

**Slavery and
Human Trafficking
Statement 2020–2021**



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Slavery and Human Trafficking Statement 2020-2021

Our Commitment to You

The Slavery and Human Trafficking Statement 2020-2021 has been published in accordance with the UK Modern Slavery Act 2015. Riyad Bank has a financial year end of 31st December. This statement, covering the period January 2020 to March 2021, describes the steps and methodologies we have taken to combat slavery and human trafficking.

Riyad Bank London Branch ("RBL" or "the Branch") is committed to taking appropriate steps to ensure, to the best of our knowledge, there is no known slavery and human trafficking, in our own business or in our supply chains.

Riyad Bank ("Riyad Bank") is one of the largest Financial Institutions in the Kingdom of Saudi Arabia and the Middle East, providing a comprehensive range of banking products and services to meet the needs of both Retail and Corporate customers. Riyad Bank is publically listed on Tadawul (Saudi Stock Exchange). In addition to Riyad Bank London Branch, in the United Kingdom (UK), Riyad Bank has an international presence in the United States of America and Singapore.

Disclosure of Instances of Modern Slavery

RBL is not aware of any instances of Modern Slavery, within its own business or in its supply chains, during the period January 2020 – March 2021.

Our Organisational Structure

RBL is a Wholesale Corporate Banking Branch in the UK, with a vast experience of providing financial services (loans, bank guarantees and fixed deposits) to large corporate clients with business connections to the Kingdom of Saudi Arabia. RBL does not provide Retail Banking. The Branch is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

RBL's Supply Chains

As a small UK Branch and Financial Institution, RBL has few suppliers and simple supply chains. Our principal suppliers include:

- Technology service providers, providing software, equipment and other technology solutions essential in delivering services to our clients;
- Providers of professional services, such as insurers, professional advisors (e.g. legal, regulatory, audit), training providers and recruitment agencies; and
- Businesses which support our day-to-day operations and help us run our London Branch Office premises, such as facilities management services (e.g. cleaning and security providers), couriers and printing services.

In light of our simple supply chains and the nature of our business, RBL consider the risk of modern slavery occurring within our business and/or our supply chains to be low.

Our Policy and Procedures in Relation to Slavery and Human Trafficking

In addition to our Slavery and Human Trafficking Statement, Riyadh Bank and / or RBL, has the following programs, policies, procedures and guidance in relation to slavery and human trafficking:

- Corporate Social Responsibility program;
- Code of Conduct;
- Principles of Conduct and Business Ethics Policy;
- Conduct Risk and Reputational Risk Guidance;
- Suspicious Activity Reporting;
- Whistleblowing Policy and supplementary guidance;
- Procurement Procedures;
- Right to Work Checks;
- Employment Handbook;
- Employee Compliance Handbook; and
- Employee Financial Crime Handbook.

Riyadh Bank is committed to complying with all applicable laws and regulations, and to the concept of "Social Responsibility and Community Service". Further details of Riyadh Bank's Corporate Social Responsibility vision can be found here.

Riyadh Bank Values : We Care We Win We are One Team

Riyadh Bank is dedicated to acting ethically and with integrity in all our business relationships. The Bank has strong values to encourage employees to work together and to care about each other, customers and the community. RBL is committed to implementing and enforcing these values by effective systems and controls to ensure slavery and human trafficking is not taking place, to the best of our knowledge, in our business or supply chains. Riyadh Bank has a Code of Conduct and Principles of Conduct and Business Ethics Policy, which are applicable across the group globally. Additionally, RBL's employees adhere to its own Code of Conduct, Conduct Risk Guidance, Reputational Risk Guidance and Suspicious Activity Reporting mechanisms.

Riyadh Bank is steadfast in its commitment to comply with the highest possible standards concerned with honesty, credibility, and organisational accountability. Riyadh Bank strives to create an environment based on good governance principles and transparency rules by identifiable core values. All employees of Riyadh Bank are obliged to adhere to high standards of conduct and ethics, with the group Whistleblowing Policy providing details of how potential or actual violations, risks or malpractice can be reported by stakeholders on a confidential basis. RBL also has supplementary Whistleblowing Guidance ensuring employees of the Branch are aware of how to, confidentially when desired, speak up with concerns they have in the UK, and this would include concerns in relation to slavery or human trafficking. Senior Managers of the Branch are provided with extra guidance, enabling them to encourage employees to act as the 'eyes and the ears' of the Branch and how they should address concerns in order to inspire a feeling of safety among employees. Regular Whistleblowing and Code of Conduct training further embeds the culture of openness and transparency that the Branch endeavors to achieve.

Riyad Bank endeavors to treat all employees with dignity and respect and to provide them with a working environment that is free from discrimination. RBL is a small wholesale Branch with c. 25 permanent employees. The Branch seeks to prevent modern slavery practices, adhering to all applicable employment law relating to our employees' terms and conditions, including pay, with all our employees being paid at least minimum living wage. When recruiting employees, RBL undertake identity / documentation checks to ensure potential employees are aged 16 or above and have the right to work in the UK. RBL's employees are made aware of their employment rights, through a variety of channels, including employment contracts and the Branch Employment Handbook. The importance of a healthy home – work life balance is conveyed to employees of the Branch, and this message has been strongly promoted, by the Chief Manager of RBL and its Senior Managers, to all employees who have been predominantly working from home during the coronavirus (Covid-19) pandemic.

The FCA's Senior Managers and Certification Regime (SMCR) means certain Senior Managers at RBL are personally accountable for ensuring that adequate systems and controls are in place to detect and disrupt crime, including modern slavery and human trafficking. SMCR also provides an opportunity to establish healthy cultures and healthy governance in firms' at financial institutions in the UK. RBL has developed practices, procedures and policies supporting a Branch-wide culture of compliance. The Modern Slavery Act, and the requirements for the Branch and its employees, are specifically addressed in RBL's Compliance Handbook. RBL's Financial Crime Handbook outlines the details of the supplier due diligence, incorporating Modern Slavery, for the Branch. RBL's Compliance Handbook and Financial Crime Handbook are regularly updated and circulated, and easily accessible, to Branch employees on the RBL SharePoint. All employees are required to comply with all applicable policies, procedures and guidance and are required to complete annual confirmations that they have done so and are subject to ongoing monitoring.

Due Diligence Processes

The nature of RBL's business means there is a low risk of the Branch becoming involved in modern slavery and human trafficking crimes. RBL takes measures to ensure that suppliers do not subject anyone to Modern Slavery and has strict onboarding procedures for new suppliers. All RBL employees agree to inform the Branch's Risk & Compliance Department when a new service provider is onboarded, through the provision of a 3rd Party Risk Assessment form. Slavery and human trafficking statements are obtained for all suppliers to which they are applicable. The supplier and corporate client onboarding processes include the requirement for adverse media searches related to modern slavery. All Tier 1 suppliers are monitored for adverse media by RBL Risk & Compliance department. These processes are formalized in RBL's Financial Crime Handbook.

RBL has a zero tolerance approach to participation in modern slavery and human trafficking and will not knowingly support business with organisations involved in such activities. We partner with suppliers and clients whose ethical principles align with our own. RBL may decide not to proceed with a potential supplier if it cannot satisfy itself that the potential supplier has undertaken appropriate steps to monitor and mitigate risks from modern slavery and human trafficking. When identified, any modern slavery and human trafficking violations by the Branch's suppliers and clients, will require immediate and decisive action by the implicated entity, and will result in the termination of the relationship by RBL.

Identification, Mitigation and Remediation of Risks

Based on a review of our business, recruitment practices, the nature and location of suppliers, combined with our policies, procedures, and guidance RBL is confident the risk of modern slavery and human trafficking is low.

With the exception of one media outlet based in the United Arab Emirates and a handful of large US media technology providers, all of RBL's external suppliers are UK based. The United Kingdom and the United States of America (US) are considered to be among the top countries globally whose governments are responding well to the risks of modern slavery and human trafficking. The Global Slavery Index 2018 (www.globalslaveryindex.org) assigned a rating of BBB to both countries.

The nature of the goods and services supplied to RBL are not classed as high risk. UK charity 'Stop the Traffik', as part of an engagement to train RBL employees during 2020, agreed the main area of modern slavery and human trafficking risk for the Branch, as being in relation to its suppliers is the provision of facility management services to the London Branch Office premises. Relationships with our service providers in this regard are long established, with the employees undertaking the premises facility management services, often being people with whom employees of the Branch are familiar with. Nonetheless, the training provided by Stop the Traffik gave employees an insight and appreciation of how individuals undertaking facility management services may be at risk. Employees have been equipped in how to spot warning signs that may indicate labour exploitation and how to report concerns.

Training and Resources

Whilst RBL consider there to be low risk of modern slavery in our supply chains, the Riyad Bank Board instructed Branch employees to undertake training, to communicate the risks of slavery and human trafficking and raise awareness on the subject. In September 2020, UK charity, Stop the Traffik, provided an interactive virtual modern slavery and human trafficking workshop for Branch employees. Stop the Traffik is a charity working to prevent human trafficking globally. This training was mandatory for all RBL employees. Feedback from the training, was that whilst the subject matter was hard for employees to consider, it achieved the purpose of educating and raising employees' awareness, in both their professional and personal life.

RBL now includes modern slavery and human trafficking awareness training for all new employees joining the Branch as part of its induction programme.

Steps Taken During 2020-2021

Supplier Contracts

RBL expects all suppliers to conduct their own business in a manner which is both lawful and ethical, including adopting good practices that prevent and eliminate modern slavery and human trafficking. Under the direction of the Riyad Bank Board, in 2020, RBL commenced collaboration with its external suppliers with a UK presence, to insert provisions into contracts confirming adherence with The Modern Slavery Act. There are a number of large, high-profile, multi-national suppliers with whom RBL has no influence on to amend contracts. This is as a consequence of the small size of RBL vs. the size of the suppliers in question, many of which have standard Terms & Conditions for all customers. Examples of such suppliers include well-known media outlets, providers of world-wide software and national / international communications providers. Comfort is taken in the low level risk of the services provided by these suppliers. Additionally, those with a UK presence are required to publish detailed Slavery and Human Trafficking Statements. RBL frequently updates the Riyad Bank Board on its progress, with approximately 45% of applicable contracts having had clauses inserted since H1 2020. The remaining contracts are largely due for renewal during 2021-2022 and RBL will engage with these suppliers at contract renewal. With the exception of the multi-national organisations it is expected by the year end that the majority of suppliers will have included the clause within their RBL Contract.

Compliance Monitoring Programme

RBL's Risk & Compliance department undertakes a number of checks under the Branch's Compliance Monitoring Programme to ensure the established due diligence controls relating to suppliers, and modern slavery and human trafficking, are adhered to.

Awareness Programme

In addition to the aforementioned employee training, RBL distributed writing and other office material to employees, promoting the Modern Slavery Helpline. Posters in English and Arabic promoting the Modern Slavery Helpline, were sourced shortly prior to the initial UK Coronavirus lockdown. These posters will be placed in positions throughout the Branch that are easily viewable by RBL employees and those undertaking premises facilities management services.

Employee Procedures and Guidance

During the period, all procedures and guidance mentioned within this Statement were kept up-to-date. Procedures and guidance were additionally modified where necessary when impacted by the Covid-19 Pandemic. With the majority of Branch employees working from home during much of the period, any additional systems and controls required to mitigate risks RBL faces were put in place.

In the Branch's annual culture survey of employees, all employees either agreed or strongly agreed that they were aware of RBL's Code of Conduct and Whistleblowing procedures. Employees also agreed or strongly agreed that they would feel comfortable raising concerns to a RBL Manager or if necessary the Branch's Whistleblowing Champion. Responses to the culture survey are made on an anonymous basis. The outcome of the survey is shared with the Branch employees at a staff meeting as well as stakeholders in Riyad Bank Head Office such as the Head of Compliance and the Chief Corporate Banking Officer.

Future Steps

RBL is committed to developing our understanding and mitigation of the risks involved in modern slavery and human trafficking. The Branch will continue to regularly review procedures and processes to identify additional steps it can take to address the risk of modern slavery or human trafficking within its own business and supply chains. During 2021, RBL will be building upon its Third Party, Contracting and Vendor Management Procedures (aka Procurement Procedures) and will perform a further risk-based review of our suppliers in order to further strengthen the Branch's due diligence processes for suppliers. RBL utilises an external provider for the automated daily screening of clients against sanctions and financial crime. RBL plans to add Tier 1 suppliers to this daily automated screening.

RBL acknowledges Covid-19, and its international economic implications, has and will continue to create unprecedented pressures for the Branch's clients, employees and suppliers, which may enhance the level of risk RBL faces. As a predicate offence to money laundering, modern slavery and human trafficking form part of RBL's AML / CFT framework. Risks will be added to and assessed under RBL's 2021 Business Wide Risk Assessment of Anti-Money Laundering. Initial performance indicators to combat the risks posed by modern slavery and human trafficking include monitoring targets for:

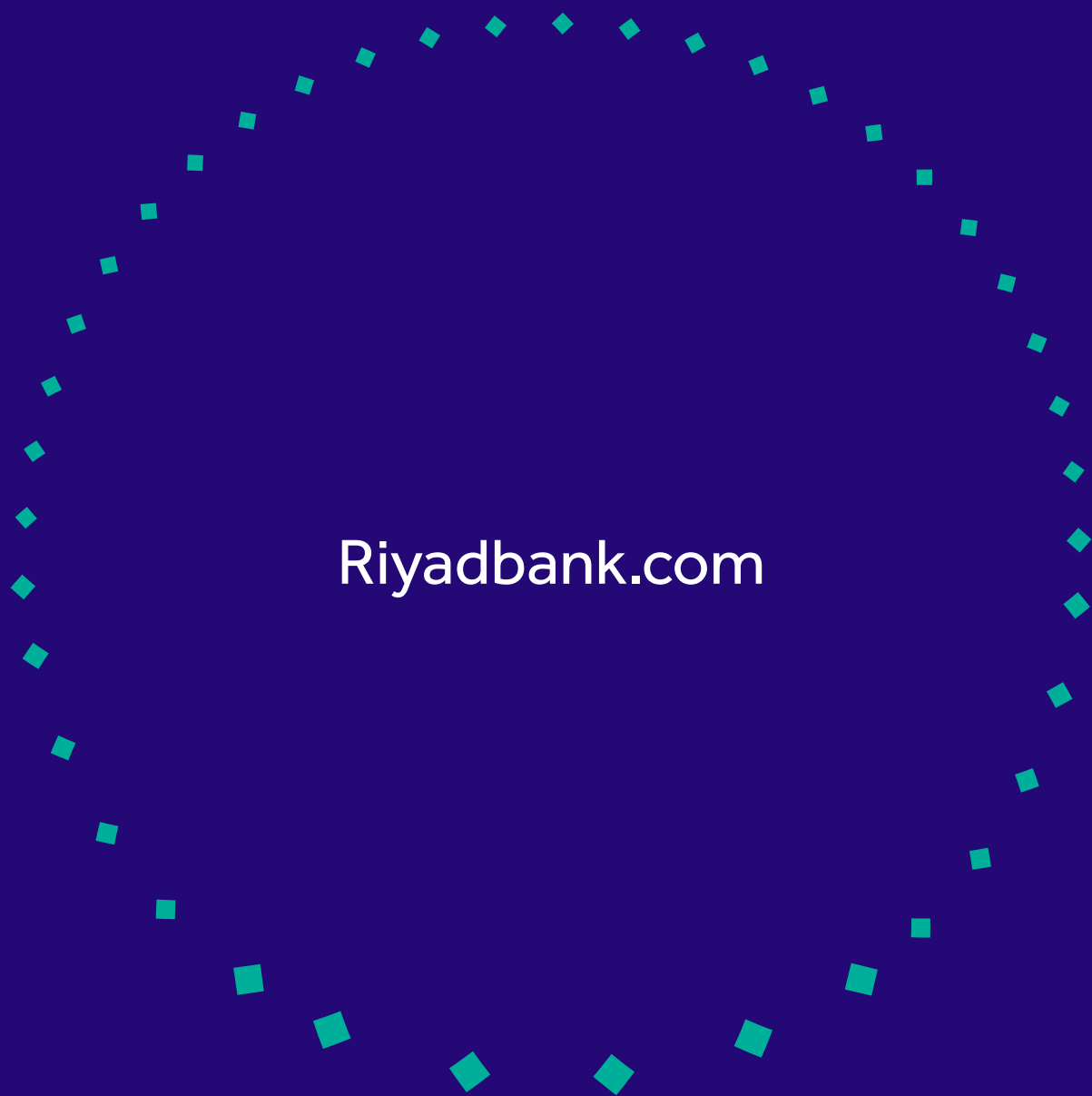
- Whistleblowing:
 - Whistleblowing reporting mechanisms monitored for cases of modern slavery and cases dealt with appropriately.
 - Number of reported instances within our business operations and supply chain.

- Oversight of Suppliers:
 - Clauses inserted into new (or at renewal) negotiable supplier contracts.
 - Slavery and Human Trafficking Statements obtained for suppliers who are obligated to have under the Modern Slavery Act 2015 as per Procurement Procedures.
 - Adverse media checks for suppliers as per Procurement Procedures.

- Training and modern slavery awareness for employees:
 - Identity and documentation checks undertaken for new employees.
 - Training delivered to all new employees at induction.
 - Annual awareness campaign delivered to all employees, including how to spot the signs and how to report issues.

Riyad Bank aims to further increase the awareness of modern slavery and human trafficking among all employees during 2021. The Riyad Bank Board has confirmed that the subject will be included within annual mandatory training undertaken by all Bank employees, world-wide, from 2021. Riyad Bank continues to be highly committed in its strong focus on embedding the Bank's core ethical values throughout the group globally.

This statement was approved by Board of Directors of Riyad Bank on June 16, 2021.



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