energy used by the Company | Electricity | Electricity | Electricity |
| Electricity consumption (kW) | 35,773,720.67 | 31,674,908.34 | 28,686,717.30 |
| Total water consumption (liters) | 42,265,094 | 41,396,918 | 43,602,209 |
| Water consumption intensity (liters/employee) | 8,090 | 7,750 | 7,790 |
| Total recycled waste (kg) | 3,480 | 5,045 | 98,000 |

Social

| Workforce Overview | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|
| Total workforce (excluding trainees, students) | 5,224 | 5,338 | 5,593 |
| Male employees | 3,897 | 3,879 | 4,002 |
| Female employees | 1,327 | 1,459 | 1,591 |
| Total number of national employees | 4,827 | 4,913 | 5,354 |
| Male | 3,541 | 3,586 | 3,763 |
| Female | 1,286 | 1,327 | 1,591 |
| Total new employee hires | 422 | 714 | 882 |
| Male | 285 | 412 | 556 |
| Female | 137 | 302 | 326 |
| Employee turnover (voluntary and involuntary) | 345 | 592 | 719 |
| Training hours | 283,482 | 210,972 | 291,714 |
| Employees with disabilities, number of hires | 8 | 19 | 40 |
| Employee wages and benefits (SAR Mn.) | 1,939,428 | 2,092,284 | 2,257,505 |
| Disclosure and adherence to a Human Rights Policy | Yes | Yes | Yes |

| Procurement Performance | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|
| Total number of suppliers engaged | 652 | 629 | 679 |
| Total number of local suppliers engaged | 530 | 531 | 470 |
| Total number of SME suppliers engaged | 290 | 365 | 341 |
| Procurement spending/contracting on local suppliers | 2.926 Bn. | 2.118 Bn. | 1.947 Bn. |
| Procurement spending/contracting on SME suppliers | 1.324 Bn. | 893 Mn. | 835 Mn. |
| Total procurement spending | 3.073 Bn. | 2.567 Bn. | 2.199 Bn. |
| % of the Bank suppliers are SMEs | 44% | 58% | 50% |

| SME Support | 2020 | 2021 | 2022 |
|---|--------|--------|--------|
| Number of borrowing customers | 34,035 | 39,747 | 10 978 |
| Dedicated SME centers | 25 | 30 | 45 |
| Number of employees serving the segment | 166 | 183 | 187 |
| Total man days of training provided to MSME employees | 1,151 | 379 | 280 |

| Community Investment and Volunteering | 2020 | 2021 | 2022 |
|--|---------|---------|---------|
| Number of beneficiaries of community activities | 108,321 | 237,253 | 920,044 |
| Total number of employee volunteering hours | 103 | 811 | 1,907 |
| Number of volunteers | 32 | 395 | 452 |
| Financial literacy classes in collaboration with National CSR Center | 16 | 30 | 39 |

Governance

| Board of Directors | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|
| Board of Directors members | 10 | 10 | 10 | 10 |
| Independent members of the Board of Directors | 4 | 5 | 4 | 5 |
| Non-Executive members of the Board of Directors | 6 | 5 | 6 | 5 |
| Female members of the Board of Directors | - | - | - | 1 |
| Male members of the Board of Directors | 10 | 10 | 10 | 9 |
| Saudi Arabian national members of the Board of Directors | 10 | 10 | 10 | 10 |

| Corporate Governance Transparency and Disclosure | |
|---|---|
| Disclosure of the voting results of the latest AGM | Yes |
| Does the Company publish and follow a Bribery/Anti-Corruption Code? | Yes |
| Does the Company publish and follow a Supplier Code of Conduct? | Yes |
| Does the Company publish and follow an Ethics Code of Conduct? | Yes |
| Executive compensation linked to performance indicators | Yes |
| Female Directors on the Board | 10% |
| Saudi Arabian nationals on the Board | 100% |
| Independent Directors on the Board | 50% |
| Median female salary to median male salary | We have one salary scale for both males and females |
| Role separation of Chairman and CEO | Yes |
| Sustainability Report published | Yes |
| An external party assures the Bank's non-financial information | Yes |

APPENDIX 2 – GRI Content Index

| Statement of use | GRI 1 used |
|--|------------------------|
| Riyad Bank has reported the information cited in this GRI content index for the period 1 January to 31 December, 2022 with reference to the GRI Standards. | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Location |
|--|--|--|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | <ul style="list-style-type: none"> ESG Report: pages 8–11 [About Riyadh Bank] Annual Report: pages 6–19, 112 |
| | 2-2 Entities included in the organization's sustainability reporting | <ul style="list-style-type: none"> ESG Report: About This Report |
| | 2-3 Reporting period, frequency and contact point | <ul style="list-style-type: none"> ESG Report: About This Report |
| | 2-4 Restatements of information | <ul style="list-style-type: none"> There are no restatements of information from the previous year. |
| | 2-5 External assurance | <ul style="list-style-type: none"> This Report has not been externally assured. |
| | 2-6 Activities, value chain and other business relationships | <ul style="list-style-type: none"> ESG Report: pages 8–11 [About Riyadh Bank] Annual Report: pages 7, 14–15 |
| | 2-7 Employees | <ul style="list-style-type: none"> ESG Report: pages 56–61 [Empowering Our People] ESG Report: pages 80–81 [ESG Performance Dashboard] |
| | 2-8 Workers who are not employees | <ul style="list-style-type: none"> ESG Report: pages 56–61 [Empowering Our People] ESG Report: pages 80–81 [ESG Performance Dashboard] |
| | 2-9 Governance structure and composition | <ul style="list-style-type: none"> ESG Report: pages 72–73 [Board Committees] ESG Report: page 80 [ESG Performance Dashboard] Annual Report: pages 86–107 |
| | 2-10 Nomination and selection of the highest governance body | <ul style="list-style-type: none"> ESG Report: page 73 [Nomination and Compensation Committee] Annual Report: pages 90, 110 |
| | 2-11 Chair of the highest governance body | <ul style="list-style-type: none"> The Chair of the Board is not a senior Executive at Riyadh Bank. |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> ESG Report: page 19 [Sustainability Governance] |
| | 2-13 Delegation of responsibility for managing impacts | <ul style="list-style-type: none"> ESG Report: page 19 [Sustainability Governance] |

| GRI Standard | Disclosure | Location |
|--|--|---|
| GRI 2: General Disclosures 2021 | 2-14 Role of the highest governance body in sustainability reporting | <ul style="list-style-type: none"> ESG Report: About This Report |
| | 2-15 Conflicts of interest | <ul style="list-style-type: none"> ESG Report: pages 76–77 [Material Risk Management Framework] Annual Report: page 117 |
| | 2-16 Communication of critical concerns | <ul style="list-style-type: none"> ESG Report: page 19 [Sustainability Governance] |
| | 2-17 Collective knowledge of the highest governance body | <ul style="list-style-type: none"> Annual Report: pages 104–107 |
| | 2-18 Evaluation of the performance of the highest governance body | <ul style="list-style-type: none"> Annual Report: page 107 |
| | 2-19 Remuneration policies | <ul style="list-style-type: none"> Annual Report: pages 107–111 |
| | 2-20 Process to determine remuneration | <ul style="list-style-type: none"> Annual Report: pages 90, 107, 175 |
| | 2-21 Annual total compensation ratio | <ul style="list-style-type: none"> Annual Report: page 175 |
| | 2-22 Statement on sustainable development strategy | <ul style="list-style-type: none"> ESG Report: pages 4–5 [Message from the Chairman] Annual Report: pages 22–25 |
| | 2-23 Policy commitments | <ul style="list-style-type: none"> Annual Report: pages 116–118 |
| | 2-24 Embedding policy commitments | <ul style="list-style-type: none"> Annual Report: pages 116–118 |
| | 2-25 Processes to remediate negative impacts | <ul style="list-style-type: none"> ESG Report: page 74 [Legal and Regulatory Compliance] Annual Report: page 118 |
| | 2-26 Mechanisms for seeking advice and raising concerns | <ul style="list-style-type: none"> ESG Report: page 74 [Legal and Regulatory Compliance] Annual Report: page 118 |
| | 2-27 Compliance with laws and regulations | <ul style="list-style-type: none"> ESG Report: pages 74–75 [Legal and Regulatory Compliance] Annual Report: pages 116–119 |
| | 2-28 Membership associations | <ul style="list-style-type: none"> The Bank is not a member of any industry or other membership associations, or advocacy organizations. |
| | 2-29 Approach to Stakeholder engagement | <ul style="list-style-type: none"> ESG Report: pages 24–25 [Stakeholder Engagement] Annual Report: pages 7, 14–15 |
| | 2-30 Collective bargaining agreements | <ul style="list-style-type: none"> Not applicable to Riyadh Bank |

APPENDIX 2 – GRI Content Index continued

| GRI Standard | Disclosure | Location |
|--|--|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | • ESG Report: pages 26–27 [Our Material Matters] |
| | 3-2 List of material topics | • ESG Report: pages 26–27 [Our Material Matters] |
| GRI 201: Economic Performance 2016 | 3-3 Management of material topics | • ESG Report: pages 30–36 [Sustainable Investing and Financing; Financial Performance 2022] |
| | 201-1 Direct economic value generated and distributed | • ESG Report: pages 30–36 [Sustainable Investing and Financing; Financial Performance 2022] • Annual Report: pages 126–209 [Annual Financial Statements] |
| | 201-2 Financial implications and other risks and opportunities due to climate change | • Annual Report: page 56 |
| | 201-3 Defined benefit plan obligations and other retirement plans | • Riyadh Bank does not implement any benefit plans for its employees or workers. |
| | 201-4 Financial assistance received from government | • Not applicable to Riyadh Bank |
| | | |
| GRI 203: Indirect Economic Impacts 2016 | 3-3 Management of material topics | • ESG Report: pages 32–33 [Partnering with Government to deliver Sustainability Goals] |
| | 203-1 Infrastructure investments and services supported | • ESG Report: pages 32–33 [Partnering with Government to deliver Sustainability Goals] |
| GRI 204: Procurement Practices 2016 | 3-3 Management of material topics | • ESG Report: pages 47–48 [Procurement from Local Suppliers] |
| | 204-1 Proportion of spending on local suppliers | • ESG Report: pages 47–48 [Procurement from Local Suppliers] • ESG Report: page 80 [ESG Performance Dashboard] |
| GRI 205: Anti-corruption 2016 | 3-3 Management of material topics | • Annual Report: page 118 |
| | 205-1 Operations assessed for risks related to corruption | • Annual Report: page 118 |
| | 205-2 Communication and training about anti-corruption policies and procedures | • Annual Report: page 118 |
| GRI 207: Tax 2019 | 3-3 Management of material topics | • Annual Report: page 153 [Zakat] |
| | 207-1 Approach to tax | • Annual Report: page 153 [Zakat] |
| | 207-3 Stakeholder engagement and management of concerns related to tax | • ESG Report: page 24–25 [Stakeholder Engagement] |
| | 207-4 Country-by-country reporting | • Annual Report: page 42 [Statutory Payments] • Annual Report: pages 126–209 [Annual Financial Statements] |

| GRI Standard | Disclosure | Location |
|---|--|--|
| GRI 302: Energy 2016 | 3-3 Management of material topics | • ESG Report: pages 30–31 [Providing Sustainable Finance] • ESG Report: pages 49–53 [Protecting the Environment for Current and Future Generations] |
| | 302-1 Energy consumption within the organization | • ESG Report: page 51 [Electricity] |
| GRI 303: Water and Effluents 2018 | 3-3 Management of material topics | • ESG Report: page 52 [Water] |
| | 303-1 Interactions with water as a shared resource | • ESG Report: page 52 [Water] |
| | 303-5 Water consumption | • ESG Report: page 52 [Water] |
| GRI 306: Waste 2020 | 3-3 Management of material topics | • ESG Report: pages 49–50 [Recycling] |
| | 306-1 Waste generation and significant waste-related impacts | • ESG Report: pages 49–50 [Recycling] |
| | 306-2 Management of significant waste-related impacts | • ESG Report: pages 49–50 [Recycling] |
| | 306-3 Waste generated | • ESG Report: pages 49–50 [Recycling] |
| | 306-4 Waste diverted from disposal | • ESG Report: pages 49–50 [Recycling] |
| | 306-5 Waste directed to disposal | • ESG Report: pages 49–50 [Recycling] |
| GRI 401: Employment 2016 | 3-3 Management of material topics | • ESG Report: pages 56–61 [Empowering Our People] |
| | 401-1 New employee hires and employee turnover | • ESG Report: page 56 [Workforce Analysis] |
| GRI 404: Training and Education 2016 | 3-3 Management of material topics | • ESG Report: pages 58–59 [Learning and Development] |
| | 404-1 Average hours of training per year per employee | • ESG Report: page 58 [Learning and Development] |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | • ESG Report: pages 58–59 [Learning and Development] |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | • All employees undergo yearly performance reviews. |
| GRI 413: Local Communities 2016 | 3-3 Management of material topics | • ESG Report: pages 64–69 [Positive Community Impacts] |
| | 413-1 Operations with local community engagement, impact assessments and development programs | • ESG Report: pages 64–69 [Positive Community Impacts] |
| GRI 418: Customer Privacy 2016 | 3-3 Management of material topics | • ESG Report: page 42 [Data Privacy and Security] |
| | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | • ESG Report: page 42 [Data Privacy and Security] |

APPENDIX 3 – Administrative Information

Riyad Bank Corporate Information

Name

Riyad Bank

Head Office

PO Box 7279 – Riyadh 13241
Phone: (011) 401 3030
Fax: (011) 404 0090
National address:
Granada Business Park,
2414 Al Shohda Dist. – Unit No. 21
Our website: www.riyadbank.com

Regional Office

Central Region:

PO Box 7279 – Riyadh 13241
Phone: (011) 401 3030
Fax: (011) 404 0090
National address:
Granada Business Park,
2414 Al Shohda Dist. – Unit No. 21

Western Region:

Seteen Street
PO Box 9324 – Jeddah 21413
Phone: (013) 651 3333
Fax: (013) 651 2866

Eastern Region:

King Saoud Street
PO Box 274 – Dammam 31411
Phone: (013) 833 5733
Fax: (013) 832 6559

Overseas Branches

London:

Riyad Bank – London Branch
Riyad Bank House
17B Curzon Street
London W1J5HX
Phone: (20) 7830 9000
Fax: (20) 7493 1668

Houston:

Riyad Bank – Houston Agency
440 Louisiana Street Suite 1050
Houston Texas 77002 U.S.A
Phone: (713) 331 2001
Fax Operations Management: (713) 331 2043
Credit Fax – Marketing: (713) 331 2045

Singapore:

Riyadh Bank/Representative Office
3 Phillip Street 12-3
Royal Group Building
Singapore 048693
Phone: (65) 6536 4492
Fax: (65) 6536 4493

Regional Managers

Abdulaziz Abdulrahman Al-Thomery

Regional Manager of the Eastern Region

Faress Hajab Al-Habardi

Regional Manager of the Central Region

Naif Mansour Shalabi

Regional Manager of the Western Region

