

# Sustaining Leadership

ESG Report 2024





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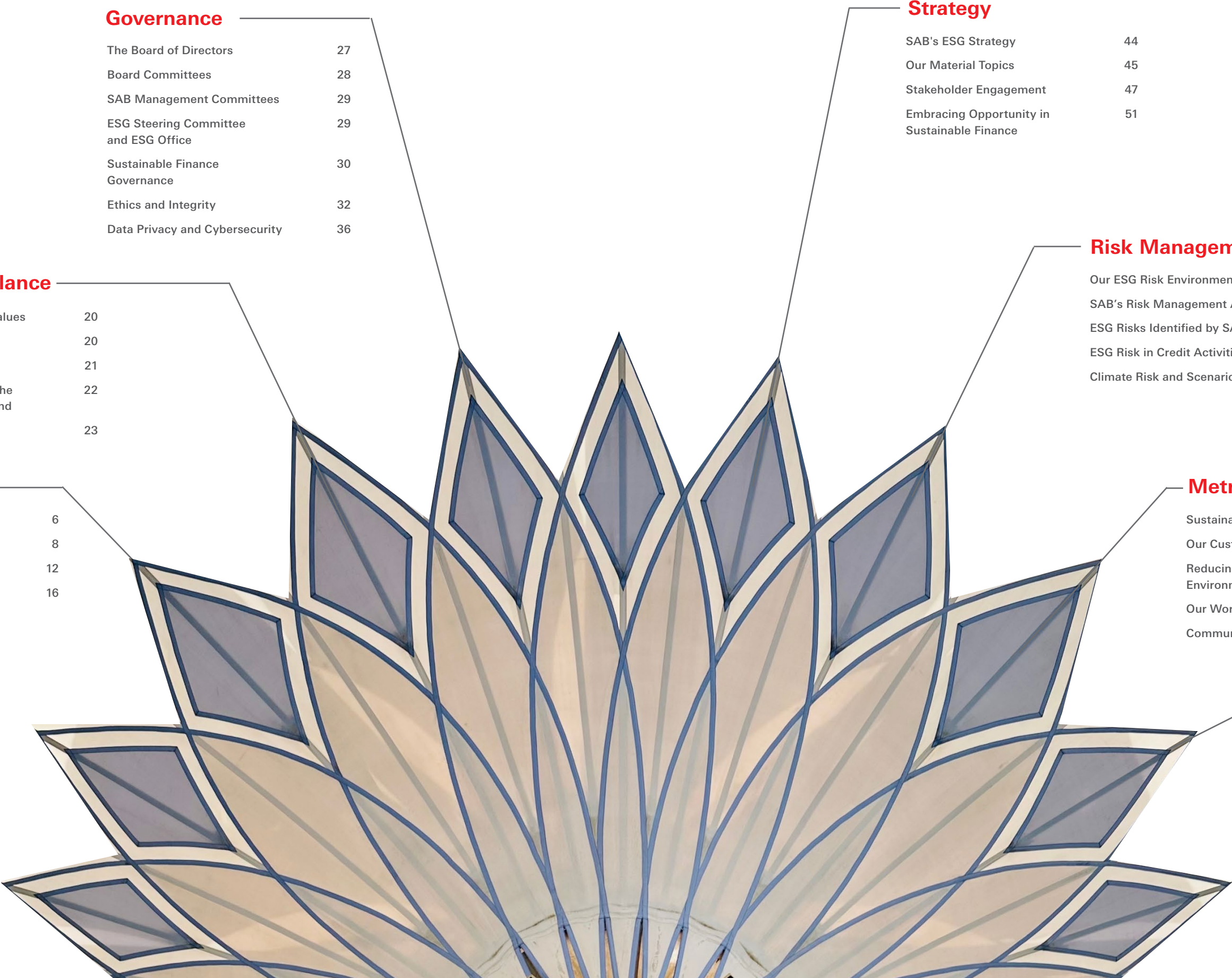
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# Introduction

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# About This Report

Saudi Awwal Bank (SAB) is proud to present our third Environmental, Social and Governance (ESG) Report, which outlines our commitment to sustainability and the progress we have made towards uplifting our environment, our people, and society at large. With this year’s report, we are expanding our scope to include SAB Invest, our wholly-owned subsidiary which provides investment management and brokerage services. By incorporating SAB Invest into our reporting framework, we aim to provide a more comprehensive overview of our operations and enhance transparency for our stakeholders.

The disclosures in this report are guided by our materiality assessment that incorporates both qualitative and quantitative elements. We recommend reading the report in conjunction with our [Annual Report](#) and [ESG webpage](#) for a more holistic understanding of our ESG programmes, financial performance, governance, and forward-looking disclosures.

### Standards and Frameworks

We are committed to providing comprehensive information on our ESG approach, in line with key national and global standards and frameworks for sustainability and climate-related disclosures. This report aligns with the Sustainability Accounting Standards Board (SASB), International Sustainability Standards Board (ISSB), International Financial Reporting Standards (IFRS) S1 and S2 and the United Nations Principles for Responsible Banking (UN PRB). Our sustainability report serves as a Communication of Progress (CoP) in implementing the United Nations Global Compact (UNGC) Principles. Our sustainability strategy reaffirms our commitments to the Ten Principles of the UNGC. By following these rigorous frameworks, we ensure transparency and accountability in our sustainability initiatives. The details of the standards and guidelines followed while preparing this report are as follows:

#### International Frameworks and Standards

UN Global Compact	A voluntary initiative that promotes sustainable and socially responsible practices among businesses and organisations by aligning their operations with ten universally accepted principles related to human rights, labour, environment, and anti-corruption.
UN Sustainable Development Goals	Set of 17 interlinked global goals established by the United Nations to tackle social, economic, and environmental issues and foster sustainable development by 2030.
UN Principles for Responsible Banking	A United Nations framework that helps banks incorporate sustainability into their operations and decision-making, aligning banking practices with sustainable development goals.
IFRS S1 and S2	International standards for sustainability and climate-related reporting published by the International Sustainability Standards Board (ISSB).
SASB	Industry-specific guidance for sustainability-related disclosures.

#### National Commitments

Saudi Vision 2030	National transformation plan for economic diversification, global engagement, and enhanced quality of life.
Saudi Green Initiative (SGI)	Saudi Arabia’s national program to support their climate and environmental targets including net zero emissions by 2060. SGI focuses on three main goals: reducing emissions, afforestation, and protecting land and sea.
Saudi Arabia’s Nationally Determined Contribution	Saudi Arabia’s national commitments as part of their ratification of the Paris Agreement, to keep global temperature below 2°C by end of the century.

For detailed disclosures aligned to these frameworks, please refer to the [Appendix](#).

### External Assurance

The Board of Directors has strategic oversight of the ESG Report. The Board approved this report on 15 July 2025.

We abide by the principles of transparent reporting and accountability in disclosures of non-financial information. We, therefore, obtain external assurance for key ESG indicators. This year we have chosen PricewaterhouseCoopers Public Accountants (PwC) to obtain limited assurance for key indicators pertaining to ESG areas including:

- > GHG emissions (Scope 1, 2 and 3)
- > Electricity consumption
- > Staff and Board diversity
- > Employee training
- > Penalties
- > Sustainable financing and investments





# Message from our Chair

Dear Stakeholders,

On behalf of the Board of Saudi Awwal Bank (SAB), I am pleased to present our 2024 ESG Report. This year, we made meaningful progress in advancing sustainability and responsible banking amidst a complex global environment. Our efforts reflect our deep commitment to supporting the Kingdom's Vision 2030 and helping to shape a more sustainable, inclusive future.

## Leading the Transition through Responsible Banking

As Saudi Arabia's economy transforms, SAB is proud to play a leading role in driving innovation and sustainable growth. We are actively integrating ESG principles across our operations and offerings, enabling clients to transition toward more responsible practices. As of December 2024, we deployed nearly SAR 19 billion in sustainable financing, marking a key milestone in our commitment to green and inclusive finance.

## Strong Governance as a Strategic Foundation

Effective governance underpins our ESG strategy. The Board of Directors provides clear oversight, while management committees ensure implementation across the bank. Our Risk Management Framework – which now includes integrated climate risk – promotes accountability and a culture of transparency, enabling us to anticipate emerging risks and opportunities.

## Partnerships for Impact

Achieving our sustainability goals requires collective effort. We work closely with key national institutions including the Saudi Central Bank (SAMA), the Ministry of Economy & Planning (MEP), and the Capital Market Authority (CMA) to shape policies that support sustainable finance. Engagement in forums like the Climate and Desertification CoP also allows us to share insights and strengthen collaboration across the financial sector.

We continue to invest in talent through initiatives such as our sustainability graduate program, and our strong focus on continuous learning. This year, we endorsed the UN Women's Empowerment Principles, reinforcing our commitment to gender equality and a diverse, inclusive workplace that fosters innovation and creativity.

## Looking Ahead

I thank our stakeholders for your continued trust and support. As we look to the future, SAB remains committed to leading by example – embedding sustainability at the heart of our strategy, building strong partnerships, and delivering lasting positive impact.

Thank you for being part of our journey.

Sincerely,

**Lubna Olayan**  
Chair

“

**In 2024, SAB advanced its sustainability and responsible banking agenda, achieving key milestones despite a complex global environment. We remain committed to building on this progress and supporting a more sustainable future, in line with the Kingdom's Vision 2030.**





# Message from our CEO

As we enter 2025, we find ourselves navigating a challenging macroeconomic landscape in Saudi Arabia, characterised by declining interest rates and various economic headwinds. However, amidst these challenges, we recognise significant opportunities for growth and innovation that can bolster our resilience. At Saudi Awwal Bank, we are focused on capturing the potential of sustainable finance initiatives to strengthen our position in the market. Our target of reaching  $\text{SAR}$  34 billion in sustainable financing by 2025 is a testament to our commitment, with nearly  $\text{SAR}$  19 billion achieved as of December 2024.

## Championing the Vision for Change

As a leading financial institution in Saudi Arabia, we understand the importance of environmental sustainability in driving national development and enhancing the quality of life for citizens, residents and all visitors. Central to the Kingdom's Vision 2030, which provides a framework for economic diversification and sustainable growth, the Saudi Green Initiative (SGI) aims to address climate change while fostering land conservation, afforestation, and a greener future for all. In line with this initiative, we continue to support broader environmental focus areas such as biodiversity and nature. Our efforts include a commitment to plant one million trees and the recent inauguration of Prince Faisal bin Mishaal Centre for Native Plant Conservation and Propagation, which promotes native plant species and raises environmental awareness. Furthermore, we actively support a regenerative agriculture-themed accelerator, as we believe innovative solutions are essential to address food security and land use challenges.

In addition to our environmental initiatives, financial innovation has emerged as a key pillar within the national agenda for the banking sector. SAB is dedicated to integrating innovation into our business strategy, and 2024 has marked the beginning of foundational steps in this direction. Moreover, we take pride in being the first bank in the country to receive the Local Content Certificate in 2024, highlighting our

dedication to promoting national development through the utilisation of local resources and services.

## Empowering Diversity and Inclusion

Diversity and inclusion are embedded in how we do business. Our commitment to the UN Women Empowerment Principles is underpinned by our newly launched Balance Programme, designed to empower women within our workforce. This initiative provides targeted support, mentorship, and development opportunities, ensuring that women have the resources and encouragement needed to thrive in their careers at SAB. By championing diversity, we enhance our organisational culture and drive innovation, which are essential for navigating the complexities of the modern financial landscape.

As we prioritise social and governance considerations, we have enhanced our communication channels between our business units, senior management, and the Board. This efficiency enables us to respond swiftly to market changes and stakeholder needs, ensuring we remain agile in a rapidly evolving environment.

## Charting Our Path to Net Zero

The financial sector has a unique opportunity to drive the transition to a low-carbon economy, and we are determined to lead by example. Our commitment to decarbonisation remains a top priority. We are dedicated to achieving net zero operations by 2035 and net zero emissions in our financed portfolio by 2060 or earlier. This ambitious strategy is a moral imperative and a business opportunity.

In 2024, we took a significant step by making our first investments in carbon credits from a voluntary carbon market platform operated by the Regional Voluntary Carbon Market Company (RVCMC) on the side lines of COP 29. We recognise the challenges in financing critical projects that sequester carbon and provide nature-based solutions. By participating in and facilitating the voluntary carbon market, we aim to

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**In 2024, as we are progressing towards the success of our ESG strategy, we are not just leading the charge in sustainable banking; we are committed to empowering partners and communities to advance alongside us, fostering innovation and capability that align with the Kingdom's Vision 2030 for a diversified and resilient economy.**





actively contribute to solutions that support broader environmental and climate goals while directing finance to climate and nature-based projects.

Our sustainable finance products and initiatives support projects that align with our decarbonisation targets while contributing to the Kingdom's environmental goals. By financing green, social and sustainable projects, and solutions, we are addressing climate change and enabling our clients to pursue their sustainability objectives. In 2024, we adopted and published sustainability risk policies that guide our decision-making and ensure responsible lending practices. This holistic approach is critical as we work towards a more resilient and sustainable economy.

### Catalysts for Collaborative Growth

Looking forward, we remain committed to fostering collaboration across the industry. Our involvement in the ESG Saudi Banks Advisory Committee (EBAC) highlights our belief that partnerships are crucial for achieving ambitious goals. This initiative helps integrate ESG principles in the banking sector, enhancing risk management and driving essential green finance solutions. By collaborating with government entities and other financial institutions, we promote a sustainability culture that extends beyond our business.

In addition to our effort in developing the financial ecosystem in the Kingdom, we have also exemplified best practices as an institution. Our work has received numerous industry awards from reputable organisations. These accolades highlight our achievements in sustainable finance, commitment to supporting SMEs, advancements in digital innovation, and our standing as a preferred bank for customers in Saudi Arabia.

As we start a new chapter in our ESG journey in 2025, I want to acknowledge the incredible dedication of our team and the invaluable support from our partners and stakeholders. Your commitment fuels our ambition to lead and drive meaningful change within our communities. At SAB, we are excited about what lies ahead and remain focused on our mission to empower our clients and contribute to the Kingdom's growth. We will continue to innovate, ensuring that we not only meet but exceed our sustainability objectives. Thank you for your trust and partnership as we embark on this important journey together.

Sincerely,

**Tony Cripps**  
Managing Director and CEO





# Executive Summary

In 2024, SAB has made significant strides in advancing our ESG initiatives, showcasing our unwavering commitment to sustainability and responsible banking practices. This year, we have successfully implemented various projects that align with our strategic objectives, reflecting our dedication to creating positive impacts on the environment and society. As we look forward, we remain focused on excelling in our ESG performance

by enhancing stakeholder engagement and driving impactful projects that contribute to a greener and more equitable future for all. By continuously refining our strategies and embracing innovation, SAB aims to not only meet but exceed the expectations of our stakeholders, ensuring that we play a vital role in the Kingdom's sustainable development goals and contribute to a resilient economy.

## Environment



### Sustainable Finance

- Reached SAR 19 billion, with a target of SAR 34 billion by 2025
- Launched sustainability-linked loans

## Social



### Access to Finance

- Nearly 40% increase in MSME customers compared to 2022
- Signed a long-term partnership with Taqadam to support entrepreneurs
- Nearly 765,000 beneficiaries benefited from the partnership for financial literacy with the Riyali Foundation.

## Governance



### Oversight

- Performed a Management Committees effectiveness exercise
- Refreshed the Delegation of Authority policy
- Performed an internal audit on the ESG Office



### Own Operations

- SAB Tower exhibits optimal resource management as a LEED-certified green building
- Kick started electrification of our vehicle fleet
- Completed Phase 1 of rooftop solar installation
- Acquired carbon credits worth 115,500 metric tonnes of CO<sub>2</sub> from voluntary carbon market



### Our workforce

- SAB became a signatory to the UN Women Empowerment Principles
- Launched the Sustainability graduate programme, recruiting 14 graduates
- 59 employees sponsored for open executive education programme at international universities



### Risk Management

- Climate risk policy and procedures embedded in wholesale credit risk policy
- Climate risk appetite approved by the Board
- Defined thresholds and enhanced due diligence for high-risk sectors



### Financed Emissions

- Completed baselining of sectors as part of Scope 3 financed emissions
- Developed decarbonisation pathways for four high emission sectors in line with an IEA scenario



### Social Responsibility

- 77 employees volunteered to plant c.300 mangroves
- Established Prince Faisal bin Mishaal Centre for Native Plant Conservation and Propagation



### Partnerships and recognition

- Continue to Chair EBAC, supervised by SAMA
- Selected as a sustainability "champion" by MEP, guiding corporates on ESG integration
- Several awards and recognition for digital innovation, sustainable finance and SME support





# SAB at a Glance

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# SAB at a Glance

## Our Purpose and Values

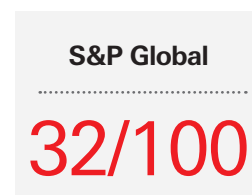
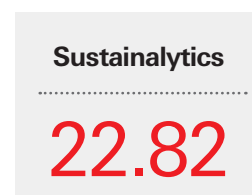
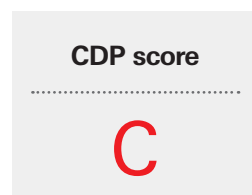
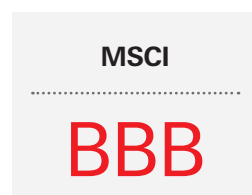
Our Purpose helps frame our underlying value proposition to our customers, stakeholders, and our people.

“We Bring a World of Financial Opportunities to an Ambitious Kingdom”.

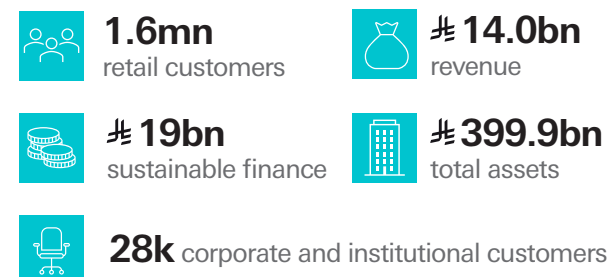
Our values define behaviours that positively impact everything we do.

- > **Think Customer:** By prioritising the needs of the customer, we advance the quality of our services, and this encourages a culture of personal responsibility within our people.
- > **Work Together:** When we work together, achieving success becomes a collective goal, and this encourages a culture of collaboration within our people.
- > **Do The Right Thing:** When we choose to do the right thing, all our actions, no matter how small, encourage a culture of honesty and integrity.
- > **Be Innovative:** When innovation becomes a part of our work process, we encourage a culture of development and progress in everything we do.

## Our ESG Performance Assessed by Key Agencies



## Our Business



SAB is one of the largest banks in the Kingdom of Saudi Arabia, with origins going back more than 90 years. We are one of the leading corporate and institutional banks with top wealth and personal banking proposition. We are also at the forefront in the region in trade finance, foreign exchange, equity and debt wholesale banking, digital service innovation, and ESG, paving the way for transformation and excellence.

We offer integrated financial and banking services, through our three key business divisions:

- > **Corporate and Institutional Banking (CIB):** CIB provides customised solutions to our varied customers including large corporates, institutional banks, commercial banking corporates and small & medium enterprises (SMEs).
- > **Wealth and Personal Banking (WPB):** WPB serves a mix of Saudi and international customers offering them a variety of wealth and consumer lending products.
- > **Treasury:** The Treasury business provides the CIB and WPB customers with treasury and capital markets products across asset classes such as foreign exchange, interest rate, and commodities hedging solutions.

### SAB and HSBC

SAB has maintained its strategic partnership with HSBC Group, one of the world's largest and most geographically diverse financial services corporations. The partnership has provided SAB with a vital competitive advantage, affording customers access to the best international services available in the Saudi market. Our unique partnership with HSBC Group

enables us to bring international connectivity to our customer base and aligns our approach with global best practice. We are the 'go-to' bank for inbound and outbound multinational corporates and institutions operating into or from Saudi Arabia, and the number one bank in the Kingdom for trade.

### SAB Invest

SAB Invest was established on 1<sup>st</sup> January 2008 and is

an independent (100% owned) subsidiary of SAB; with a vision to become a leading provider of innovative investment management solutions for private and institutional clients, providing superior products and services in the Kingdom of Saudi Arabia. Combining the in-depth knowledge and experience of SAB in the Saudi market, SAB Invest strives to deliver first class investment performance and quality of services to clients.

## Our Recent Awards

In 2024, we have proudly celebrated several milestones that acknowledge our commitment to excellence and innovation. Our dedication to delivering exceptional value to our clients has been recognised through various awards that we have received.

SAB has been honoured with the **Sustainability Program of the Year 2024** at the Capital Markets Forum organised by the Saudi Stock Exchange Group (Tadawul), becoming the first bank in the Kingdom to receive this prestigious award, recognising our leadership in advancing ESG practices within the Saudi economy.



- > Best Bank for ESG in Saudi Arabia
- > Best Cash Management Bank
- > Best Cash Management Bank for Client Service in Saudi Arabia
- > Best Cash Management Bank Technology in Saudi Arabia
- > Best Cash Management Bank Products in Saudi Arabia
- > Best Domestic Private Bank in Saudi Arabia
- > Best for Digital Solutions in Saudi Arabia
- > Market Leader in KSA (Trade Finance Survey)
- > Best Digital Bank in Saudi Arabia



- > Best Bank for Sustainable Infrastructure Finance in Middle East
- > Best Bank for Sustainable Finance in Saudi Arabia
- > Best Treasury and Cash Management Award
- > Best Trade Finance Provider in Saudi Arabia
- > Best Bank in Saudi Arabia
- > Best Consumer Digital Bank in Saudi Arabia



- > Best Credit Card Initiative – SAB Al-Fursan Credit Card



- > Best Banking Brand in Saudi Arabia



- > Best SME Bank in Saudi Arabia
- > Best SME Account Opening and Onboarding Initiative



- > Highest card Spend Growth in KSA – Global Excellence Award
- > Excellence in Loyalty Programme in Saudi Arabia



- > Best BI and Data Analytics Implementation Award 2024



# Advancing ESG in the Kingdom and Beyond

## Global warming and the Kingdom

The impacts of climate change are increasingly pronounced across the MENA region, with Saudi Arabia facing some of the most severe consequences. Current climate projections indicate that the effects of climate change will be more pronounced in the Kingdom, potentially leading to significant challenges by the end of the century.

The effects of climate change are increasingly relevant to our environment. The Kingdom is experiencing rising heat levels, which exacerbate the challenges of desertification and land degradation, leading to a gradual decline in water resources. Groundwater levels are decreasing due to over-extraction and changing rainfall patterns, further stressing the ecosystem. This shift in water availability may impact food security and the livelihoods of many. Additionally, coastal areas of Saudi Arabia face challenges related to rising sea levels, which could affect infrastructure, ecosystems, and communities. These environmental changes highlight the importance of preserving the Kingdom's natural heritage and addressing potential economic implications, particularly for sectors that depend on tourism.

The socio-economic implications of climate change in Saudi Arabia are profound. As the Kingdom strives to diversify its economy away from oil dependency, the impacts of climate change could hinder progress towards achieving Vision 2030 goals. The need for sustainable development and climate resilience has never been more urgent, as the Kingdom seeks to balance economic growth with environmental stewardship.

We are at forefront of driving change and creating impact. We are committed to supporting Saudi's strategic goals for reducing 278 million tonnes of greenhouse gases (GHGs) by 2030, compared to 2019. We are steadfast in commitment to Saudi's Vision 2030 and the pathway to net zero by 2060.

## Engagements related to climate change

To bring the Saudi Vision 2030 to action and support transition towards a low carbon economy, SAB actively engages in various industry events to address climate issues and promote sustainability. Our participation in these forums reflects our commitment to collaborating with stakeholders, sharing knowledge, and driving collective effort towards climate action. By engaging with experts, policymakers, and industry leaders, we aim to influence positive change and contribute to global climate initiatives.

### United Nations Framework Convention on Climate Change (UNFCCC) - Conference of Parties 29 (COP 29)

COP 29, held in Baku, Azerbaijan in November 2024, focused on advancing global climate action and enhancing commitments to sustainability. The event brought together world leaders, policymakers, and industry experts to discuss strategies for climate action. At COP 29, climate finance emerged as a central topic, emphasising the importance of innovative financing solutions. Our team participated in panel discussions that aligns financial practices with climate goals. Additionally, we participated in the launch of the carbon credit auction platform, demonstrating our commitment to supporting market mechanisms that facilitate emissions reductions and contribute to a sustainable future.

### United Nations Convention to Combat Desertification (UNCCD) – Conference of Parties 16 (COP 16)

COP 16 was held in December 2024. During COP 16, representatives and experts from SAB participated in several discussion panels. Our participation included discussions on financing initiatives that protect natural ecosystems and promote sustainable land use. By advocating for the integration of biodiversity considerations into financial decision-making, we reinforced our dedication to preserving the Kingdom's rich natural heritage while addressing climate challenges.

SAB's targets in line with Vision 2030

Net zero operations by 2035

Net zero financed emissions by 2060 or sooner

# Saudi Vision 2030



## A Vibrant Society

SAB is committed to fostering an inclusive and empowered society through strategic initiatives that support national development. The Bank champions Saudisation, with 93% Saudi nationals in its workforce, promoting local talent and economic participation, while driving financial literacy through partnerships like the Riyali Foundation. By offering innovative Shariah-compliant products such as the "Waafer account" and extending banking services to rural areas through targeted infrastructure, SAB ensures financial access for underserved communities. The Bank's commitment to social well-being extends to its employees, providing comprehensive health benefits, wellness programs, and a supportive work environment that prioritises personal and professional growth. Through initiatives like the "Be Well" program and partnerships with organisations like the Sports for All Federation, SAB demonstrates its holistic approach to nurturing a vibrant and healthy society.



## A Thriving Economy

SAB plays a pivotal role in driving economic diversification and growth by supporting micro, small and medium enterprises (MSMEs) and cultivating local talent. The Bank has achieved a remarkable nearly 40% increase in its MSME customer segment, demonstrating a strong commitment to economic empowerment. Through the innovative Sustainability Graduate Programme, SAB actively invests in developing emerging professionals, equipping them with essential skills for responsible banking and creating meaningful career pathways for Saudi youth. Our comprehensive approach to talent development includes mentorship, specialised training, and opportunities that enable young professionals to contribute meaningfully to the Kingdom's economic transformation. By providing financial support, nurturing skills, and creating innovative digital banking services, SAB accelerates economic progress and supports the vision of a diversified, dynamic economy.



## An Ambitious Nation

We contribute to nation-building by maintaining the highest standards of corporate governance, ethics, and transparency. We actively engage with regulators to shape ESG frameworks for the banking sector, ensuring alignment with national standards and fostering a culture of accountability. Through strategic environmental partnerships and initiatives like tree planting and biodiversity support, SAB demonstrates its commitment to sustainable development. The Bank's approach to empowering individuals extends beyond financial services, focusing on creating informed citizens capable of making sound financial decisions. By integrating robust governance practices, supporting environmental sustainability, and promoting financial literacy, SAB plays a crucial role in advancing the Kingdom's ambitious national objectives.





# Governance

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# Governance

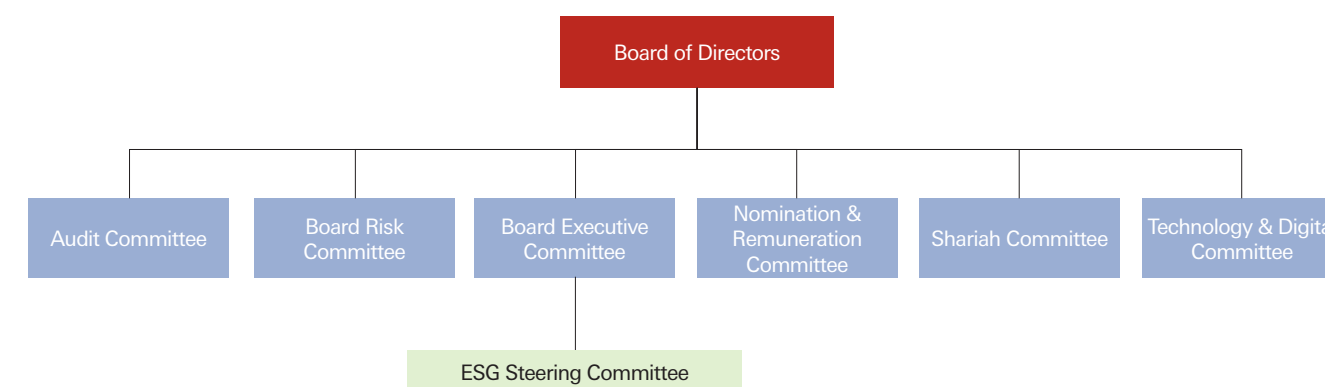
In the rapidly evolving landscape of ESG practices, effective governance stands as a cornerstone for sustainable growth and stakeholder trust. The Bank's governance structure is designed to align with international best practices while adhering to local regulatory requirements, ensuring robust oversight and strategic direction.

At the heart of SAB's governance model is a diverse and experienced Board of Directors, tasked with guiding the Bank's ESG vision and strategy. An effective board fosters a culture of informed decision-making. We have established comprehensive policies and procedures that promote ethical behaviour and compliance, reinforcing our dedication to responsible banking practices. This governance framework not only mitigates risks but also enhances the Bank's reputation and operational resilience in a competitive market.

In this section of the report, we will explore our

approach to ESG governance, regulatory compliance, principles of good corporate behaviour and data management that collectively positions us as a leader in the banking sector and a responsible corporate citizen.

At the core of SAB's ESG governance framework is the commitment to transparency and accountability, ensuring that ESG considerations are embedded in our strategic decision-making processes. The governance structure delineates the roles and responsibilities of key bodies, including the Board of Directors, the Board Committees, and Management committees such as the ESG Steering Committee. Each entity plays a vital role in promoting a culture of sustainability and ethical conduct, driving our organisation's commitment to responsible banking practices. Through this structured approach, we aim to enhance SAB's ESG performance, manage risks, and capitalise on opportunities that arise from sustainability.



## The Board of Directors

The Board of Directors (BoD) at SAB plays a pivotal role in steering our organisation towards its strategic objectives while driving our sustainability agenda. Comprising a diverse group of individuals with extensive

experience across various sectors, the Board is tasked with overseeing the Bank's operations, safeguarding stakeholder interests, and fostering a culture of accountability and ethical conduct.

### ESG Roles and Responsibilities

The primary responsibilities of the Board include setting the strategic direction of the Bank's ESG approach, review ESG targets, overseeing the risk framework including sustainability-related risks. The Board is also the key entity responsible for oversight of our performance against set ESG goals and targets, and approving our ESG reports. It prioritises the shareholder interests by steering the ESG implementation across the organisation.

### Competencies, Tenure, and Membership

The composition of the Board reflects a blend of skills and expertise essential for navigating the complexities of the banking sector. Board members possess a wealth of skills in finance, risk management, compliance, and operations, complemented by experience in diverse industries such as technology, investment, and international business. To continually enhance our competitive position and maintain an effective blend of skills and expertise, we follow a diligent and transparent process of selection and appointment of board members as outlined in the Selection Policy for Board and Board Committees.





The tenure of Board members is structured to promote stability while allowing for the infusion of fresh perspectives. Typically, Board members serve for a term of 3 years, in line with the best practice. This approach not only fosters continuity in governance but also encourages a dynamic environment where new ideas can flourish.

Board of Directors	2024	2023	2022
Total number of BoD members	11	11	11
Percentage of Board of Directors' seats occupied by women	9%	9%	9%
Percentage of Board of Directors' seats occupied by independent directors*	45%	45%	36%
Non-executive members of the Board of Directors	45%	45%	54%
Executive members of the Board of Directors	9%	9%	9%

Comments: \* in line with the regulatory requirements

ESG Relevant Board Deliberations

In 2024, the Board operated in a hybrid format, with in-person and video conference participation by the directors and members of the management. ESG was featured regularly in Board agendas. Every Board meeting has a designated slot where the members are apprised on the ESG strategy execution. In particular, the Board and its committees addressed the following sustainability-related topics:

- SAB's Consumer Protection Policy
- SAB's Whistleblowing Policy
- SAB's ESG Report
- SAB's Sanctions Policy
- SAB's Governance Document
- UN Global Compact update

Board Committees

Board Executive Committee (EXCOM)

The EXCOM is tasked with providing oversight to the Bank's operations and implementation of SAB's ESG strategy. Additionally, the committee identifies and

assesses potential risks and opportunities and monitors progress against ESG targets. The EXCOM works in close association with the ESG Steering Committee, providing oversight to their decisions, initiatives ensuring that SAB's ESG objectives are met.

Board Risk Committee (BRC)

The BRC is responsible for the overall risk management at SAB. This includes consulting on potential and actual risks faced by SAB, approving the risk appetite framework, placing adequate internal control mechanisms and oversight of the enterprise risk management (ERM) framework. This includes the ESG risks such as physical and transition climate risks and their financial impact on SAB.

Audit Committee (AUCOM)

AUCOM plays a vital role in ensuring the integrity and transparency of SAB's financial reporting and compliance. The committee reviews financial statements for accuracy and regulatory compliance, while also monitoring adherence to laws and regulations. It oversees the internal controls, risk management, and the effectiveness and independence of internal and external audits. It also advises the Board on selection of the external auditors and their fees.

Nomination and Remuneration Committee (NRC)

The NRC ensures that the Board of Directors at SAB is composed of individuals with the right skills, experience, and diversity to effectively govern the Bank. This committee is responsible for annually identifying and recommending candidates for Board and Board Committee positions, ensuring that the selection process is transparent and aligned with SAB's Selection Policy. The NRC helps to foster an effective Board and committees that reflect a balance of expertise and perspectives, ultimately enhancing our governance framework and decision-making processes.

The NRC also establishes, oversees, and implements the Remuneration Policy for Board Members, Committee Members, and Executive Management, ensuring that compensation structures are competitive, fair, and contributes to SAB's long-term performance. The policy elaborates our approach to determination of director fees, committee members and components of executive pay at SAB. The remuneration system has appropriate accountability mechanisms for clawback

provisions. Moreover, the NRC review the governance rules in accordance with the provisions set forth by the Supervisory Authorities and monitor their implementation, verify their effectiveness and review them periodically.

SAB Management Committees

At SAB, our Management Committees (MCs) and Sub-Committees (MSCs) serve as work and discussion forums to support the Managing Director and Executive Management team in discharging their responsibilities and managing the Bank's day-to-day affairs. MCs have specific authority granted by the Board and/or Board Committees, as per the Bank's Delegation of Authority and their respective Terms of Reference (ToR). ToRs provide clarity around the MCs formation, composition, mandate, responsibilities, authorities, escalation and delegation pathways, and meeting frequency and procedures.

Committees conduct an annual review of their mandates and overall effectiveness in the discharge of their responsibilities. The review in 2024, led to a strategic restructuring that aligns with SAB's long-term objectives. This restructuring optimised both the structure and operation of the committees, ensuring enhanced efficiency and clarity in decision-making processes. Areas for improvement were carefully assessed, with a targeted action plan developed to drive further progress. Ongoing monitoring and refinement will ensure committees remain agile and effective in achieving SAB's goals.

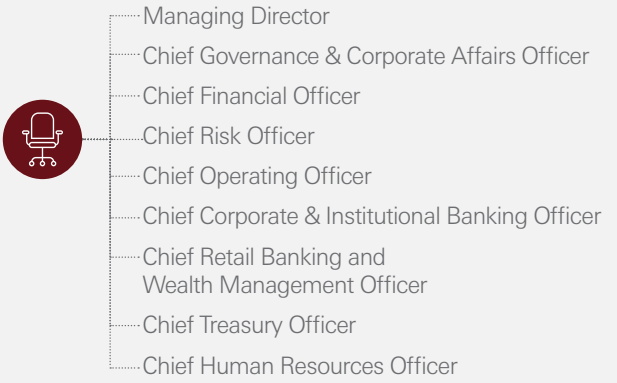
ESG Steering Committee and ESG Office

ESG Steering Committee

The ESG Steering Committee (SteerCo) is the main entity driving the ESG agenda across our organisation. The committee works in close synergy with all executives and reports to the EXCOM. It is responsible for the governance, oversight, approvals, and coordination of all initiatives implemented under our ESG strategy. It also ensures that we deliver against our announced targets and objectives within the stipulated timelines.

Composition of the ESG Steering Committee

The members of the ESG SteerCo represent a diverse and inclusive mix of individuals who are appointed by the ESG SteeringCo Chair. While the Chief Strategy Officer and Head of Corporate Communication are permanent invitees to the committee, in 2024, the members comprised of:



The key discussions of the committee in 2024 reflect SAB's ESG outlook with a focus on

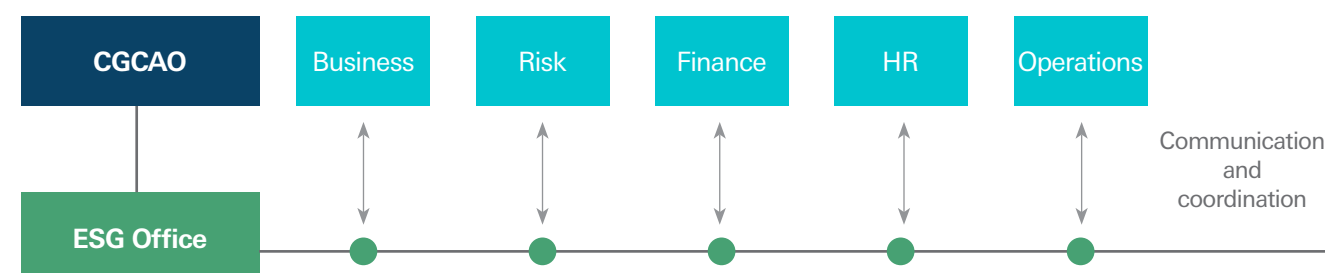




## ESG Office

The ESG Office executes the ESG strategy in practice throughout the organisation. The team collaborates closely with various departments to drive ESG momentum and directly reports to the Chief Governance and Corporate Affairs Officer (CGCAO), as

shown below. Additionally, the office is responsible for managing ESG-related budgets, governance, disclosures, partnerships, net zero commitments and tracking ESG deliverables and performance. Furthermore, the Bank partners with the HR department to promote ESG awareness and capacity building across SAB's workforce.



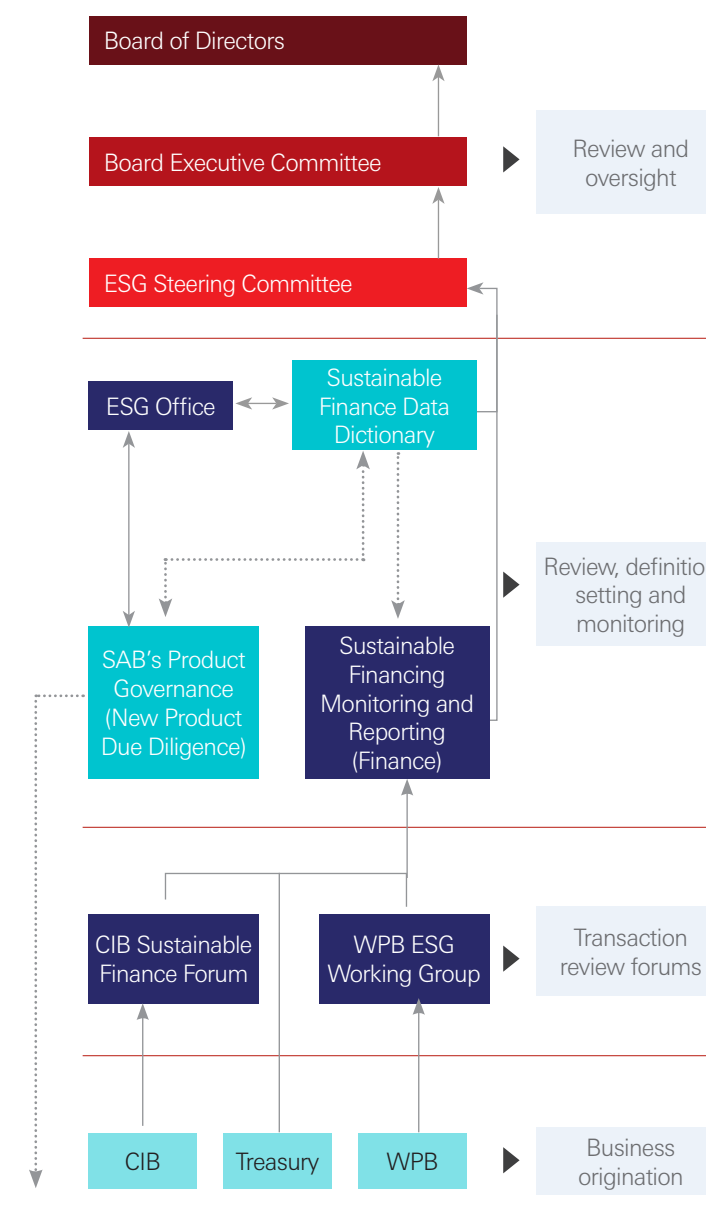
## Sustainable Finance Governance

As a leading bank in the Kingdom, we place paramount importance in management of sustainable finance across the Bank. Thus, we embed the management and governance across the organisation, encompassing the business divisions, ensuring that sustainability principles are integrated into our financial practices and decision-making processes.

We use a three-layered oversight mechanism. Following the origination of business opportunities by respective business, the first layer is the 'Transaction Review Forum'. This layer comprises of the CIB Sustainable Finance Forum (CSFF), and is responsible for approving, monitoring, and addressing issues at transaction or customer level. The CSFF includes the Wholesale Credit Risk and Compliance departments, as well as the ESG Office to engage with relevant team members to ensure compliance. All information from the CSFF is meticulously documented and shared with the sustainable finance reporting team and the ESG Steering Committee.

The second layer is 'Review, Definition Setting, and Monitoring'. This stage of oversight is deeply informed by our Sustainable Finance Data Dictionary and Product Governance frameworks. The Product Governance Framework helps identify which products, listed in the Data Dictionary, can be originated by business divisions. At this level, sustainable finance issuances are overseen, monitored and reported collectively by the SAB Finance team and ESG Office.

The final layer is 'Review and Oversight' wherein the Finance team reports to the ESG Steering Committee. This is followed by diligent oversight from the Board Executive Committee and the Board of Directors to ensure that an investment is aligned with our strategic direction and all escalated issues are adequately addressed.



### Oversight of new and ongoing products

The governance of new financial products and services is critically important and guided by our New and Ongoing Product Management Policy. When developing these offerings, it is essential to identify and adhere to applicable regulatory rules and regulations. In line with SAMA's New Banking Products and Services Regulations, SAB has established a comprehensive product governance framework that outlines the roles and responsibilities of various stakeholders.

At SAB, new products and services are reviewed by the Board, which ensures that associated risks are effectively managed. The Board Risk Committee oversees product governance, ensuring alignment with the Bank's risk appetite. Senior management is

responsible for developing and implementing relevant policies and procedures.

Ongoing review and approval of existing products and services are equally important. Product sponsors conduct periodic assessments to ensure performance and risk control. The frequency of review varies – medium or low-risk products are reviewed every three years, while high-risk and complex products are reviewed at least annually. The review process includes evaluation of the performance of product/service, operational risk controls, current training status, and the relevance of marketing materials.

The Board reviews the product management policy every three years and receives annual reports on product performance. This governance framework reinforces SAB's commitment to responsible finance, ensuring our offerings benefit stakeholders and the community.

### SAB's Sustainable Finance Data Dictionary

We maintain a comprehensive Sustainable Finance Data Dictionary, which serves as a guiding tool for all sustainable products offered. This resource details our various offerings, as well as the principles and standards adhered to, ensuring alignment with industry best practices and regulatory requirements. Each product included in the dictionary undergoes a rigorous due diligence process, guaranteeing that it meets our sustainability criteria and delivers genuine value to our clients and the community.

In 2024, we proudly launched sustainability-linked loans (SLLs), designed to incentivise borrowers to achieve specific environmental and social performance targets. These loans reflect our commitment to supporting clients in their sustainability journeys while promoting responsible financial practices that contribute to a sustainable economy.

The table below indicates the list of our sustainable financing instruments and standards they adhere to.

Sustainable Financing Instrument	Primary Referencing Frameworks
Green bonds	ICMA Green Bond Guidelines
Social bonds	ICMA Social Bond Guidelines



Sustainability bonds	ICMA Sustainability Bond Guidelines
Sustainability linked bonds	ICMA Sustainability Linked Bond Guidelines
Green loans	LMA Green Loan Principles
Other green qualified lending	
Green trade finance	
Sustainable trade instrument	
Green deposits	
Social loans	LMA Social Loan Principles
Other social quality lending	
Sustainability linked loans	LMA Sustainability Linked Loan Principles
Sustainable supply chain finance	LMA Sustainability Linked Loan Principles UN Sustainable Development Goals



Ethics and Integrity

The principles of ethics and integrity serve as the cornerstone for sustainable business practices, particularly within the banking sector. For SAB, these values are crucial for building trust with stakeholders and ensuring compliance with local and international regulations. The Bank's commitment to ethical conduct

SAB's Sustainable Debt Framework

SAB 's Sustainable Debt Framework facilitate the issuance of Green, Social, and Sustainability Bonds / Sukuks, and other debt instruments collectively referred to as "Sustainable Debt Instruments". This document details the use of proceeds of sustainable debt instruments issuance. It describes the projects where the funds can be spent to provide transparency for the investors. Our framework is publicly available and has undergone rigorous internal reviews and has obtained an independent second-party opinion by S&P Global.

The projects eligible for financing under this framework encompass a wide range of categories aimed at promoting environmental sustainability and social development.

reflects its dedication to transparency, accountability, and responsible governance, essential for maintaining its reputation and operational viability.

Ethical behaviour is integral to the Bank's corporate culture and is vital for fostering long-term relationships with clients, investors, and communities. In the past, we have made significant investments to develop a strong compliance infrastructure, monitoring tools,

reporting systems and trainings. In this section we detail our approach to the key pillars of ethics and integrity.

Our Code of Conduct serves as a foundational document that outlines the ethical standards expected of all employees and management. SAB Board is also expected to uphold the highest standards of integrity and these guidelines are outlined in a separate Code of Conduct for Board members . It sets forth clear guidelines on acceptable behaviour, emphasising the importance of honesty, transparency, and accountability in all business dealings. It establishes a framework for decision-making, ensuring that all actions align with the Bank's core values and regulatory obligations. By adhering to this code, the Bank fosters a culture of integrity that permeates its operations and enhances stakeholder trust.



For more information, please refer to our [policies page](#).

We continuously review our standards and protocols against the local and international market best practices and regulatory requirements set forth by the Capital Market Authority (CMA) and SAMA to ensure we stay ahead of the curve. Wherever risks and breaches to the applicable regulations are identified, we promptly report it to the management and Board Committees. The Chief Compliance Officer maintains a direct access to the Board and Board of Directors, ensuring that compliance matters are addressed at the highest levels of governance. Moreover, our strategic partnership with HSBC enriches us with the best practices in business and compliance.

Anti-bribery and Corruption

The Bank is committed to a culture of integrity, firmly opposing bribery and corruption with a strict zero-tolerance policy. We provide comprehensive ethics training to ensure all employees and 3<sup>rd</sup> party contractors can identify and prevent corrupt practices. These trainings are conducted annually.

Our Anti-Bribery and Corruption Policy establishes clear guidelines for governance and risk assessment across four pillars: Employee, Third Party, Strategic, and Customer. It also includes our commitment to prevent foreign bribery crimes and outlines procedures for reporting suspicious activities and managing conflicts of interest, reinforcing the expectation that employees prioritise the Bank's best interests.

Anti-money laundering and combating terrorist crimes and financing

SAB affirms its full commitment to implementing all provisions of the Saudi Anti Money Laundering (AML) Law and Combating Terrorist Crimes and Financing Law, as well as all applicable regulations issued by SAMA and CMA. This includes robust measures against money laundering, terrorist financing, and commercial concealment. SAB also ensures alignment with international standards, including Financial Action Task Force (FATF) recommendations and United Nations Security Council (UNSC) resolutions.

We are obligated to report any suspicious transactions promptly, ensuring that potential risks are addressed effectively. The implementation of Know Your Customer (KYC) and Know Your Business (KYB) principles is central to our strategy, as these practices help verify the identity of clients and assess the legitimacy of their activities. Additionally, we promote non-cash payment methods to enhance transaction transparency. Our strict sanctioning mechanisms further reinforce our commitment to maintaining the integrity of the financial system and preventing illicit activities.

For more information, please consider referring to our [Anti-Money Laundering and Combating Terrorist Financing Policy](#).

Related-party Transactions

At SAB, we implement robust practices for related-party transactions to ensure transparency and compliance with legal and regulatory requirements. We enforce a strict no-preferential treatment policy, conducting all



transactions at arm’s length. Individuals with vested interests are excluded from decision-making to prevent conflicts of interest, and beneficiaries do not participate in transaction approval or processing, safeguarding operational integrity. Our expectations of the employees and protocols of dealing with transactions are outlined in our [Related-party Transaction Policy](#).

To enhance oversight, we provide periodic updates on related-party transactions to the Board, Board committees, and executive management. This approach reinforces accountability and keeps stakeholders informed, ensuring adherence to the highest standards of corporate governance. Through these measures, we maintain trust and uphold ethical standards in our business practices.

Whistleblowing

The Bank’s [Whistleblowing Policy](#) serves as the foundational document, outlining the procedures for employees to report concerns related to misconduct,

unethical behaviour, fraud, or wrongdoings.

Our whistleblower channel “Speak Up” allows employees to submit their concerns confidentially and without the fear of retaliation. Employees are encouraged to raise issues pertaining to financial irregularities, violations of laws or regulations, harassment or discrimination, and breach of company policies. In addition to internal reporting, employees have the option to submit concerns directly to the relevant supervisory authority, ensuring that serious issues are addressed appropriately.

We also conduct regular training and awareness programmes, equipping employees with the knowledge of how to identify and report potential issues. Continuous monitoring of the whistleblowing incidents is implemented to ensure effectiveness and responsiveness. By fostering an open environment for reporting, we reinforce the commitment to ethical practices and accountability, enhancing trust among employees and stakeholders.

Internal Compliance Monitoring and Reporting	2024	2023	2022
Number of enquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system	411	319	373
Percentage of enquiries, complaints, or issues received by the legal and compliance office through an internal monitoring or reporting system that were investigated	100%	100%	100%

Incidents of Non-compliance	2024	2023	2022
Total incidents of non-compliance with SAMA instructions	18 <sup>A</sup>	21	26
Total number of Non-monetary warning letters	1 <sup>A</sup>	1	6
Percentage of incidents of non-compliance that resulted from whistleblowing actions	1%	2%	1%

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants ('PwC')

Anti-competition

The Bank is committed to anti-competition practices in alignment with Saudi Arabia’s Competition Law of 2005, which prohibits monopolistic behaviours and unfair trade practices. This regulation promotes fair competition, enhances market efficiency, innovation and protects consumer rights. We uphold our

commitment to fostering fair market practices and ethical behaviour by upholding our commitment to the law.

Consumer Protection

SAB strictly adheres to SAMA’s Consumer Protection Principles which guides our [Consumer Protection](#)

Policy. We follow ten main principle areas as part of our policy:

- Behaviour and work ethics
- Competition
- Complaints handling
- Conflict of interest
- Disclosure and transparency
- Education and awareness
- Equitable and fair treatment
- Outsourcing
- Protection against fraud and misuse
- Protection of data and information privacy

Catering to our customers fairly and ethically stems from SAB’s core values. As we progress towards our commitment to offer high-quality services to our customers, integrity and transparency are of paramount importance. Our efforts extend across all stages of the customer relationship, starting with ensuring that our customer-facing marketing materials such as advertisements, forms, electronic media communications are accurate, truthful. We review this material using a process approved by our compliance department to ensure compliance with regulatory and statutory requirements including SAMA’s regulation for advertising in the finance industry. These principles are outlined in our policies and overseen by the Customer Experience Steering Committee.

We adhere to the highest ethical standards and maintain a stringent debt collection policy, as described in the WPB Credit Risk Policy, which is compliant with the [SAMA Debt Collection Policy](#). Our collection staff undergo specific debt collection training annually to ensure they are equipped with the knowledge and skills necessary to handle these situations appropriately and sensitively. By constantly striving to resolve our customers’ concerns, strengthen our relationships, and improve our processes, SAB reinforces its commitment to consumer protection and ethical practices throughout our operations.

Human Rights

At SAB, we are committed to upholding human rights across all aspects of our operations. Our [Human Rights Statement](#) reflects our dedication to aligning our practices with the principles outlined in the United Nations Global Compact (UNGC), of which we are a

proud signatory. This commitment extends to all stakeholders, including employees, customers, communities, and suppliers.

We strive to create a respectful and inclusive environment that promotes equality and safeguards the rights of everyone we engage with. Our initiatives focus on empowering individuals and fostering positive relationships, ensuring ethical practices are upheld throughout our operations. By prioritising transparency and accountability, SAB reinforces its role as a responsible corporate citizen in the Kingdom, dedicated to creating a culture that respects and promotes human rights for all.

Employee Training on Ethics and Compliance

SAB is committed to fostering a culture of integrity and ethical conduct among its workforce. We provide comprehensive training programs that cover all employees and third-party contractors. These trainings address essential ethical standards, including anti-corruption, bribery prevention, anti-money laundering, combating terrorist crimes, terrorist financing and anti-commercial concealment measures. A key component of our training is consumer financial protection, with training provided annually to all customer-facing employees. This ensures they are equipped to uphold the protection of customers' rights in line with SAMA principles in all interactions.





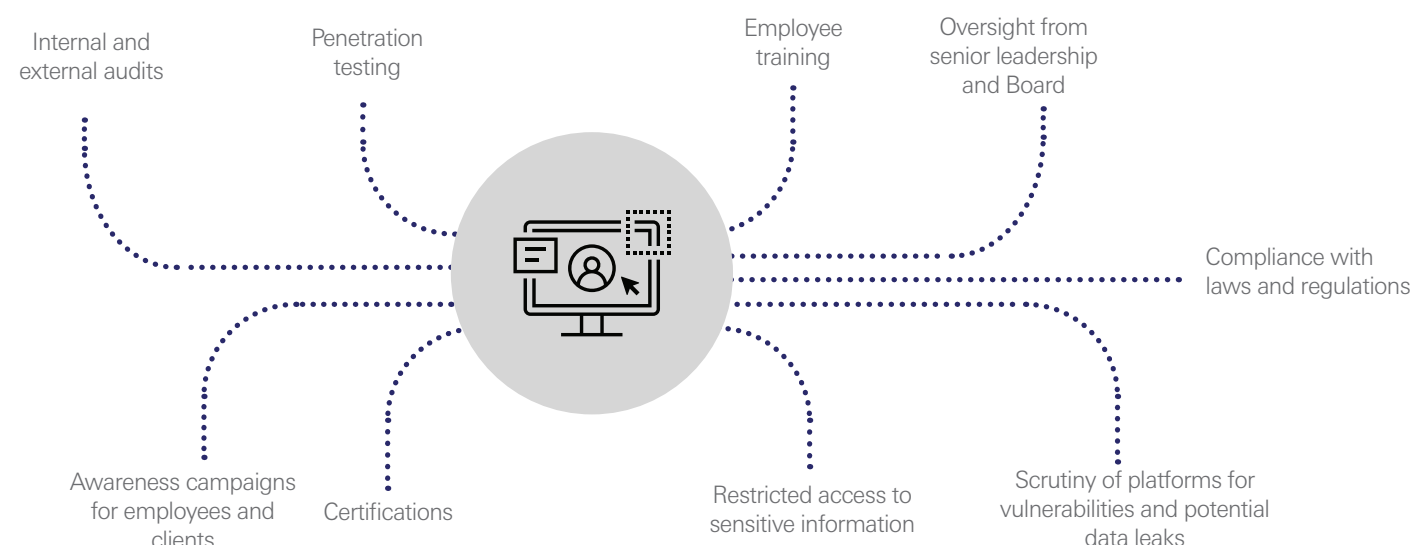
Additionally, we ensure that all employees understand the importance of adhering to legal and regulatory requirements, as well as our internal Code of Conduct. Furthermore, we incorporate whistleblowing mechanisms into these learning programs, encouraging employees and contractors to report unethical behaviour or violations without fear of retaliation.

In 2024, this training was completed by 4,356 members. By prioritising ethical standards training and robust reporting mechanisms for all employees and contractors, SAB demonstrates its commitment to responsible banking practices, enhancing our compliance framework and reinforcing our reputation as a leader in ethical conduct.

## Data Privacy and Cybersecurity

As innovation drives organisations to adopt digital solutions, the accompanying rise in cyber threats cannot be overlooked. Weak cyber defence can lead to major disruptions for customers, financial setbacks, and data breaches that compromise sensitive customer information. To tackle these challenges head-on, SAB has committed substantial resources to fortify its cybersecurity infrastructure and enhance IT resilience. In this section, we outline the proactive strategies, protocols, and advanced safeguards we have instituted to counter the increasing sophistication of cybercriminals.

### We take a multi-faceted approach to cybersecurity and protecting our customers' data.



### Our Approach to Cybersecurity

Cybersecurity is a critical component of our risk management strategy, and we take a holistic approach to managing cyber risks. Regular evaluations and monitoring of our cybersecurity efforts are conducted to ensure robust protection. We continually invest in enhancing our capabilities in threat detection and analysis, payment system controls, data protection, and backup and recovery processes.

Our Security Operations Centre (SOC) operates 24/7, employing advanced monitoring tools to continuously track and analyse network traffic, system logs, and

security alerts for indicators of compromise and suspicious activities. This real-time monitoring enables rapid detection of potential security incidents, minimising dwell time and mitigating potential damages.

To identify and address security weaknesses within our systems, we conduct extensive and periodic internal audits and penetration testing, simulating real-world cyberattacks to evaluate our defences. These tests are performed by both in-house experts and external specialists, ensuring our cybersecurity measures remain robust against evolving threats. Additionally, we conduct annual external audits as a regulatory

requirement, with oversight from SAMA and the National Cybersecurity Agency (NCA). In 2024, we concluded this audit with Deloitte serving as the bank's independent auditor.

All external-facing and mission-critical assets undergo rigorous periodic vulnerability scanning and security assessments to identify potential weaknesses. Our payment systems are governed by multiple controls, ensuring access is restricted to authorised personnel only, with stringent limits on transaction amounts. Access control is practiced, with rights granted solely to payments staff with pre-authorised profiles. Payments can only be processed by staff working from SAB office premises, with no transactions allowed from remote locations. The list of authorised staff and their limits are reviewed periodically and updated, with all payments subject to maker-checker dual controls.

We maintain a robust policy for third-party security assessments to ensure our partners' controls align with the highest industry standards. Cybersecurity inspections are conducted on suppliers during onboarding to verify compliance with SAB's cyber policy. This rigorous evaluation process identifies significant security gaps and reinforces our commitment to safeguarding our operations and those of our associated third parties, creating a fortified network of security that protects against cyberattacks.

In the event of a security incident, SAB has established robust incident response plans that clearly outline roles, responsibilities and procedures to ensure a swift and effective response. With these plans we can quickly contain the threat, mitigate its impact, and restore normal operations. Our incident classification criteria are integral to this process. When a cybersecurity incident is classified as High or Medium as per the SAMA Cybersecurity Framework (CSF), it must be reported to SAMA. Only internal information security incidents with a major impact, such as a customer data breach, will be reported to SAMA.

SAB employs a three-layer approach to assess the severity of incidents:

- **Amber category** is for incidents with potential minor impact on SAB, where violations may lead to disciplinary action as per the HR Consequence Management Policy. Upon investigation, these incidents may be classified as Low.
- **Red category** includes incidents with potential

major impact on SAB, which could be classified as High or Medium severity after investigation.

- **Black category** is reserved for incidents with significant potential impact on SAB, which may be classified as Very High or High severity.

Our response plans are regularly reviewed, updated and rigorously tested through table-top exercises and simulated attacks to ensure effectiveness. These measures enable us to strengthen our incident response capabilities against cybersecurity threats, minimising the impact of incidents and reinforcing stakeholder trust in our cybersecurity posture.

We have also implemented strong controls around employee termination, requiring any resigning employee to submit a notice through an automated system. This triggers an alert to the access management team to enforce necessary controls on their user access, ensuring that network access is revoked automatically after the employee's last day of work, thus minimising the risk of any unauthorised access or data leakage. Through these comprehensive measures, we strengthen our incident response capabilities against cybersecurity threats, minimising the impact of incidents and reinforcing stakeholder trust in our cybersecurity posture.

### Governance of Cybersecurity and Data Privacy

SAB is committed to protecting the privacy and personal information of its users. We recognise that safeguarding and appropriately processing personal data, including that of KSA residents and citizens, is essential for maintaining stakeholder's trust. To ensure that our cybersecurity initiatives receive the necessary backing, oversight of these risks is conducted at both the senior management and Board levels. This approach guarantees that our cybersecurity programme is supported at the highest organisational tiers. SAB's Information Security Risk Committee (ISRC), which is a sub-committee of the Risk Management Committee (RMC) is chaired by our Chief Information Security Officer. The ISRC governs and provides oversight for our key cyber and data security issues. Additionally, board-level oversight is ensured through the Board Risk Committee, where each meeting includes a dedicated segment for cybersecurity updates, threat landscape, and our cybersecurity posture.

Our counter-fraud team, together with the cyber-based fraud unit, plays a crucial role in mitigating risks and



protecting our bank and its customers. The inputs from various departments enable the team to monitor, investigate and analyse suspicious activities and prevent losses. Our advanced system of user authentication and controls for fraud prevention and intelligence augment the team’s efforts, thus improving the effectiveness of our security measures.

SAB’s cybersecurity team comprises of various certified professional staff with diverse skillset and wealth of experience in key domains such as network security, penetration test, cloud security, incident response, security architecture, forensics, and investigation. The team also includes industry-recognised members from leading cybersecurity advisories which fortifies our in-house expertise with world class consultation & expert opinions on emerging technologies, market trends, threats and countermeasures.

It is worth noting that our cybersecurity team is part of the change management process to assess any changes in the systems, network and process to ensure changes are rolled out in a secure and controlled manner. The team also stays up to date with the latest attack vectors and trends in the threat landscape through the cyber intelligence feeds received from multiple sources.

In 2024, we reviewed and updated our cybersecurity strategy to align with the emerging risks and the Bank’s overall strategy. This updated strategy positions SAB as a leader in cybersecurity and enhances our safety controls related to new technologies such as AI (Artificial Intelligence), fintech and open banking APIs (Application Programming Interface).

Our policies and processes fortify our cybersecurity strategy.

Cybersecurity Risk Policy	Data Policy
Sets forth the protocols of cybersecurity assessments and identity and access management practices and details strategies for mitigating cyber risks	Emphasises the importance of vigilance in overseeing and regulating the flow of information, proactively preventing potential data breaches.

Our cybersecurity policies and standards establish strict processes and controls to protect all types of information and IT systems from unauthorised access, misuse, disclosure, alteration, or destruction.

Data Privacy, Customer Safety and Awareness

As SAB advances its digital transformation, customer safety and awareness remain our top priority. Protecting customer data is crucial, and we follow our [Consumer Protection Policy](#), which you can find on our website. SAB does not rent, sell, or provide personal data to third parties for purposes other than completing transactions or services or unless there is a specific purpose in line with the Personal Data Protection Law (PDPL). This law helps us ensure that we do not negatively impact individuals when handling their data. We do not share personal data with third parties unless there is a valid legal reason and proper data processing controls, such as Data Processing Agreement (DPA) or a specialised DPA clause, are in place. We encourage customers to check our [Data Protection Policy](#) to understand their rights regarding changing or deleting their personal data. This policy explains how we handle, store, and use customer information. Importantly, we do not collect personal data from minors, ensuring that we prioritise the privacy and protection of younger individuals in our community. Our data protection policy applies to all our business lines, subsidiaries, third-party vendors, and digital services, showing our commitment to safeguarding personal information across all areas of our operations.

We carry out periodic access recertification exercises that prevents unauthorised access to our systems and avoid data theft. Access to customers’ data is provided strictly on a need-to-know basis. All requests for exception need approvals from relevant data owner and are subject to recertification after a defined period.

To enhance customer safety, we actively scrutinise vulnerabilities related to customer card data, scrutinising platforms where information may be exposed. This proactive approach allows us to detect and address potential threats before they can be exploited. Our advanced identification software ensures secure data transmission and upholds encryption protocols. We monitor multiple external channels, including dark web for potential uploads of customer information, such as card data dumps. In the event a card is compromised, it is immediately blocked, and the customer is informed.

We are also committed to identifying and removing rogue websites and applications that impersonate SAB, protecting our customers and our brand image. Swift identification of these threats helps us mitigate risks and maintain customer trust.

Additionally, we provide resources on scam recognition and safe online practices to our customers, empowering them to identify potential risks and understand secure authentication methods. Customers can also access the security centre on our online banking portal and mobile application which is designed to educate them about online threats and support their vigilance. As we monitor unusual transaction patterns and behaviours, customers are promptly notified of suspicious activities relating to their accounts. We ensure that our digital products and services are safe for our customers. Our apps are regularly updated to enhance security, and we use advanced protection systems to prevent threats.

Through these strategies, we enhance customer safety and foster a culture of awareness and responsibility. By prioritising cybersecurity, we provide a secure banking experience that aligns with our digital transformation goals while protecting our customers' interests.

Regulatory Compliance

At SAB, safeguarding customers’ personal data and ensuring their rights is a top priority. We strive to implement robust data protection measures and to comply with applicable laws and regulations, including the new KSA Personal Data Protection Law (PDPL) and National Data Management Office (NDMO) Data Management and Personal Data Protection Standards, while maximising the organisational value. Taking into consideration this vision, we have developed the data privacy policy to fulfil these objectives and establish data privacy as an organisational priority and commitment.

We prioritise adhering to local and international regulatory standards concerning cybersecurity. Our practices align with the guidelines set forth by SAMA and the National Cybersecurity Authority (NCA), ensuring compliance with the latest legal requirements. SAB Internal Audit performed SAMA Cybersecurity Framework (CSF) assessment focusing on 3 main pillars i.e. design, implementation and effectiveness. The assessment was executed in collaboration with external auditors to ensure an objective evaluation of our cybersecurity framework. The results indicate that the

Bank maintains a high level of compliance with the SAMA CSF, with no major concerns highlighted during assessments. We also implement the principles of SAMA Cyber Threat Intelligence and prioritise compliance with NCA requirements, including the NCA Data Cybersecurity Authority (NCA DCC) framework. We conduct annual external audits to reinforce our commitment to regulatory compliance, cybersecurity and data protection.

Furthermore, we maintain transparent reporting mechanisms for any incidents, reinforcing our dedication to protecting customer data and fostering trust in our operations. This dedication contributes to the overall stability of the financial sector. The table below summarises the incidents and breaches over the last three years.

Data Breaches, Incidents and Concerns	2024	2023	2022
Breaches requiring reporting to regulatory bodies	0	0	0
Instances requiring reporting to data subjects of personal breaches	0	0	0
Concerns raised by regulators on data privacy	0	0	0

Certifications

SAB is committed to maintaining top-tier data protection and cybersecurity standards through comprehensive compliance measures and recognised certifications. These certifications reflect our dedication to protecting customer information and ensuring compliance with industry regulations.

As per the guidelines outlined in SAMA’s CSF, all financial institutions regulated by SAMA should comply with mandatory national or international standards. In line with this, in 2024, we achieved the Payment Card Industry Data Security Standard (PCI DSS), which is renewed annually. PCI DSS applies to our entire cardholder data environment encompassing all system components, personnel, and processes that store, process, and/or transmit cardholder data. It covers technical and operational practices for system components included in our connected environments where cardholder data is maintained in a secure environment. Additionally, SAB is compliant with the



NCA Essential Cybersecurity Controls (ECC) Framework which was assessed independently by the NCA-led auditing entity (SITE). SAB is also compliant with all other NCA controls.

### Employee Training

In the evolving landscape of cybersecurity threats, employees are the first line of defence for SAB. Recognising their critical role in safeguarding sensitive information, we prioritise cybersecurity training.

Throughout the year, employees engaged in comprehensive training programmes covering phishing awareness, password management, data privacy, data protection protocols, incident response procedures, remote access, and NCA-required social media awareness. Our internal policy mandates all employees and 3<sup>rd</sup> party contractors to undergo annual trainings on data privacy, data security and cybersecurity. Our HR Learning & Training team tracks training completion and shares progress reports with management, sending regular updates to encourage participation. In 2024, 4,453 employees and contractors completed the training on PDPL. In October, we launched a Cyber Security Month awareness campaign for both SAB personnel and customers, utilising social media platforms. A dedicated session for awareness of top management on cybersecurity issues was organised to further enhance overall awareness. Beyond formal training, we share tips and best practices through emails, screensavers, webinars, and SAB Mobile and ATM screens. Additionally, we conduct incident response drills via simulated phishing attacks to test employee readiness and reinforce training lessons.

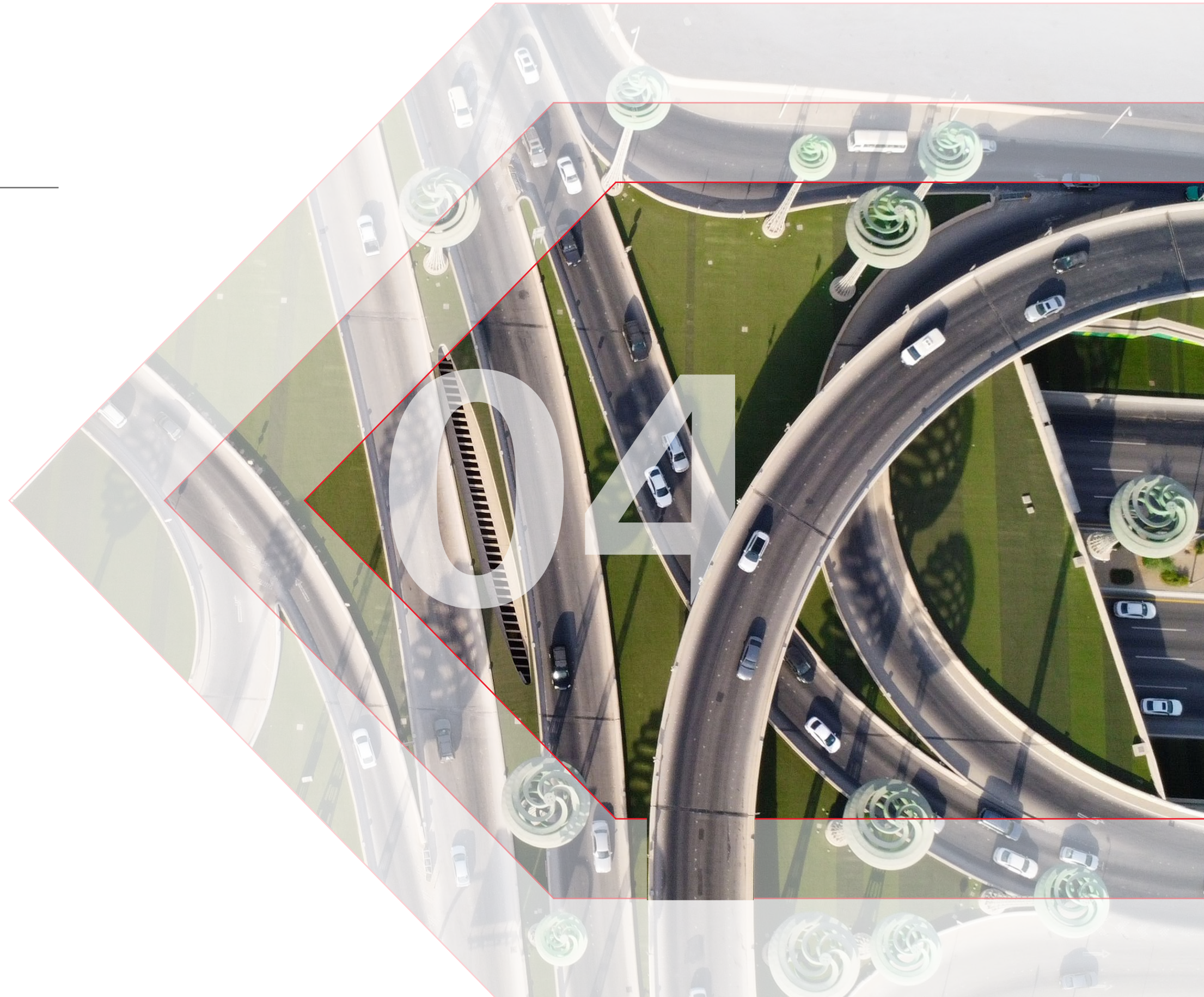
Staying current with cybersecurity trends is essential for our team. We give them the opportunity to pursue continuous learning through certifications and courses, ensuring they are informed of the latest developments. SAB also collaborates with external cybersecurity experts to remain updated on emerging technologies, market shifts, evolving threats, and best-in-class preventive measures.





# Strategy

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# Strategy

SAB's ESG strategy, launched in 2022, is a fundamental component of our broader Strategy 2026. This integration ensures that our commitment to sustainability principles shapes our decision-making processes at every level of the organisation. By aligning our ESG initiatives with Saudi Arabia's Vision 2030, we contribute to the Kingdom's goals of economic diversification and sustainable development.

Our ESG principles guide our efforts to foster innovation, meet customers' expectations, and work towards a collective goal with honesty and integrity. In

a challenging business environment marked by economic fluctuations, our strategy anchored in ESG serves as a pathway for growth, enabling us to navigate uncertainties while delivering value to our stakeholders.

Through this strategic focus, we aim to create long-term sustainable value, ensuring that our operations and financing activities not only meet regulatory standards but also positively impact society and the environment. By prioritising sustainability in our business practices, SAB is committed to being a leader in responsible banking while contributing to the prosperity of the Kingdom and its citizens.

## SAB's ESG Strategy

SAB's strategy is centred on integrating ESG principles into every aspect of our business. By leveraging our partnership with HSBC, we enhance our capabilities in sustainable finance and innovation. This combined with our alignment with Vision 2030 and sustainability goals of the Kingdom empowers our stakeholders to thrive in a rapidly evolving financial landscape.



### Environment

Allocate financing toward a just and sustainable economy

- Support the transition of our customers to a more sustainable and diversified economy through our products and services
- Scale up sustainable financing and investments to \$34 billion by 2025, supporting the Kingdom's Vision 2030
- Measure the carbon footprint of our portfolio, and achieve net zero by 2060 or sooner, with an active focus on a just transition
- Align our operations and supply chain to ambitious science-based targets and achieve key milestones by 2030, with an aim to achieve net zero in our operations by 2035
- Plant 1 million trees to offset 0.9 million tons of CO<sub>2</sub>



### Social

Play a leading role in shaping an inclusive and diverse society, positively impacting our stakeholders

- Further develop our digital capabilities to build sustainable financial capability amongst our customers and across the Kingdom
- Ambitiously pursue playing our part in closing the regional savings gap
- Continue to actively shape and advance the development of ESG and the sustainable finance market across the Kingdom
- Remove barriers for women and para-abled for engagement in financial services, including financing for female-led enterprises



### Governance

Commitment towards a high standard of governance, driving integrity and responsibility in all decision-making

- Deploy an ESG governance structure
- Embed ESG into all departments, functions, and staff members for every financial decision to be reviewed through an ESG lens
- Partner with an international body to build reporting and disclosure frameworks for enhanced transparency
- Roll out an updated corporate governance framework in line with international best practices

## Our Material Topics

As per the prescribed the IFRS S1 standards, in 2024, we conducted a materiality assessment to determine the most important factors that influence our business. This process was designed to ensure that our strategic priorities remain aligned with the evolving expectations

of our stakeholders and the dynamic landscape in which we operate. We engaged both internal and external stakeholder groups, including representatives from employees, customers, suppliers, and members of the community, inviting them to rate various ESG topics based on their perceived importance to SAB through surveys facilitated by a third party.

### Materiality assessment process

Conducted a comprehensive review of the material ESG topics identified in the 2022 assessment to validate their relevance and significance in the context of industry standards.

Identified 19 material topics based on frameworks such as SASB and Global Reporting Initiative (GRI), alongside insights from peer disclosures, ensuring thorough coverage of pertinent issues.

Distributed structured surveys to a diverse group of internal and external stakeholders, soliciting scores for the ESG topics based on their perceived importance to SAB.

Analysed the survey results to determine the most critical material topics, which will subsequently inform strategic decisions and ensure alignment with our ESG strategy, targets, and disclosure.





The results from the survey highlight the following topics as the most material for SAB.

- **Alignment with Vision 2030:** Our stakeholders recognised that aligning our strategies with Saudi Arabia's goals for economic diversification and sustainable development is essential. By supporting Vision 2030, we position ourselves as key contributors to the national agenda. See the [Saudi Vision 2030](#) section for details.
- **Economic Performance:** Our stakeholders believe that our economic performance is fundamental to delivering sustainable growth. For a comprehensive overview of our strategic objectives and financial performance, please refer to our [Annual Report 2024](#).
- **Digitalisation:** Embracing digitalisation is a priority for our stakeholders as it enhances our operational efficiency and improves customer experience, ensuring we remain competitive in a rapidly changing market. Insights into our digitalisation initiatives and milestones can be found in [Digitalisation and Innovation](#) section of the report.
- **Employment:** Fostering a diverse workforce and supporting talent development, are considered crucial for our stakeholder. We recognise that these elements are crucial for our organisational success and our dedication is reflected in the employment initiatives detailed in [Our Workforce](#) section.

- **Customer Privacy:** Protecting customer privacy is vital for us in maintaining trust and integrity that our customers expect from us. By ensuring compliance with regulatory standards, we safeguard our reputation and strengthen our client relationships. For our privacy protection policies, please refer to the [Data Privacy and Cybersecurity](#) section of this report.
- **Sustainable Finance:** Our commitment to sustainable finance resonates deeply with our stakeholders, serving not only as a moral imperative but also as a significant business opportunity that enables us to contribute meaningfully to Saudi Arabia's goals. We are committed to achieving ₪ 34 billion in sustainable financing by 2025. For more details on performance and metrics, please visit the [Sustainable Finance](#) section.
- **Ethics:** Upholding high ethical standards is essential for our stakeholders, who expect transparency and integrity in our operations. Our commitment to ethics builds trust with clients and partners and fosters a culture of accountability that aligns with stakeholder values. For further information on our policies and cultural integration, please refer to the section on [Ethics and Integrity](#).
- **Emissions:** SAB is aligned with the stakeholders' expectation as we recognise that reducing emissions is critical for our sustainability goals and aligns with global climate commitments. We have set an ambitious target to achieve net zero emissions for our operations by 2035 and for our portfolio by 2060 or sooner. We are actively implementing strategies to lower our carbon footprint and enhance our environmental performance. Please consider reading [Operational Emissions](#) and [Financed Emissions](#) for details on this topic.

This refreshed materiality assessment serves as a guiding framework for further aligning our disclosures and targets with the issues that matter most to our stakeholders. By linking these topics to our sustainability disclosures, we ensure transparency and accountability in our communications.

We are dedicated to contributing to global efforts in sustainable economic, environmental, and social development. The accompanying infographic illustrates how our material topics align with the relevant SDGs. For more information on our contributions towards the SDGs, please refer to the [Appendix](#).



Figure: Results of SAB's Materiality Assessment



## Stakeholder Engagement

At SAB, we deeply appreciate the viewpoints of our stakeholders and prioritise active engagement with them to gather valuable insights and cultivate relationships that are beneficial for all parties involved. Stakeholders play a crucial role in our decision-making processes, particularly when it comes to identifying our material issues as highlighted in the previous section. Their feedback and perspectives guide us in shaping initiatives by focusing resources on initiatives that are the most impactful for us and our stakeholders.

In this section, we will detail our continuous efforts to

strengthen connections with our stakeholders, showcasing the various methods we employ to facilitate dialogue and collaboration. We will also highlight significant engagements that occurred in 2024, illustrating how we have listened to and incorporated stakeholder input into our practices. By fostering open communication and transparency, we aim to ensure that our stakeholders feel valued and heard, ultimately driving our strategic commitment to mobilise finance to support the transition towards a more sustainable economy. Through these engagements, we not only enhance our understanding of stakeholder concerns but also align our objectives with their expectations, paving the way for a more resilient and inclusive future.





## Customers

Our customers are the reason we exist. They not only drive our revenue but also drive our business model and significantly influence our reputation in the market. By actively listening to their needs and preferences, we gain invaluable insights that inform our product development and service enhancements. This customer-centric approach not only fosters loyalty and trust but also enables us to adapt to changing market dynamics effectively. Ultimately, prioritising customer engagement empowers us to deliver exceptional experiences, ensuring that we continue to thrive in a competitive landscape while meeting the evolving expectations of our clients. In 2024, our key engagement channels included:

- > Client interactions conducted in our branches
- > Customer feedback collected via online and mobile banking platforms
- > Surveys to solicit feedback and address any complaints under our “Voice of Customer” initiative

We recognise that our customers prioritise protection of their personal data and that they are increasingly looking for seamless digital banking experiences that enhance convenience and accessibility. Furthermore, there is also an interest in sustainable finance options. These priorities guide our strategies and initiatives, ensuring we remain responsive to their needs and committed to delivering exceptional service while fostering trust and loyalty in our banking relationships.



## Regulators

As we work towards the ambitious goals outlined in Vision 2030, we recognise that our regulators are among our most essential allies. Their guidance and support are invaluable in helping us navigate the complexities of the regulatory landscape while aligning our strategies with national objectives. SAB operates under the framework of Saudi Arabian laws and regulations, which are enforced by authorities such as the Ministry of Commerce, the Saudi Central Bank (SAMA), the Capital Market Authority, and the Zakat Tax and Customs Authority. Each of these entities plays a critical role in ensuring compliance, promoting transparency, and fostering a stable economic environment.

### Our key channels of engagement were:

- > Our participation in the ESG Saudi Bank Advisory Committee (EBAC) which is chaired by our CEO, under the supervision of SAMA. In 2024, the committee has made significant progress in the development of number of foundational deliverables across the program, with inputs from all member banks key to achieving this goal.
- > We have been actively involved in the Corporate Sustainability Policy Development Working Group to support the development of sustainability reporting standards within the mandate of Sustainable Development Steering Committee (SDSC) headed by Ministry of Economy and Planning (MEP).
- > SAB has been selected as a sustainability “Champion” by MEP to guide four of our corporate clients in their journey to develop, implement and disclose ESG practices.



## Shareholders and Investors

Shareholders are crucial to our success, supplying vital capital, connections, and expertise that enable us to create value in the market. As key stakeholders, they hold us accountable while providing essential insights and feedback that inform our strategies at SAB. In return, we strive to deliver value to them. The outstanding results achieved in 2024 highlight our capacity to increase shareholder value, and we are committed to maintaining this momentum by further improving our performance. We continue to work in alignment with our shareholder priorities such as economic performance, our support to Vision 2030, strengthening of our digital services and continued service with integrity. To ensure an ongoing dialogue with our investors and solicit ideas, we engage with them via:

- > Annual General Meeting
- > Quarterly earnings calls
- > Investor conferences
- > Meetings with the analyst community
- > Frequent in-person and virtual meetings with investors
- > Communication material such as presentations, earning releases and reports published on our website



## Employees

As our employees form the cornerstone of our success, we prioritise continuous investment in their skills and development, empowering them to unlock their full potential. Our sustainability graduate programme specifically targets young Saudi talent, providing them with professional pathways to grow and excel. Additionally, we implement various initiatives and policies to cultivate a nurturing, diverse, and innovative workplace that fosters collaboration and creativity. By actively engaging with our employees, we not only enhance job satisfaction and retention but also drive organisational performance, ensuring that we remain a leader in the financial sector. In 2024, we actively communicated with our workforce through:

- > Employee engagement survey
- > Regular town hall discussions
- > Volunteering opportunities such as mangrove plantation drive
- > Health awareness events
- > Focus group discussions and resource groups

We understand that our employees place a high priority on training and development, along with diversity and inclusion in the workplace. We acknowledge their needs and are steadfast in cultivating an environment that empowers our workforce and supports their aspirations for growth and collaboration.







## Business Partners

Engagement with business partners is crucial for us as it enhances our ability to execute our strategic mandate effectively. Collaborating with them allows us to align our initiatives with Vision 2030 and respond to market demands. These partnerships foster innovation, improve operational efficiency, and enhance our reputation in the financial sector. By leveraging the expertise and resources of our business partners, we can drive sustainable growth, improve our service offerings, and ultimately contribute to our financial performance and brand strength in a competitive landscape. In 2024, our key channels of engagement included:

- > One-on-one meetings and engagements
- > Conferences
- > Contracts

In 2024, SAB invested in the fintech sector by contributing to Venture Souq's Fintech Fund II and establishing a X-Tech Fund in collaboration with SAB Invest.

For more information, please refer to the [Digitalisation and Innovation](#) section of this report.



## Suppliers and Service Providers

Engagement with suppliers and service providers ensures consistency and quality in the products and services we offer to our customers. By partnering with reliable and competent suppliers, we enhance our operational efficiency and foster innovation, strengthening our competitive advantage. These partnerships enable us to access the latest technologies and best practices, which are crucial for delivering exceptional customer experiences. Furthermore, strong relationships with our suppliers support our commitment to sustainability, as we collaborate on initiatives that align with our environmental and social responsibility goals. In 2024, our main engagement channels included:

- > Vendor assessments
- > Personal meetings and engagements

We are dedicated to building robust and long-lasting supplier relationships that uphold highest standards of integrity. We strive to advance sustainable practices throughout our supply chain, in line with our business partners' expectations.



## Society and Communities

Engagement with communities is essential for SAB as it reinforces our commitment to social responsibility and sustainable development. As a leading financial institution in Saudi Arabia, we recognise our role in contributing to the well-being and prosperity of the communities we serve. By actively participating in community initiatives and supporting local projects, we foster positive relationships that enhance our reputation and strengthen our brand. Our efforts not only promote economic growth and social equity but also align with our values, ensuring that we remain a trusted partner in building a brighter future for all stakeholders involved. In 2024, our key engagement activities are closely aligned with the priorities of the communities we serve and include:

- > Driving awareness about country's native resources through establishment of Prince Faisal bin Mishaal Centre for Native Plant Conservation and Propagation.
- > Promoting financial literacy, educating nearly 765,000 beneficiaries in partnership with Riyali Foundation.
- > Accelerating and promoting entrepreneurship by providing financial support and mentorship, together with Taqadam.
- > Supporting the nation's green initiatives under partnerships with Goumbook and Murooj.

## Milestones in Our 2024 Sustainable Finance Journey

In 2024, we made significant advancements in prioritising social products and supporting small and medium enterprises (SMEs). By developing tailored financial solutions specifically designed for SMEs, SAB fostered an environment that encouraged growth and community contribution. The Bank also engaged in outreach programmes to educate SME owners about available financial products, enhancing their understanding and accessibility. This focus not only reinforced our commitment to social responsibility but also contributed to economic development in the region.

We also successfully identified key industries with high carbon footprints with an aim to implement targeted strategies that utilised sustainable financing to support portfolio decarbonisation.

Throughout 2024, we focused on strengthening our product proposition by integrating sustainability into our core offerings. Our range of sustainable financial products, including green bonds and social bonds, meets the growing demand for responsible investment options. Moreover, the sustainability-linked loans incentivise businesses to achieve specific sustainability goals in their business. This strategic approach positions us as a leader in promoting sustainability within the financial sector while contributing to global environmental objectives.

## Green, Social, Sustainability and Sustainability-linked Instruments

SAB is committed to investing in a variety of financing instruments that support sustainability and social responsibility. Our sustainable financing products enable clients to transition to sustainable and low-carbon activities. We play a key role in structuring the sustainability performance targets that are applied. Additionally, our sustainable investment products assist individuals and institutions in managing ESG risks and investing in sustainability-related opportunities through investment funds and other solutions. For more information on our products, please refer to [this](#) section.

## Embracing Opportunity in Sustainable Finance

Sustainable finance is the key means by which SAB can address climate change and social development. The country's target to source 50% power from renewable energy by 2030 as a part of Saudi Green Initiative offers us a substantial business opportunity. As a part of our 2026 Corporate Strategy, we have adopted an ambitious target to allocate  $\text{SAR}$  34 billion towards sustainable financing products and investments by 2025. Sustainable finance is an increasingly important and dynamic area for the bank.





## Key Highlights in 2024:



## Our 2025 Outlook

We anticipate a robust growth in sustainable financing, driven by increasing demand for environmentally and socially responsible investment options in the next five years. We plan to expand our sustainable finance product offerings to attract a broader clientele. Additionally, we will continue to strengthen partnerships with clients in hard-to-abate sectors to support their decarbonisation efforts. As the market environment continually evolves, we strive to expand our range of financing instruments to leverage this opportunity and support the transition of economy towards net zero. We expect continued momentum in the tender of renewable energy projects in line with last year's trend, along with increased focus on energy storage projects. Overall, SAB is committed to positioning itself as a leader in sustainable finance, contributing positively to environmental goals while delivering value to stakeholders.

## UN Principles of Responsible Banking

The UN Principles for Responsible Banking (PRB) serve as a comprehensive framework designed to guide financial institutions in aligning their business strategies with the sustainable development goals (SDGs) and the Paris Agreement. These principles encourage banks to take a proactive approach in considering the ESG implications of their financing, ensuring that they contribute positively to the global sustainability agenda.

By formally signing the UN PRB in March 2023, SAB became the first bank in Saudi Arabia to do so. This endorsement signifies a strategic alignment with global sustainability efforts and reinforces SAB's dedication to fostering a positive impact on society and the environment. The integration of the PRB into our business model is essential for enhancing transparency, accountability, and stakeholder engagement, thereby solidifying SAB's role as a leader in sustainable finance.

As part of our commitment to the PRB, we published our [inaugural PRB progress report](#) in September 2024, outlining our progress and initiatives related to responsible banking. Following this, we conducted a comprehensive impact analysis to assess our contributions and identify areas for improvement. Based on the impact analysis, we identified two impact areas that we prioritise: (i) accessible and affordable products and services with positive impact on environment and society, and (ii) climate stability. Accordingly, we have embedded these findings into our ESG strategy and management plan with well-defined targets, strategic initiatives, and performance tracking in place. We will publish our second UN PRB report by Q4 2025, which will further details our ongoing efforts and advancements in aligning with the principles of responsible banking, ultimately driving our ESG journey forward.





# Risk Management

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# Overview

In an increasingly complex and interconnected world, effective risk management is paramount for the sustainability and resilience at SAB. As a leading financial institution in Saudi Arabia, we recognise that our ability to navigate a diverse array of risks is essential not only for our operational success but also for maintaining the trust of our stakeholders. This section outlines our approach to managing risks and address potential challenges, that allows us to align with our strategic objectives.

## Our ESG Risk Environment

The risk environment at SAB is shaped by a multitude of internal and external factors that can significantly impact our operations and strategic direction.

Understanding and addressing these risks proactively allows us to navigate challenges effectively and enhance our resilience in a dynamic landscape.

Internally, we are managing the complexities of introducing new and innovative products and services, while maintaining a streamlined landscape of processes. The effectiveness of our internal processes and systems is crucial for mitigating risks associated with operational failures or inefficiencies. Additionally, the skills and expertise of our workforce play a vital role in our ability to respond to emerging risks and adapt to changing market conditions.

Externally, our risk landscape is influenced by regulatory, customer, political, social, and market factors. The banking sector in Saudi Arabia operates under a robust regulatory framework established by SAMA and other relevant authorities. Compliance with these regulations is critical to our operations, as non-compliance can lead to significant financial penalties and reputational damage. We also consider relevant international guidelines like Basel Committee of Banking Supervision (BCBS) principles for climate-related financial risks, as applicable, while assessing our risk management practices. We continuously monitor regulatory changes to ensure that our practices align with evolving requirements.

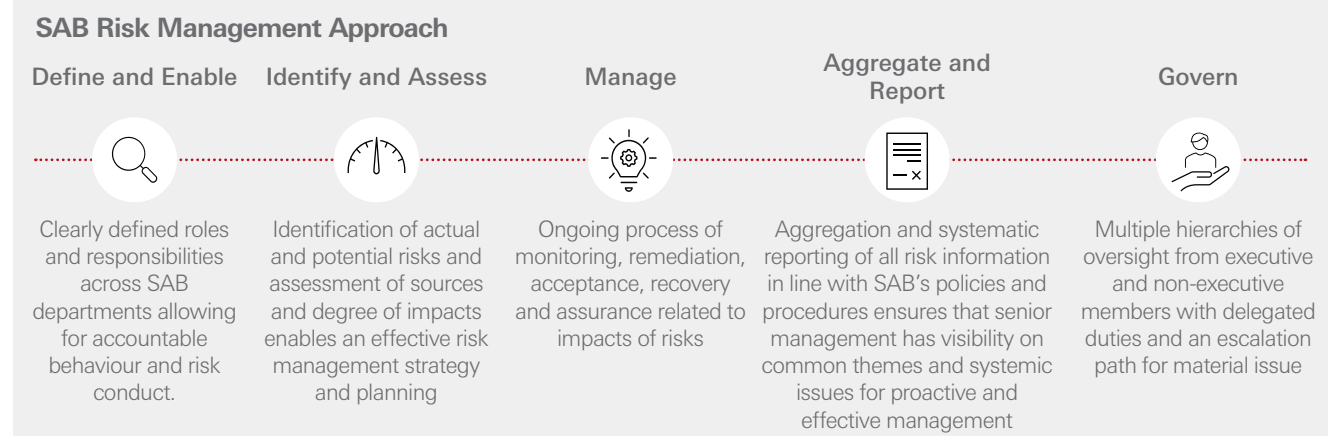
Customer dynamics also play a significant role in shaping our risk environment. Understanding our customers' needs and expectations is vital in today's

competitive landscape, as shifts in customer preferences, driven by technological advancements and changing demographics, can pose risks to our market position.

## SAB's Risk Management Approach

At SAB, our Risk Management Framework is devised thoughtfully and strategically, reflecting our commitment to sustainability and resilience in an ever-evolving financial landscape. The Board seeks to foster a strong risk culture around which we employ a step-by-step framework that ensures comprehensive risk identification, assessment, and mitigation across the organisation. This framework establishes clearly defined roles and responsibilities across all departments and levels of the bank, fostering a dynamic environment where collaboration, communication and accountability are paramount. Our ESG strategy, management and net-zero commitments are overseen by the Board and Board Committees. Specifically, our Risk Management Committee, which includes the CEO, CRO and heads of businesses, holds the responsibility of oversight of ESG risk management in our financing activities. Risk, Operations and all other businesses are responsible for identifying, assessing and managing existing and emerging climate risks for their respective businesses and legal entities.

We adhere to high national and international standards in risk management, closely following the regulatory frameworks set by SAMA and the BCBS.



### Our three lines-of-defence (LoD) model for risk management



A defined risk appetite guides our decision-making, ensuring that we pursue opportunities that align with our strategic objectives while maintaining a prudent approach to risk exposure. We meticulously document our risk identification, assessment, and management approach into aggregated reports generated and disseminated to senior management through a bottom-up approach. This reporting mechanism forms a feedback loop for effective identification of risk patterns and visibility on themes.


Our forward-looking approach to risk management incorporates robust control measures that not only

address current challenges but also anticipate future developments. We implement proactive monitoring systems and risk assessment tools to identify potential vulnerabilities, allowing us to either remedy issues or accept risks within our defined risk appetite.

By fostering a culture of accountability and continuous improvement, SAB is well-positioned to navigate the complexities of the financial environment while safeguarding the interests of our stakeholders and contributing to sustainable growth.



Important Elements of our Risk Management Framework




**Risk Taxonomy**


Standardised classification of 14 types of Level 1 financial and non-financial risks to ensure consistent and comparable categorisation.

**Risk Appetite Statement**

Foundation document which provides thresholds (qualitative and quantitative) for level and type of impacts that we are willing to accept for each type of financial and non-financial risk.



In 2023, the Bank has established a number of risk appetite metrics covering climate and reputational risks as we continue to reassess our exposures to impacted sectors.





**Risk heat map**

A summary report of all 14 types of Level 1 risks with traffic light indication of the level of residual risk, remediation effectiveness submitted to RMC periodically.

**Top & Emerging risk report**

Report providing forward-looking analysis of large-scale and difficult to predict risk themes that are often beyond our ability to control. Top potential risks are the ones potential risks within a one-year time horizon, while emerging risks are determined beyond the one-year timeline.





**Stress testing**

Stress Tests and scenario analyses are carried out to identify the level of adequate capital and liquidity required to withstand external shocks such as global economic downturn and internal events such as system failure.

ESG Risks Identified by SAB

Identifying ESG risks is essential for understanding the potential impacts on our operations and the broader financial landscape. We have conducted a thorough assessment to uncover a range of climate and sustainability related risks that could affect our business.

Climate risks

Climate risks that could potentially impact our business include physical risks, such as extreme weather events and long-term shifts in climate patterns, as well as transition risks arising from regulatory changes and evolving consumer perceptions. While our initial scenario analysis, which focused on a 2°C or lower temperature rise, indicated that we remain resilient to the effects of climate risks, we are committed to continually improve risk assessments to monitor, identify and remediate risks in a timely manner. By recognising these risks, we can better prepare for the challenges ahead and align our strategies with sustainability objectives.

Primary thematic risks identified:

- 

**Physical Risks**

This involves potential adverse impacts from climate change, such as extreme weather events and rising sea levels, which could disrupt operations and affect client stability.
- 

**Transition Risks**

This relates to the challenges posed by the shift to a low-carbon economy, including regulatory changes and market volatility that may impact the Bank's business model and financial performance.
- 

**Greenwashing Risk**

This encompasses challenges such as inadequate communication of progress towards net zero goals and the failure to appropriately market 'green' products.
- 

**Net Zero Alignment Risk**

This pertains to the risk of not meeting our net zero ambitions or external expectations due to poor execution by the Bank or its stakeholders.

These risks can lead to various impacts, including reduced household wealth, real estate devaluation, and increased scrutiny from the public and regulators. We consider these factors in our corporate strategy discussions and are committed to enhancing our climate-related practices, including scenario analyses, to meet the Kingdom's climate commitments and transition timelines.

Below are some key achievements with a focus on sustainability and climate:

- > The Bank has established a **Climate Risk Framework** which identifies and addresses the various risks and integrates them into the overall Bank-wide Risk Management Framework.
- > Our reputational risk framework was also updated in 2023 to incorporate greenwashing risk considerations along with the ethical usage of big data and machine learning.
- > Additionally, in 2023 the Bank has established a number of risk appetite metrics covering climate and reputational risks as we continue to reassess our exposures to impacted sectors.
- > SAB also adheres to high national and international standards in risk management, closely following the regulatory frameworks set by SAMA and the BCBS.

Reputational risk approach

Reputational Risk is a cross-cutting risk that can result from both financial and non-financial risk events and impacts across the entire Risk Taxonomy. Risk Stewards' accountability includes the assessment and oversight of Reputational Risk impacts to their respective risk types. The non-financial risk framework provides more detail on the reputational risk considerations and how these should be factored into the operational risk control, risk assessment and issue and action management activities.

Greenwashing can arise from knowingly, or unknowingly making inaccurate, unclear, misleading, or unsubstantiated claims regarding sustainability to stakeholders. Sustainability is a broad term that refers to the ability of an activity, practice, or entity to meet the needs of the present without compromising the ability of future generations to meet their own needs. Individuals are responsible for managing and mitigating the risk of greenwashing arising from sustainability related claims relevant to existing Taxonomy risk types in line with the responsibilities set out in the Risk Management Framework, and supported by the Reputational Risk Approach and Climate Risk Approach.

Reputational Risk is managed in accordance with the Risk Management Framework and is governed through Board designated committees (Board Risk Committee (BRC) and EXCOM) and individual delegated authorities.

The Risk Management Committee (RMC) and Compliance Committee (CCM) supported by the Conflict of Interest Committee assist the CRO and CCO on the management of risks, within their respective units.

Other sustainability risks

Beyond climate risks, we recognise the importance of addressing other sustainability-related risks within our strategy. Environmental, social, and governance factors are integrated into our risk framework, identified through a thorough materiality process. We manage these risks by implementing effective controls and prioritising the most critical issues within our corporate strategy. Notably, we have identified risks associated with sensitive sectors, which may encounter heightened scrutiny and regulatory challenges. Our approach includes ongoing evaluations to ensure compliance and mitigate potential impacts.

In the following section, we detail our approach to manage the risks identified.

ESG Risk in Credit Activities

SAB diligently assesses sustainability-related risks of its lending portfolio. ESG risk assessments cover all credit types, including corporate and project finance, and syndicated loans.

Sector Policy and Guidance – Exposure Management

SAB reviewed and updated its wholesale credit risk and sector policies to incorporate the management of its exposures to climate, environmental and social risks. These policies articulate the banks appetite including the identification of specific exclusions, along with detailed definitions of prohibited and restricted activities for the sectors identified as higher risk.

We have identified the following high-risk sectors in our Sustainability Risk Policy.

- > Defense Equipment – Applies to credits for government defense departments, and/or other businesses that manufacture, sell, purchase, use or facilitate trade of weapons for either defensive or offensive purposes.



- > Agricultural Commodities - Applies primarily to palm oil sector including wholesale consumers, traders and refiners and growers. Other agriculture commodities including soy, rubber-wood and cattle ranching are considered but not deemed to be material in the context of Saudi Arabia and therefore, case by case decisions are taken for borrowers in these sub-sectors.
- > Chemicals – Applies to businesses that are engaged in manufacturing of chemicals that may pose harm to the environment such as pesticides, asbestos and fire retardants etc. International conventions include annexure A of Stockholm Convention and Annexure 3 of Rotterdam Convention.
- > Forestry – Applies to businesses involved in wood logging, manufacturing and trading of wood, wooden furniture, pulp and paper.
- > Mining and Metals – Applies to mining exploration, development and operations excluding oil sands and quarrying of building materials such as stone or sand; primary processing of ore excluding secondary processing such as foundry casting; gold mining using cyanide. International conventions include International Cyanide Management Code (ICMC).
- > Energy – Applies to Oil and Gas (O&G), Power and Utility (P&U) and Hydrogen sectors. The policy is aligned to Saudi Arabia's ambitions towards emission reductions and maximising power generation using renewable sources and supports

plans for investments in hydrogen and other renewable energy sources and developing carbon capture and storage program.

These policies are regularly reviewed and refreshed as required to align with the Bank's strategy and climate ambition.

For the sectors mentioned above, we have identified sector-specific thresholds and businesses that are restricted and prohibited. Procedures, escalation process and exceptional approval processes for each of these sectors are outlined in our wholesale credit risk procedures.

- > Prohibited businesses refer to customers with activities that SAB does not wish to finance; or
- > Restricted businesses refer to customers with activities that SAB may wish to finance, if they are responsibly managed, adhere to sector specific considerations and endorsed as per the outlined governance process.

Financing requests undergo a business governance process to assess client and transaction suitability. Material transactions linked with prohibited or restricted activities are subjected to enhanced due diligence, which may include external third-party review reports. Each credit proposal is evaluated for sustainability and climate risks against our Climate Risk Framework, as well as any associated reputational risks. The proposal is also assessed against the bank's risk appetite and sector policies. Any sustainability or reputational risks deemed material are escalated to the Risk Management Committee and reviewed by the Chief Risk Officer (CRO) and Chief Compliance Officer (CCO).

#### Sustainability Risk Rating (SRR)

Additionally, lending officers are required to assign a Sustainability Risk Rating (SRR) to each borrower, based on their commitment, capacity, and track record in managing sustainability. The credit approval team is directly involved in assessing each transaction, triggering enhanced due diligence, and challenging business submissions prior to providing a final approval. For instance, the credit team were actively involved in the team that reviewed the highly complex NEOM Green Hydrogen financing proposal and decision-making process.

#### Escalation Process

For consideration of exceptional transactions / customers, CIB Relationship Managers need to seek approval by an appropriate Committee comprising of representatives from 1<sup>st</sup> and 2<sup>nd</sup> line, by articulating appropriate mitigants. The credit proposals for such exceptional cases are also escalated to senior members of the Group Credit Risk team to ensure due consideration is given at a senior level within the 2<sup>nd</sup> line. In case any unmitigated sustainability risk is identified by the Wholesale Credit Risk team as part of the credit approval process, the proposal can be returned for a re-review by the committee and/ or appropriate escalation mechanism as per extant governance.

For example, Restricted Businesses such as palm oil consumers, traders, and refiners are required to have a public No Deforestation, No Peat and No Exploitation (NDPE) commitment for all suppliers' purchases.

Green or sustainable finance transaction undergo further diligence through the CIB Sustainable Finance Forum, which includes representation from ESG, risk and compliance alongside the business. This forum evaluates if the loan meets the respective green or sustainable finance criteria defined within the product guidelines which are built on international standards such as Green Loan Principles. For more information on CSFF, please refer to the [Sustainable Finance Governance](#).

SAB continues to develop its people capabilities through ongoing internal and external training on climate, sustainability, and reputational risks.

#### Customer Engagement on Climate Risk

To support climate and reputational risk management, the Bank has implemented an enhanced client engagement approach whereby Corporate Relationship Managers engage with customers to complete a Transition Engagement Questionnaire (TEQ) for designated borrowers.

The TEQ is applicable for wholesale borrowers, and it is prioritised for hard-to-abate sectors that are most likely to be impacted by transition to a low-carbon economy. We have identified hard-to-abate sectors in our Climate Risk Policy. Besides hard-to-abate sector, the TEQ is also prioritised for other projects that may have potential significant environmental impact. Based on

the limits, majority of CIB exposure is under scope of TEQs

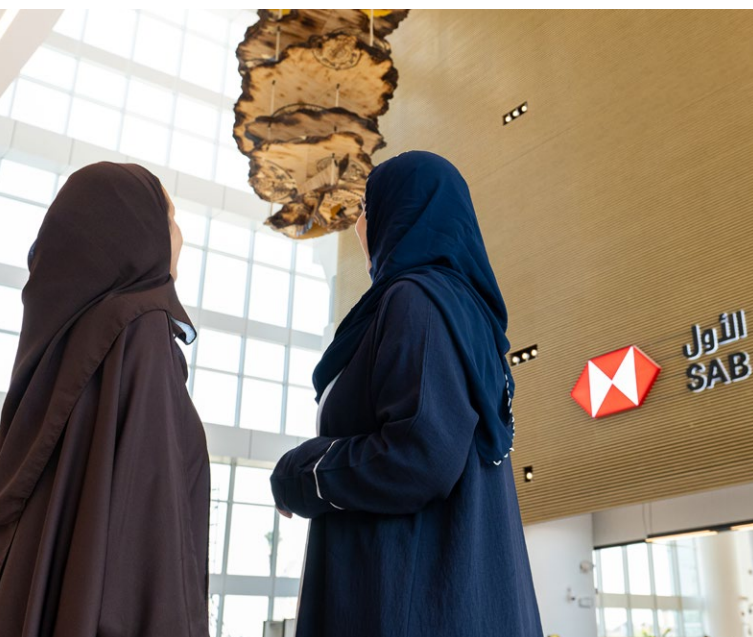
The TEQ plays a crucial role in evaluating clients' transition plans and identifying opportunities to support our customers on their transition journey, along with helping understand the associated risks. As part of the annual credit review process, client engagement questionnaires collect data on both transition and physical risk aspects, facilitating the identification of opportunities to assist customers in their transition to a low-carbon economy. The TEQ enables a thorough assessment of borrowers' creditworthiness by engaging them with targeted questions related to their climate risks—encompassing both physical and transition risks. The responses gathered are integrated into the credit assessment process for consideration by credit approvers.

In accordance with the limits issued, 66.67% of the CIB exposure is under the scope of TEQs. The scope does not only encompass hard-to-abate sectors but also sector agnostic projects which have significant exposure given the potential significant environmental impact that such projects might have.

## Climate Risk and Scenario Analysis

In line with the TCFD requirements regarding the resilience of our organisation's strategy, we have considered various TCFD climate-related scenarios, including the orderly, disorderly and hot house world scenarios, with a focus on a 2°C or lower scenarios designed by the Network for Greening the Financial System (NGFS). We conducted a materiality assessment of group-wide business risks associated with climate change. An initial top-down assessment indicates that the Bank remains resilient to the potential effects from transition and physical risks. It is acknowledged that this type of assessment is in its initial stages, with more granular scenarios planned for the future.

While initial assessments suggest manageable effects based on the adaptive capability of key customers, longer-term impacts remain uncertain. A precautionary capital buffer is maintained in relation to climate risk. The Bank continues to reassess exposures to impacted sectors and enhance its understanding of climate and environmental risks and opportunities.





As described in our risk management approach, climate risks at SAB are guided by the Climate Risk Framework and we follow a similar 3 lines-of-defence model for climate risks. Risk assessment and management are further strengthened by stress testing and scenario analysis, integrated into our risk management framework, enables us to evaluate the potential impact of climate-related risks on our financial position. By leveraging the NGFS (Network for Greening the Financial System) scenarios, we assess various climate pathways, informing our risk

appetite and guiding our business planning and forecasting processes. This comprehensive approach ensures that we remain resilient in the face of evolving climate challenges.

#### Portfolio-level Stress Testing:

SAB has integrated climate risk stress testing and scenario analysis requirements into its stress testing policy framework.

Portfolio-level stress testing activities are being undertaken, covering the following:



#### Capital Stress Tests

We have included climate risk in our Internal Capital Adequacy Assessment Process (ICAAP), retaining a capital buffer to address potential unexpected losses arising from climate-related physical or transition effects.



#### Liquidity Stress Tests

The Bank has integrated a qualitative review into its Internal Liquidity Assessment Process (ILAAP) and is currently undertaking an initial set of climate specific quantitative assessments to aid understanding and help with the inclusion of such risk drivers in future liquidity scenario analysis.



#### Market Risk Stress Tests

SAB has incorporated a number of global market impacts arising from climate change into its market risk stress programme, which are embedded within our Treasury risk management platform (Murex).



#### Non-Financial Risks

The Bank undertakes a range of scenarios across all non-financial risks at varying levels of severity. These risks include reputational risk and resilience risks arising from extreme but plausible events.



#### Credit Risk Stress Tests

The Bank undertakes a range of client-specific stress tests, credit parameter sensitivities (LGD, PD, EAD)<sup>1</sup> and sector-based scenario analyses, considering both on- and off-balance sheet exposures. We are developing a database of client-specific data covering transition and physical risk aspects, which will assist in identifying opportunities to support adaptation and transition to the low-carbon economy. This database will also help us understand the clients' transition pathways, enabling stress tests and scenarios to be run on a customer-specific basis. In the absence of client-specific data, sector based assumptions are applied<sup>2</sup>.

#### Climate Risk Oversight Forum

The Climate Risk Oversight Forum (CROF) implements the Bank's approach to climate risk management and governance across all lines of defence. The forum monitors regulatory changes and triggers and directs our responses, when needed. The CROF provides direction, oversight and resolution related to climate risks and associated frameworks across SAB. It provides inputs during the stress testing and scenario analysis. The CROF promotes and cascades a supportive culture in relation to climate risk management and controls and ensures that our risk management practices support our conduct outcomes.

SAB has also conducted an internal audit of its ESG strategy and the oversight functions of the ESG Steering Committee to ensure alignment with best practices and regulatory requirements. The audit process highlights our commitment to robust risk management and our dedication to continuously enhancing our sustainability initiatives and governance framework.

<sup>1</sup> LGD: Loss Given Default; PD: Probability of Default; EAD: Exposure at Default

<sup>2</sup> For client and portfolios where specific data is not currently available, suitable market or international proxies are applied to provide an indication of the level of risk to which the Bank is exposed, specifically the risk arising from hard to abate sectors.





# Metrics and Targets

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# Metrics and Targets

In our commitment to transparency and accountability, SAB establishes clear metrics and targets to measure our progress in achieving sustainability goals. By systematically reporting on key performance indicators, we ensure that our stakeholders are informed of our advancements and challenges. These metrics are directly linked to our strategic targets, enabling us to

track our performance and make data-driven decisions. Regular assessments allow us to refine our initiatives and enhance our impact, ensuring that we remain aligned with our sustainability objectives. This approach fosters trust and demonstrates our dedication to continuous improvement in our environmental and social responsibilities.



## Sustainable Finance

In line with the results of the [materiality assessment](#), sustainable finance is a cornerstone of SAB’s strategy as we pursue our commitment to achieving net zero financed emissions by 2060. Our target is to reach ₪ 34 billion in sustainable financing by 2025, and we have successfully achieved ₪ 19 billion by 2024. This progress reflects our dedication to providing financing opportunities that align with the national strategy. For more information, please refer to [Embracing Opportunity in Sustainable Finance](#).

We take a selective approach to our sustainable finance initiatives, conducting thorough due diligence to ensure that each financing activity meets our sustainability goals. This careful consideration empowers our clients to transition to environmentally responsible practices while maintaining the resilience of our portfolio.

We offer innovative financial solutions that support the decarbonisation of key industries, facilitating investments in renewable energy, energy efficiency, and sustainable infrastructure. Our focus on sustainable finance not only enhances portfolio resilience but also contributes to a greener economy, reinforcing our role as a leader in responsible banking and supporting the broader objectives of Saudi Arabia’s Vision 2030. 100% of our sustainable financing can be classified as green financing and investments. The following table summarises our sustainable finance and investments.

## Sustainable Finance and Investments (₪ million)

As defined by the Sustainable Finance Data Dictionary

Category	Cumulative progress (since 2022)*	Dec’2024	Dec’2023	Dec’2022
Sustainable finance limits approved by CIB Sustainable Finance Forum (CSFF)	16,739	5,751	10,988	0
Green deposits	1,168	520	358	289
Investments in green, social, sustainability and sustainability-linked bonds/sukuk	998	0	375	623
<b>Total sustainable finance</b>	<b>18,904<sup>A</sup></b>	<b>6,271</b>	<b>11,721</b>	<b>912</b>

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants (‘PwC’).

\* - Cumulative progress is the cross-summation of the additional finance from each year

## On Balance Sheet Financing

₪ million (cumulative)	Dec’2024	Dec’2023
<b>Assets</b>	<b>9,834</b>	<b>4,893</b>
Sustainable finance loans and advances	8,837	3,895
Green, social, sustainability and sustainability-linked bonds/sukuks	998	998
<b>Liabilities</b>	<b>1,168</b>	<b>648</b>
Green deposits	1,168	648

### NEOM Green Hydrogen Project

SAB is providing financing for the world’s largest carbon-free green hydrogen and green ammonia plant through a green loan facility. Projections indicate a potential output up to 600 tonnes of green hydrogen daily, saving up to 5 million tonnes of CO<sub>2</sub> per year.

### Solar PV Investments

SAB is also providing financing for 3 large-scale solar PV projects in central and north Saudi Arabia. The projects Ar Raas 2, Saad 2 and Al Kahfah will have an aggregate capacity of 4.5 GW, sufficient to power approximately 4 million homes.

While diligently working towards our sustainable finance targets, we also monitor our sectoral lending exposure. This awareness allows us to pinpoint sectors with significant environmental risks. Lending in these areas may require additional due diligence, depending on the specific activities involved. For further details on our exposure and approach, please refer to our [website](#).

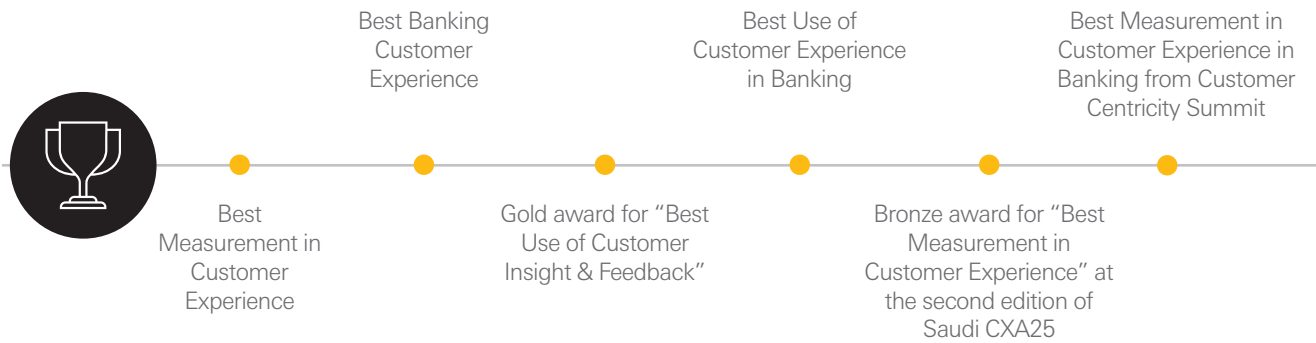


Sector-exposure	Total Exposures (ﷲ (000))		
	2024	2023	2022
Government and Quasi Government	3,455,805	-	143,368
Finance	17,432,575	11,526,275	12,013,300
Agriculture and Fishing	936,558	629,659	444,928
Manufacturing	23,535.914	22,436,306	23,545,441
Mining and Quarrying	8,640,476	7,200,480	5,140,420
Electricity, Water, Gas and Health Services	25,974,525	20,785,568	16,129,354
Building and Construction	16,847,237	16,685,491	12,693,770
Commerce	63,103,332	52,465,896	44,145,387
Transportation and Communication	13,901,290	12,996,426	11,078,876
Services	11,328,542	10,756,812	9,541,999
Credit Cards and Other Retail Lending	66,942,901	55,040,540	47,447,805
Others	9,782,906	7,727,644	2,976,653
Total Exposure	261,882,061	218,251,097	185,301,301

Our Customers

Our customers are at the heart of everything we do. We are devoted to understanding their needs, preferences, and challenges, ensuring that we provide innovative solutions that enhance their financial well-being. Our customer-first philosophy is embedded in our organisational culture and drives us to continuously improve our services, foster strong relationships, and create value for our clients. As outlined in the [Stakeholder Engagement](#) section, we prioritise customer feedback and insights, using them to inform our strategies and enhance our offerings. By actively engaging with our customers, we ensure that their voices are heard, and their needs are met. SAB collects customer feedback via surveys and conducts root cause analysis of complaints to identify important focus areas that are priorities for our customers.

Our 2024 awards and recognitions:



Our dedication to enhancing customer satisfaction is further validated via the continued excellence in two key metrics – Customer Recommendation Index (CRI) and the Brand Health Index (BHI), which we use to measure our performance.

Relationship Metrics			
Customer Recommendation Index (CRI) <sup>3</sup>			
Division	2024	2023	2022
WPB	97.2 (Rank 1)	96.4 (Rank 1)	95.0 (Rank 1)
CIB	93.3 (Rank 1)	93.4 (Rank 1)	91.0 (Rank 1)
Brand Health Index (BHI) <sup>4</sup>			
	2024	2023	2022
WPB	79.6 (Rank 1)	78.6 (Rank 1)	77.0 (Rank 3)
CIB	70.4 (Rank 1)	70.8 (Rank 1)	68 (Rank 2)

Our commitment to customer priorities is reflected in our ISO 10004 certification, which demonstrates our systematic approach to monitoring and measuring customer satisfaction. We actively engage with our customers to seek their feedback, understand their preferences and pain points better through our “Voice of the Customer” program, online banking and mobile apps, customer feedback forms, service centres and emails.

Complaint Mechanism

Addressing customer concerns promptly and effectively is crucial to maintaining customer trust and loyalty. Our robust complaint mechanism is designed to empower customers to voice their feedback and ensure that their issues are resolved in a timely manner. We have established a comprehensive system that complies with SAMA regulations and aligns with our ISO 10002 certification, which focuses on effective complaint handling and resolution. This also encompasses well-defined targets including resolution time, quality, and customer satisfaction. The targets are linked to SAMA as well as internal service level agreements.

Customers can submit complaints through SAMA or directly to SAB. Our team is trained to handle complaints with empathy and professionalism,

ensuring a thorough investigation and resolution process. Each complaint is allocated to concerned departments for timely action and meticulously tracked to ensure accountability throughout the resolution journey. Considering SAMA rules and the SAMA Care system requirements, we adhere to specific turnaround times for addressing complaints. We respond to complaints received directly from customers within a maximum of 5 working days. For objections accepted by SAMA, the response time is within 3 working days. Complaints of high importance, as classified by SAMA, are addressed within 2 working days.

In terms of governance, we emphasise the importance of not just tracking the volume of complaints, but also focusing on how effectively SAB is handling and learning from them. To ensure transparency and continuous improvement, we distribute summary complaints reports on a monthly basis to all key business partners in the bank, including the Chief Officers of WPB and CIB. These reports are reviewed as a regular agenda item in the Management and Board Committee meetings, with an action log to address issues identified. This collaborative approach involves key members of our Senior Management team, including the MD, Chiefs of WPB, and CIB, CRO, CCO, and the Head of Regulatory Compliance. Additionally, key complaint measures are frequently discussed in relevant forums, reinforcing our commitment to learning and adapting our practices for better customer service.

Our customer complaint data reflects our commitment to transparency and continuous improvement. The table below summarises ratio of complaints per 1000 customers received over the past three years:

Number of complaints received per 1,000 customers		
2024	2023	2022
4.38%	3.87%	3.40%

We recognise the importance of understanding and prioritising customer engagement and satisfaction. A dedicated Quality team monitors complaint trends and the adherence of staff to policies and procedures. The ultimate responsibility regarding complaints lies with the Board, which receives a quarterly report on complaints KPIs, root cause analysis, and customer satisfaction surveys.

<sup>3</sup> The CRI is calculated based on the likelihood to recommend each bank among the competition set.

<sup>4</sup> The BHI considers several factors such as brand awareness and customer loyalty.



We educate our customer about their rights and responsibilities through various platforms. Customer awareness is achieved by raising awareness among our customers through various means of communication. This is done in line with SAB’s international standards, in line with the principles of treating customers fairly and the consumer protection policy.

Digitalisation and Innovation

Digitalisation is a strategic priority for SAB, aimed at providing enhanced, frictionless, and personalised products, services, and experiences for our customers while creating opportunities for operational efficiency and streamlined processes. Our focus on digitalisation is integral to our strategic aspirations towards ESG, leveraging ongoing innovation through advancements in technology to meet the evolving needs of our customers.

We aspire to be a leading digital bank in the region, offering user-friendly platforms that empower clients to manage their finances effortlessly. In 2024, we made remarkable progress in expanding our digital solutions, particularly for our CIB and SME customers. Our Digital Account Opening platform has solidified its position as a market leader, achieving a significant milestone of 10,000 SME accounts opened digitally. Customer onboarding increased by over 70% compared to the previous year, with more than 80% of Business

Account Openings now completed online. We are proud to have received the Global SME Banking Innovation Award for the second consecutive year from The Digital Banker.

Our Digital Credit Platform has automated financing processes, significantly improving the speed of lending for customers. By integrating APIs with key public and government data sources, we have streamlined our financing operations. Additionally, our Global Payment Services unit introduced 67 new features, resulting in 24 new services in our SAB iCorp online channel for SMEs, elevating the user experience and boosting the straight-through processing rate from 44% to 79%. Our Global Trade Services unit launched the first model of the Trade Re-platforming System (HTS), enhancing customer experience and process efficiency by automating guarantee letter printing.

Looking ahead, we remain committed to investing in digital transformation across key customer journeys and channels. Aligned with Vision 2030, our initiatives are aimed to contribute to a more innovative and sustainable financial ecosystem in the Kingdom, with SAB playing an integral role in supporting the acceleration of financial innovation to establish the Kingdom as a leading financial centre.

New SAB Mobile Experience:

- > **Face ID Login:** Faster access with biometric scanning upon app launch.
- > **Request to Pay:** Customers can send payment requests via IBAN, phone number, email, or national ID.
- > **New Corridors Expansion:** Enhanced capabilities to send money securely to more destinations through digital channels.
- > **QR Code:** Add new beneficiary accounts or share account numbers by scanning QR codes.
- > **ForYou:** A personalised hub for all SAB offers, products, and the SAB store.
- > **SAB Store Revamp:** Shop for gift cards, vouchers, and subscriptions via SAB Online and SAB Mobile.

- > **Split Pay:** Seamlessly divide payments among friends and family.
- > **Umlaty Supplementary Card:** Apply for supplementary cards, with management options through SAB Mobile.
- > **AQSAT Card Issuance:** Apply for the AQSAT Credit Card and convert transactions into instalment plans.
- > **Refer a Friend:** Rewarding feature for referring friends to open new SAB accounts.
- > **Samsung Pay:** Easily add SAB cards to Samsung Wallet for enhanced digital payments.
- > **App Rating:** Customers can rate SAB Mobile and provide feedback after completing transactions.

Key digitalisation highlights:

- > 988,000 accounts opened digitally
- > 60 million digital transactions
- > Online account opening increased by 34% YoY, representing 90% of total accounts
- > 27% more financial transactions conducted digitally compared to 2023
- > Straight-through processing rate increased from 44% to 79%
- > 24 new services added for our SME customers

In line with our organisational values, innovation is at the core of everything we do. This has been a hallmark of the Bank for many years, aligned to our strategic values and allowing us to identify trends transforming the financial industry.

During 2024, we sharpened our focus on innovation to accelerate the pace and scale of how we innovate at SAB, embedding an innovation-led approach to serve as an engine of future growth.

Our innovation focus is centred on three main disciplines:

- |  |   |
|--|---|
| <b>Fostering an Innovation Culture</b> | Focus on building a skilled workforce and establish innovation mind-set for delivering business impact. <ul style="list-style-type: none"><li>&gt; Invested significantly in talent retention and attraction to build a skilled workforce.</li><li>&gt; Established comprehensive programs aimed at equipping employees with essential innovation skills, fostering a culture of creativity.</li><li>&gt; Conducted over 2,000 hours of dedicated innovation training in 2024, empowering employees and enhancing capabilities.</li><li>&gt; Launched the Innovation Centre to accelerate experimentation and partnerships with ecosystem stakeholders.</li></ul> |
|--|---|

- |  |  |
|--|--|
| <b>Innovation Origination &amp; Experimentation through Data / Products / Payments</b> | Driving Financial innovation through pioneering projects, impactful partnerships and leveraging our Innovation culture. <ul style="list-style-type: none"><li>&gt; Leveraged advanced technologies like Artificial Intelligence and Quantum Computing to enhance operational efficiency.</li><li>&gt; Fostered partnerships with AI-focused companies to optimise financial risk assessments.</li><li>&gt; Implemented Quantum frameworks, ensuring the highest levels of transaction security.</li><li>&gt; Achieved full certification from SAMA for Open Banking and initiated Banking-as-a-Service programs to enhance service delivery.</li></ul> |
|--|--|

- |   |   |
|---|---|
| <b>Accelerating Fintech &amp; New Economy Collaboration</b> | Unlock value from a connected ecosystem and become bank of choice for the New Economy and a leader in financial innovation by fostering strategic partnerships. <ul style="list-style-type: none"><li>&gt; Launched our Fintech Fund (with 30% mobilisation in 1<sup>st</sup> year with 11 portfolio companies)</li><li>&gt; Facilitated over 20 collaborations with Fintechs, resulting in innovative financial products such as Buy-Now-Pay-Later</li><li>&gt; Launched the New Economy Program in 2024 to enhance engagement with the innovation ecosystem valued at USD 12 billion.</li><li>&gt; Developed an SME credit gateway solution to improve access to credit for SMEs.</li></ul> |
|---|---|

Recognition of our innovation initiatives:

- > SAB became KSA’s 1<sup>st</sup> bank to receive the CInOrg (Certified Innovative Organisation) Accreditation by the Global Innovation Institute.
- > Corporate Innovation Award (Qorus)
- > Innovation Excellence Award (Global Banking and Finance Review)



Support to MSMEs

Recognising the critical role that our Micro, Small, and Medium Enterprises (MSMEs) customers play in driving economic growth and innovation, SAB is committed to enhancing access to finance for these vital businesses. Our commitment to enhancing access to finance for MSMEs is a cornerstone of our strategy, as we understand that empowering these businesses contributes significantly to job creation and community development.

SAB offers a range of products and services to meet the needs of MSMEs, including Shariah-compliant options. Each customer is assigned a dedicated relationship manager (RM) who assesses their banking needs and provides tailored solutions. We have two specialised teams to serve MSME customers: one focusing on the small and micro-segment, which supports businesses with less than ₪ 40 million in turnover, and another dedicated to the medium segment, which targets customers with a turnover between ₪ 40 million and ₪ 200 million.

Our comprehensive suite of financial products and services includes:

- > **POS Finance:** Our Point of Sale (POS) financing product offers micro, small, and medium-sized businesses short- to medium-term financing options based on cash flows from point-of-sale systems.
- > **Working Capital Financing:** This provides short-term financing options to help businesses cover everyday costs and meet their operational requirements.
- > **Payroll Financing:** Our payroll financing product offers short-term finance solutions, enabling businesses to pay their employees' salaries promptly.
- > **CAPEX Financing:** Our Capital Expenditure (CAPEX) Financing Program provides medium-term financing options to develop and upgrade fixed assets such as equipment and machinery.
- > **Contract Financing:** This facilitates contracting businesses with financial solutions that ensure flexibility and support timely project delivery.

We offer tailored financial products and services designed specifically for MSMEs, ensuring that they have the resources needed to thrive. Our dedicated MSME financing team works closely with entrepreneurs to understand their unique needs and challenges, providing them with flexible loan options, competitive interest rates, and guidance throughout the application process.

Number of MSME Customers with Credit Facilities

Category	2024	2023	2022
Medium	569	439	444
Small	775	581	506
Micro	494	451	369
Total	1,838	1,471	1,319

Value Composition of Loan Portfolio, by size (₪ million)

Category	2024	2023	2022
Micro-enterprise	2,688	1,515	1,616
SME	9,567	9,513	9,269
Large and others	197,929	156,897*	130,662

\*The data marked with \* for the year ended 31 December 2023 has been restated

Over the last three years, our MSME customers increased by nearly 40%. By prioritising MSME financing, we not only foster economic resilience but also reinforce our commitment to sustainable development and the broader goals of Vision 2030.


To further support the financial literacy of SMEs, we have published an SME Webinar on our website, featuring 16 sessions aimed at upgrading their financial knowledge. These resources are available to all SMEs under the SME Academy. Additionally, we offer a specific financial education advisory session focused on mortgages, ensuring that our clients are well-informed and equipped to make sound financial decisions. We are dedicated to creating a vibrant ecosystem where MSMEs can flourish, driving positive change and contributing to the prosperity of our communities.

Collaborations

Taqadam

At SAB, our vision to foster entrepreneurship and empower small businesses is brought into practice through our collaboration with Taqadam and The King Abdullah University of Science and Technology (KAUST) Entrepreneurship Centre. In 2024, we completed six years of our alliance and signed a partnership agreement to continue our collaboration. Through this joint initiative, we aim to provide entrepreneurs with guidance, mentorship, funding and training. The selected ideas go through rounds of rigorous trainings, boot-camps, presentations. The shortlisted startups receive grants and mentorship from experienced founders, investors, alumni and a broad network of partners. Till date, 374 startups have been supported, directly and indirectly creating more than 4,500 jobs and raising more than \$600 million in investments. The KAUST Soft Landing Programme is designed to attract and scale tech startups by expanding their regional operations, driving economic growth and contributing to KSA’s Vision 2030.


Examples of Success Stories from Taqadam



**PASQAL**

Revolutionising the scale and access to quantum computing industry.

Fund raised: **\$148** million



**FlyNow Aviation**

Urban Air Mobility is designed to complement and extend existing transport infrastructure, providing individuals with more options to reach their destination.

Fund raised: **\$58** million

Kafalah

The Small and Medium Enterprises Loan Guarantee Programme “Kafalah” was founded with a view to overcoming any obstacles in financing SMEs that are

economically viable but do not have the ability to provide the required guarantees to the financiers. Kafalah aims to assist SMEs in obtaining the necessary financing to develop and expand their activities, encourage financial institutions to engage with the SME sector, and attract a new group of SME owners who have not previously dealt with financiers. This initiative seeks to develop the SME sector to realise its important role in the national economy through its contribution to providing new job opportunities and developing provinces that are least active economically.

Credit Facilities Guaranteed by Kafalah (Dec’24)

	Micro	Small	Medium	Total
Number of credit facilities	723	1,266	1,023	3,012
Amount of credit facilities (₪ 000)	350	788	1,301	2,439

Ministry of Economy and Planning – Sustainability Champions Program

In April 2024, the Ministry launched the **Sustainability Champions** program during the World Economic Forum Special Meeting on Global Collaboration, Growth and Energy for Development in Riyadh. The program recognises leading organisations- referred to as “Champions”- for their strong integration of sustainable practices and aims to leverage their expertise to support other entities, known as “Future Champions,” in advancing their sustainability journeys. SAB was honoured to be selected as one of the champions, reflecting our leadership in sustainability and commitment to shaping a more sustainable future for the Kingdom.

As part of our participation, SAB selected four mentees to guide and support, helping them build stronger sustainability foundations. Through this collaboration, SAB took a distinctive approach by selecting clients, rather than affiliated companies, as Future Champions. This strategic decision was driven by our commitment to building deeper, trust-based relationships with our clients and promoting sector-wide progress. This reflects SAB’s unwavering dedication to impactful partnerships and knowledge transfer, fostering mutual growth and alignment on sustainability goals.




Reducing Our Environmental Footprint

Reducing our environmental footprint is a strategic priority for us. By sourcing locally, we reduce transportation emissions and support the local economy. Our commitment to these efforts has earned us the Local Content Certificate.

SAB receives the Local Content Certificate


In 2024, SAB became the first bank in Saudi Arabia to receive the Local Content Certificate. Our score improved by 17% compared to FY’22. achievement recognises our commitment to supporting national development through the promotion of local resources and services. The Saudi Local Content Certificate is designed to encourage businesses to utilise domestic products and services, thereby contributing to the Kingdom’s Vision 2030 objectives of economic diversification and job creation. The concept of local content covers labour, goods, services, production, assets and technology. This certification not only enhances our reputation as a responsible corporate citizen but also strengthens our competitive position in the market. By prioritising local content, we are actively contributing to the empowerment of local suppliers and fostering sustainable economic growth, ultimately benefiting our clients and the communities we serve.

The key elements of local content include the following:




**Assests**

Sources and components of goods used to develop production chains




**Labor**

Workforce involved in producing goods or offering services



**Goods and Services**

Local components used in producing goods or services



**Technology and others**

Research & Development and capacity building of Saudi workers



Operational Emissions

In this report, we are pleased to announce the inclusion of SAB Invest, our wholly owned subsidiary, into our emissions scope. This addition reflects our commitment to a holistic approach to sustainability across all facets of our operations.

During this year, we kicked off various programmes and initiatives that help us progress towards our goal of net zero operations by 2035. Notably, we completed the installation of solar panels at our Altakhassusi branch which marks the completion of Phase 1 of the project. We also organised a booth at our headquarters to educate employees about the benefits of renewable energy. The booth served as an interactive space where employees could engage with experts, ask questions, and learn about the financial and environmental benefits of adopting solar technology. Additionally, employees who choose to install solar panels at home were offered exclusive discounts, making the transition to renewable energy more accessible and affordable.

In our effort to manage emissions from our fleet, we reduced the number of our owned vehicles from 41 in 2023 to 20 in 2024. Additionally, we are actively planning to transition our fleet from internal combustion engine (ICE) vehicles to electric cars. This year, we have established charging infrastructure to

support this transition and introduced the Lucid electric car into our fleet. This initiative is expected to further reduce our operational emissions in the coming years, aligning with our goal of achieving net zero operations by 2035.

Through the initiatives implemented in 2024, SAB has successfully reduced its total GHG emissions by approximately 4%. Our operational emissions (Scope 1 and Scope 2) represent a decrease of more than 20%. Additionally, Scope 3 emissions decreased by approximately 1% from 318,978 metric tons to 316,102 metric tons. For a detailed breakdown of our emissions, please see the table below.

During the 29<sup>th</sup> Conference of Parties (COP) at Baku, we participated in the launch of a voluntary carbon trading platform by Regional Voluntary Carbon Market Company (RVCMC). SAB is also the digital wallet partner, where we facilitate the processing of all RVCMC related payments.

In addition, we purchased carbon credits equivalent to 115,500 metric tonnes of CO<sub>2</sub>. While we believe in and prioritise emission reduction, this strategic investment will not only aid in offsetting our emissions, but also demonstrate our commitment to supporting carbon reduction efforts globally and in the Kingdom.

Scope	Category	GHG Emissions (tCO <sub>2</sub> eq)		
		2024	2023	2022
Scope 1	Fugitive emissions	5,577	15,065	4,220
	Mobile emissions	410	598	595
	Stationary combustion	42	20	N/A
Scope 1 Total		6,029 <sup>A</sup>	15,683	4,815
Scope 2	Purchased electricity	37,073	39,248	36,303
Scope 2 Total		37,073 <sup>A</sup>	39,248	36,303
Scope 3	Cat 01 - Purchased goods and services	220,896	206,712	183,236
	Cat 02 - Capital goods	78,806	93,979	101,366
	Cat 03 - Fuel- & energy-related activities	14,426	15,256	14,058
	Cat 06 - Business travel	1,974	3,031	2,544
Scope 3 Total		316,102 <sup>A</sup>	318,978*	301,204*
Grand Total		359,204	373,910*	342,322*

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants ('PwC').

\* We have restated our Scope 3 Category 1, 2 and 3 emissions to enhance the accuracy and consistency of our GHG inventory. In previous reporting years, due to unavailability of granular data, proxy emission factors were applied to certain activity data. For the current reporting year, we have sourced updated and year-specific emission factors from a reputable and country relevant database that provides annual updated aligned with the Kingdom of Saudi Arabia. This methodological refinement ensures improved data quality and greater consistency across reporting periods. The previously disclosed Scope 3 GHG emissions for 2023 was 532,590 and for 2022 was 492,071.



Financed emissions

Scope 3 and specifically, financed emissions represent the largest components of total emissions for banks and financial institutions, accounting for a significant portion of SAB’s carbon footprint, highlighting the critical role we play in influencing the sustainability of our clients and the broader economy. Understanding this, we are committed to managing our financed emissions proactively and responsibly.

Recognising the importance of financed emissions in our overall carbon footprint, in 2023 we completed the baselining of our Scope 3 emissions. Taking this forward, in 2024 we have conducted assessments for four hard-to-abate sectors. These sectors have been mapped to an International Energy Agency (IEA) scenario, allowing us to develop comprehensive decarbonisation roadmaps tailored to each sector’s unique challenges and opportunities. In line with this assessment, we have established robust due diligence processes and a trigger mechanism to flag any investment that requires additional environmental scrutiny. This proactive approach ensures that we are not only managing our own emissions but also guiding our clients towards sustainable practices.

By integrating these measures into our operational and financing strategies, SAB is taking meaningful steps to reduce environmental footprint and support the broader goals of sustainability. We remain committed to transparency and accountability in our efforts, continuously seeking innovative solutions to enhance our impact and contribute to a more sustainable future for all.

Electricity Consumption

At SAB, we recognise that effective energy management is essential for reducing our environmental impact and promoting sustainability across our operations. As part of our commitment to responsible banking practices, we have made significant strides in optimising energy consumption within our branches.

Our headquarter, SAB Tower, is Gold LEED certified, thus meeting the stringent criteria of energy efficiency. By obtaining this LEED certification, we not only validate our commitment to sustainability but also inspire other institutions in the financial sector to prioritise energy efficiency and environmental responsibility.

We are also continuously exploring innovative ways to enhance our energy efficiency across all locations. This includes investing in energy-efficient retrofits, conducting regular energy assessments, and implementing best practices for energy management. Our goal is to reduce our overall energy consumption and in turn, operational emissions, while creating a more sustainable and comfortable environment for our employees and customers.

Metric	2024	2023	2022
Total electricity consumption (kWh)	67,405,545 <sup>A</sup>	69,099,385	63,915,431

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants ('PwC')

Water Consumption

We recognise the critical importance of water conservation, especially in arid regions such as the Kingdom. We are proud to announce our commitment to the Net Positive Water Initiative (NPWI) in partnership with The National Water Efficiency and Conservation Centre (MAEE). This initiative aligns with our sustainability goals and supports Saudi Vision 2030’s objective to “ensure sustainable use of water resources.” As part of our water sustainability strategy, we will integrate the goals and key performance indicators of the NPWI into our operations. This commitment reflects our dedication to responsible banking practices and efficient water management across all branches.

Metric	2024	2023	2022
Total water consumption (m³)	100,448	119,772	190,179

LEED Certification

LEED is a globally recognised green building certification system developed by the U.S. Green Building Council (USGBC). This certification signifies that the building meets stringent standards for:

- > energy efficiency,
- > water conservation,
- > sustainable site development, and
- > indoor environmental quality

Waste and Paper Reduction

At SAB, we are dedicated to minimising our environmental impact through effective waste management and paper reduction initiatives. We continue to use recycled stationery and paper to reduce the consumption of virgin resources. In 2024, we installed three Recycling Vending Machines (RVMs) at our headquarters in SAB Tower as part of our initiatives to reduce environmental impact and promote circularity. By simply depositing recyclable items like plastic bottles, employees contribute to our aspiration of becoming a sustainable organisation. This pilot implementation is aligned with our ambition to be net zero by 2035. Upon successful implementation of the RVM technology, we plan to expand its use to other main SAB premises

We also actively encourage our employees to adopt waste reduction practices by promoting reuse and recycling through awareness campaigns. Between November 2023 and December 2024, we partnered with Naqaa solutions to increase recycling rate. In this period, we successfully recycled 11.03 tonnes of waste, diverting it from landfill, saving 27.79 cubic meters of landfill space and 16,545 kg of CO<sub>2</sub> emissions. This represents an equivalent saving of 188 trees, more than 77,000 gallons of water and nearly 64,000 kW of energy. These initiatives reflect our commitment to sustainability and our goal of creating a positive impact on the environment and the communities we serve.

Total paper recycled (tonnes)

Metric	2024	2023	2022
Total waste produced (tonnes)	40	45	45



Our Workforce

At SAB, we hold a strong conviction that our employees are the foundation of our success, and their commitment is vital to the Bank’s overall growth and sustainability. This is also reflected in our stakeholders’ priority as outlined in [Our Material Topics](#). We understand that a satisfied and engaged workforce is essential for achieving our strategic goals and fostering a positive organisational culture. Therefore, we are dedicated to creating an environment that prioritises employee satisfaction, well-being, and meaningful participation in our shared successes.

To support this vision, we have developed a range of initiatives aimed at enhancing the employee experience. These initiatives encompass various aspects, including professional development opportunities, wellness programmes among others. We believe that investing in our employees not only boosts morale but also enhances productivity and innovation within the organisation.

Furthermore, we actively encourage open communication and feedback from our employees to better understand their needs and concerns. By leveraging relevant data and insights, we can effectively monitor our initiatives and make informed adjustments to our strategies. This commitment to continuous improvement allows us to create a dynamic workplace that not only attracts and retains top talent but also fosters a culture of collaboration and excellence, ultimately driving our collective success.



Summary of the workforce presented at SAB:

Our People in Numbers	2024	2023	2022
Total full-time employees (excluding trainees, students, and outsourced staff)	3,879	3,866	3,709
Indefinite/permanent contract employees <sup>5</sup>	2,397	2,517	2,540
Fixed/temporary contract employees <sup>6</sup>	1,482	1,349	1,169
3 <sup>rd</sup> party contractors <sup>7</sup>	702	678	558
Number of nationalities represented	32	28	29

Saudisation

We are committed to the Saudisation initiative sponsored by the Ministry of Human Resources and Social Development, which aims to enhance the employment of Saudi nationals. Recognising the importance of local talent in driving economic growth and fostering innovation, we actively invest in the

development of our workforce. Our comprehensive Saudisation strategy focuses on attracting, training, and retaining skilled Saudi professionals, ensuring that they are well-equipped to contribute to the Bank’s objectives and the broader goals of the Kingdom. We take pride in our dedication to developing local talent and are pleased to share that, as of 2024, nearly 93% of our workforce consists of Saudi nationals.

Saudisation	2024	2023	2022
Saudi nationals among senior management	68%	66%	66%
Saudi nationals among total workforce <sup>8</sup>	92.7%	91.6%	90.1%

To support this initiative, we have implemented targeted recruitment programmes and professional development opportunities tailored to the needs of Saudi nationals. Through our commitment to Saudisation, we are proud to play a role in building a prosperous and resilient economy.

Amongst our many achievements to date, in 2024, we launched the **SAB Sustainability Graduate Programme** specifically designed for fresh university graduates. This initiative reflects SAB’s focus on grooming Saudi talent and supporting their aspirations for careers in the banking industry. The sustainability graduate programme recruits 14 candidates who participate in a one-year specialised training, direct mentorship from industry experts, and unique hands-on experience aimed to develop their skills to empower them to lead positive change in collaboration with KAPSARC (King Abdullah Petroleum Studies and Research Centre). The new joiners will be assigned to various departments within the Bank, bringing an ESG perspective that will be integrated across our operations.

Employee Learning and Development

At SAB, focusing on employee engagement and satisfaction is a fundamental goal. To keep our employees motivated and enthusiastic about their work, we conduct an annual assessment of employee satisfaction and integrate their feedback into our organisational initiatives. In 2024, >85% of our employees have participated in our Employee Experience survey. Our 2024 NPS score also remained largely stable at 18 (compared to 19 in 2023).

SAB is dedicated to supporting employees’ career progression by providing a comprehensive range of training and development opportunities. Our commitment to investing in our workforce is essential for fostering a skilled and motivated team and enhancing the quality of our services. All employees, including full-time staff and contractors, are eligible for education, certification, and training support through reimbursement. We offer a robust training platform that employees can easily access, featuring a variety of programmes tailored to enhance their professional growth. By prioritising continuous learning, we empower our employees to excel in their roles and advance their careers within the organisation. Some

<sup>5</sup> Indefinite/permanent contract employees: All local staff that have spent more than 4 years at the Bank.  
<sup>6</sup> Fixed/temporary contract employees: Includes local staff that have spent less than 4 years at the Bank and all expatriates  
<sup>7</sup> 3rd party contractors: SAB Agency staff and all consultants.  
<sup>8</sup> As of 2023, SAB uses Nitaqat figures for the percentage of workforce Saudisation

key highlights from our 2024 training programs are provided below.

- > Our cross-selling workshops engaged 123 front-line business relationship managers and leaders, equipping them with essential skills to effectively promote our diverse product offerings across businesses.
- > The SAB Mentoring Programme, piloted with 12 mentors and 28 mentees, fosters personal and professional growth through valuable guidance and knowledge sharing between experienced professionals and emerging talent.

Throughout the year, we implemented a job-specific training programmes tailored to focus on leadership,

management, and client relations, empowering employees with the skills needed for future roles and enhancing their management capabilities. Some examples are:

- > INA Methodology program - Internal Audit Officers
- > RM Accreditation Programme
- > Risk Officer Development Programme
- > Ops and procurement transformation program - Procurement and Operations staff
- > SAB Customer Experience Champions Programme – WPB – CIB – Ops and Customer Experience staff
- > Leadership trainings - Leadership programmes for all levels

Training	2024	2023	2022
Total training delivered (hours)	54,504 <sup>A</sup>	85,455	58,700
Average training per employee (hours)	12.9	21.6	15.6
> Senior management employees (GCB 3 and above) <sup>9</sup>	8.2	3.0	3.6
> Middle management employees (GCB 4 and 5)	17.8	4.2	4.9
> Non-management employees (GCB 6 and below)	10.8	4.8	3.9
> Male employees	3.7	4.2	12
> Female employees	14.9	4.8	4.6
Number of attendees who completed at least one e-learning course	4,381	3,866	3,709

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants ('PwC')

In addition to our internal training initiatives, SAB partners with universities and other institutions to conduct specialised training sessions. These external collaborations bring fresh perspectives and innovative approaches to our training programmes, enriching the learning experience for our employees. By leveraging the expertise of academic and industry leaders, we provide our team with valuable insights and knowledge

that enhance their skills and broaden their horizons. Depending on business needs, SAB will also support employees obtaining internationally recognised certifications or degrees. This multifaceted approach to employee development not only boosts job satisfaction but also drives overall organisational success, positioning us as a leader in nurturing talent within the financial sector.

Partnerships for employee development

We enabled 58 employees to enhance their skills and knowledge by participating in open executive education programmes at prestigious international universities, promoting their professional growth and leadership development within the organisation.	In collaboration with HSBC, we conducted the flagship programme "Doing Business in Saudi Arabia", hosting 30 HSBC leaders from around the world to equip our employees with global best practices relevant to the local market.	We partnered with Hult University to deliver two mid-management programmes focused on enhancing leadership skills and fostering professional development among our management team, driving sustainable growth and innovation within the organisation.	SAB Senior Leadership Program: 23 Leaders participated in 2 Cohorts during 2024. The program is well designed in collaboration with the Cambridge Judge business School reflecting the SAB Leadership Capabilities requirement.
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<sup>9</sup> GCB: Global Career Band, which determines the most senior employees (GCB 0) until the most junior (GCB 8)



SAB employs a best-in-class performance management approach designed to foster employee growth and align individual contributions with organisational goals. A key component of this approach is the performance-linked variable pay structure, which motivates all employees to excel and contribute to the bank's success.

Our annual performance review process includes an objective-setting meeting, a mid-year assessment, and a year-end appraisal, creating a culture of continuous improvement where employees are empowered to set clear objectives and receive constructive feedback. During the annual review, employees and managers collaboratively establish SMART (Specific, Measurable, Achievable, Relevant, Time-bound) objectives, ensuring clarity and alignment with the bank's strategic vision. This alignment is crucial, as it directly influences the performance-linked bonus, rewarding employees for achieving their goals.

The mid-year review allows for self-assessments and feedback, facilitating ongoing development and ensuring that employees remain on track to meet their targets. The year-end appraisal ensures equitable assessments based on contributions, emphasising flexibility, teamwork, resilience, and adaptability. This comprehensive approach not only enhances individual capabilities but also drives overall organisational success, reinforcing the connection between performance and reward.

Every member of the Management Committee, as well as the teams that report to the Committee, has specific ESG Key Performance Indicators (KPIs) integrated into their individual performance scorecards. These metrics are broadly linked to their variable compensation, reinforcing the company's commitment to sustainable and responsible business practices through leadership accountability.

Beyond performance management, we believe that succession planning is a vital process at SAB, ensuring uninterrupted business continuity. Our succession planning and development programs operate at multiple levels, focusing on key senior and critical positions to maintain a strong succession pipeline. We implemented a tailored programme focused on leadership, management, and client relations,

empowering employees with the skills needed for future roles and enhancing their management capabilities. This process requires Bank-wide collaboration to robustly identify successors across regions and businesses. Succession planning is conducted annually for all managerial positions, with potential successors identified across various readiness timelines:

- > "Ready Now" (within 1 year),
- > "Mid-Term" (1-3 years),
- > "Ready Later" (3-5 years), and
- > Contingency plans for urgent needs.

The creation of robust career development plans is a joint responsibility of line managers and employees. All identified successors have an agreed development plan, highlighting key goals such as technical knowledge, organisational knowledge, and leadership requirements.

### Employee Health and Well-being

The health and well-being of our employees are paramount to fostering a productive and engaged workforce. We uphold a comprehensive [Health and Safety Policy](#) that adheres to relevant laws, regulations, and international best practices, ensuring a safe environment for all employees, vendors, customers, and visitors. By prioritising employee health and well-being, we not only enhance individual performance but also cultivate a positive workplace culture that contributes to our overall success.

In 2024, we launched the "Be Well" initiative, designed to cultivate a supportive culture focused on both physical and financial wellness. This programme includes a partnership with the Sports for All Federation (SFA), emphasising the importance of sports in promoting health and well-being, and aligns with the Kingdom's Vision 2030 objectives. Through the "Be Well" initiative, we aim to enhance our employees' overall well-being by providing a variety of activities and resources that encourage healthy lifestyles and financial literacy.

We also organised several events round the year ensuring employees have the awareness and support they need to thrive both personally and professionally.

### Health and Well-being Initiatives Organised Across Offices in 2024





Diversity, Equity, and Inclusion

Fostering a safe and diverse culture at SAB is fundamental to our organisational values and essential for fostering a vibrant workplace. We are committed to creating an environment where every employee feels valued, respected, and empowered to contribute their unique perspectives. Our dedication to diversity, equity,

and inclusion (DEI) is underscored by our strict zero-tolerance approach towards discrimination and harassment in any form.

The table for workforce by gender and age is included below, showcasing our commitment to diversity and representation across all levels.

Workforce Analysis by Gender	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Board	10 <sup>A</sup>	1 <sup>A</sup>	10	1	10	1
Senior management (GCB 3 and above)	157	23	156	24	145	24
Middle management (GCB 4 and 5)	1,117	315	1,082	289	1,076	256
Non-management (GCB 6 and below)	1,583	684	1,661	654	1,655	553
Total full-time employees	2,857 <sup>A</sup>	1,022 <sup>A</sup>	2,899	967	2,876	833
Total full-time employees (%)	74%	26%	75%	25%	77%	23%
SAB Agency	457	245	454	224	397	161

<sup>A</sup> - Selected metrics marked with the A symbol have been subject to independent limited assurance procedures by PricewaterhouseCoopers Public Accountants ('PwC')

Workforce Analysis by Age	2024	2023	2022
Total full-time employees (excluding trainees, students, and outsourced staff)	3,879	3,866	3,709
Age 18 - 30 years	684	684	615
Age 31 - 50 years	2,943	2,950	2,891
Age 51+	252	232	203

We actively promote initiatives that support underrepresented groups, ensuring equal opportunities for all employees to thrive. By championing diversity and inclusion, we enhance our organisational culture, drive innovation, and improve decision-making processes. Our commitment to DEI not only aligns with our corporate strategy but also reinforces our role as a responsible corporate citizen, contributing to a more equitable society. We also focus on supporting people with disabilities through charitable donations. In 2024, we achieved significant milestones bolstering this commitment.

Our CEO signed the **UN Women's Empowerment Principles** (UN WEPs) in 2024, emphasising the need for corporate action to promote gender equality and women's empowerment. As a signatory to UNGC and UN WEPs, we utilise the Gender Gap Analysis Tool to self-assess our DEI practices alongside market best practices and identify opportunities for continuous improvement.

We launched the **Balance Programme**, an Employee led Resource Group (ERG) focused on advocating diversity through a bottom-up approach. This initiative provides targeted support, mentorship, and

development opportunities, ensuring that women have the resources and encouragement needed to thrive in their careers. Sponsored by our CFO and with active participation from co-chairs, the programme has seen remarkable success, with high engagement levels and numerous events organised to empower and uplift women within SAB.

We also kick-started the **Stronger Together** programme to foster an inclusive culture for all employees. This initiative empowers our female colleagues to grow at every level while prioritising an exceptional employee experience. Central to this

initiative is our commitment to being "Alawwal (First) in employee experience" which serves as a strategic pillar for understanding the needs and aspirations of our workforce while supporting them in achieving their goals. We encourage male colleagues to actively support this initiative, promoting a workplace where everyone can thrive. Committed to building a dynamic workforce that reflects our diverse customer base, we concluded the year with an internal engagement event highlighting the importance of collective efforts in achieving diversity and inclusion.

Together, we grow stronger.

We are also committed to supplier diversity and economic inclusion through initiatives like "**She's Next**" with Visa, which has garnered over 150 applications from women entrepreneurs. Additionally, our partnership with WeConnect International enables us to integrate women-owned businesses into our procurement ecosystem, fostering greater participation and breaking down historical barriers.

At SAB, we offer a higher number of parental leave than the current labour law requirement. We also ensure we support parents as they reintegrate into the workforce as this is vital for retaining talent and maintaining productivity. We recognise the importance of

creating an inclusive environment, regardless of their parental status. A summary of our female employees taking maternity leave and returning to workforce is shown below.

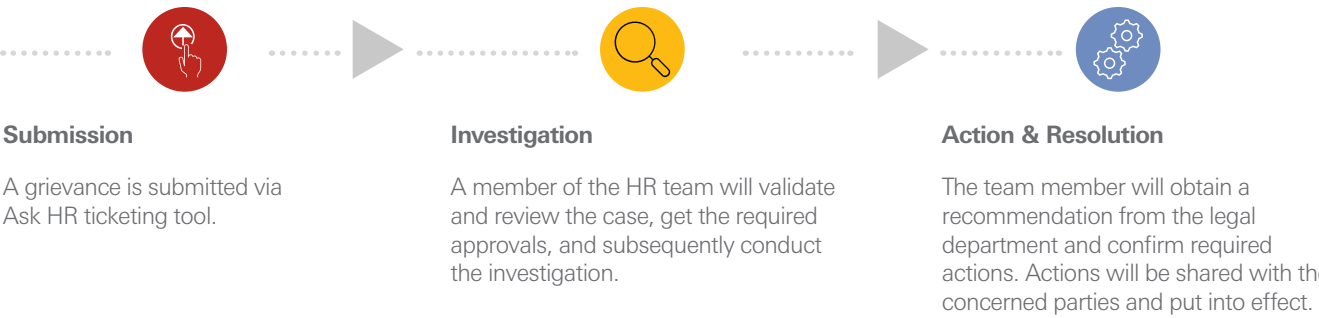
Parental Leave	2024	2023	2022
Number of female employees that took maternity leave	50	45	27
Number of female employees who returned from maternity leave who were still employed 12 months after returning to work (retention)	49	44	26
<b>Return to work rate (%)</b>	<b>98%</b>	<b>98%</b>	<b>96%</b>

We have robust mechanisms in place, managed by the employee advisory team under HR Business Management, where employees can report grievances and incidents of harassment to ensure their safety and

well-being. We handle these matters with care and confidentiality, empowering employees to raise concerns without fear. Please see a summary of grievances reported in 2024 in the table below.

Grievances	Description	2024	2023	2022
Discrimination	Total number of incidents of discrimination	0	0	0
	Total number of incidents resolved	0	0	0
Harassment	Total number of incidents of harassment	2	10	7
	Total number of incidents resolved	2	10	7
Others	Number of grievances filed	146	163	147
	Number of grievances addresses or resolved	144 <sup>10</sup>	163	147
	% of grievances addressed or resolved during the year	100%	100%	100%

Grievance process



<sup>10</sup> 3 complaints filed during 2024 are currently open and under investigation as of 31 Dec 2024.



Employee Benefits

SAB is committed to cultivating a supportive work environment, which is reflected in its comprehensive employee benefits program. Health and wellness are prioritised through comprehensive medical insurance.

Additionally, we provide generous leave policies, including annual leave, sick leave, study leave, parental leave, and compassionate leave, ensuring that employees can maintain a healthy work-life balance. A comprehensive list of benefits available for all SAB full-time employees is provided below.

Allowances and finance

Child education allowance

Band 1 to 4<sup>11</sup> employees are eligible to receive education support for up to four children aged between 5 and 19 years regardless of where they are being educated.  
The allowance per child per annum is:  
Band 4: ﷲ 20K  
Band 1-3: ﷲ 25K

Female day care allowance

All female employees with children younger than six years old are entitled to this allowance.  
The allowance per child per annum is ﷲ 12,000.

Home finance

Over and above the monthly housing allowance provided to SAB employees (25% of the annual basic salary), SAB offers the Tayseer programme for home financing to Saudi employees with existing home loans. The programme supports eligible employees by reimbursing financings costs above 1% on a qualified real estate.

Leaves

Annual leave

All employees are entitled to annual leave, according to the following:  
Band 0-6:  
30 working days per annum  
GCB 7-8:  
26 working days per annum  
This includes half-day leaves which promote more flexibility for employees.

Sick leave

All employees are entitled to take a leave of absence when they are too ill to work, according to the following:  
Up to 30 days' leave with full pay.  
The following 60 days are at 75% pay.  
The following 30 days are at 50% pay.  
The following 60 days are at 25% pay.  
After 180 days, sick absence leave is unpaid

Work related injury leave

Should employees be injured while at work, they are entitled to take:  
Up to 60 days' leave with full pay.  
From 61 days to one year's leave at 75% pay.

Statutory leave

All employees are entitled to take statutory leave with full pay for Eid Al Fitr, Eid Al Adha, Foundation Day, and Saudi National Day.

Haj leave

Employees who have completed two years of service are entitled to take six days paid leave, in addition to Eid Al Adha holiday, once.

Parental leave

All employees with newborn children are entitled to the following paid parental leave:  
14 calendar weeks for the mother.  
Five working days for the father.

Study leave

All employees furthering their education are eligible to take five working days' paid leave to focus on their studies, and one day for each examination sitting.

Compassionate leave

Employees who have an unfortunate event of death of a close relative (spouse, parent, grandparent, child, brother, sister, mother-in-law or father-in-law) are entitled to five working days' paid leave.

Mourning Leave

Available to all female employees in the case of the unfortunate instance of death of their husband:  
Muslim females: Four months and 10 calendar days  
Non-Muslim females: 15 calendar days

Emergency leave

SAB allows for leave to be taken when an employee faces an emergency.

Marriage leave

All newlywed employees are entitled to five working days' paid leave.

<sup>11</sup> Benefits are applied in terms of an employee’s Band, which determines the most senior employees (Band 0) until the most junior (Band 8).

Medical Insurance		SAB provides the following medical insurance to employees based on the benefits and criterial determined by our medical insurance partner and underwriter.
<b>Family medical support for deceased employees</b>	<b>GOSI occupational hazard insurance</b>	
SAB provides a special discounted rate for medical insurance to KSA employee, to support their dependents in the unfortunate event that they pass away. The Bank will continue enrolling dependents and cover the insurance premiums for two years after the death of an employee.	The Saudi General Organisation for Social Insurance (GOSI), under the Saudi Social Insurance Law, provides mandatory insurance cover against injuries from work-related accidents applied as compensation to all employees.  Coverage is set out for Saudi nationals and expatriate employees.	
Personal accident insurance		
All employees up to the age of 65 years (and above, subject to certain special medical tests and approvals) are covered by a Group Personal Accident Insurance Policy against death and permanent or partial disability caused by sickness or accidents whilst using any means of transportation for business or private travel. Should an employee suffer permanent disability or death, a lump sum of between ﷲ 500,000 and ﷲ 5 million is paid out.  Employees have the option of taking out additional life or disability insurance cover.		
Other benefits		
<b>Remote working</b>	<b>Job transfers</b>	
SAB is committed to ensuring that its working practices, physical work location and working hours provide employees with flexibility and autonomy that meets both the needs of the business and employees.  In doing so, SAB recognises that a better work life balance can improve employee motivation, performance and productivity and reduce stress.	SAB encourages internal mobility and career development opportunities for all employees through internal job transfers between businesses and functions. Job transfers are managed through internal resourcing channels and support the continued professional development of all employees and support the Bank in meeting its resourcing needs.	





Turnover and New Hires

We see a balanced workforce as essential for achieving our strategic objectives and maintaining a positive organisational culture. In 2024, we enhanced our employee retention strategies by creating a supportive environment focused on professional development and

career progression. Our targeted recruitment initiatives aim to attract skilled professionals who align with our values, while our commitment to diversity and inclusion enriches our talent pool. By investing in our people, we build a resilient organisation that supports sustainable growth and reflects our dedication to social responsibility.

The table below provides a summary of the number of new hires and staff turnover for the year 2024:

New Hires and Turnover	2024	2023	2022
Total new hires	377	537	440
Male	222	294	277
Female	155	243	163
Age 18-30	200	342	239
Age 31-50	172	192	198
Age 51+	5	3	3
Total employee turnover (voluntary and involuntary)	365	361	464
Male	265	265	346
Female	100	96	118
Age 18-30	84	86	86
Age 31-50	248	243	319
Age 51+	33	32	59

SAB Invest Deep Dive

SAB Invest operates as a wholly-owned investment subsidiary of The SAB. The company aims to be a frontrunner in delivering innovative investment management solutions, catering to both private and institutional clients within Saudi Arabia. SAB Invest engages in various securities activities, including asset management, brokerage, and global investment services.

including the key highlights of SAB Invest. The company remains committed to embedded the principles of sustainability across the organisation by prioritising sustainable investments, resource efficiency, climate resilience. The firm strives to create a positive social impact by fostering an inclusive and diverse workplace, ensure safety and well-being of employees as well as communities. SAB Invest upholds the highest standards of ethics and integrity, complying with all applicable regulations.

As a part of our effort to enhance transparency and expand the scope of our ESG disclosures, we are

For more information on SAB Invest’s approach to ESG, please visit the [website](#).



Community Support

At SAB, we believe that our success is intrinsically linked to the well-being of the communities we serve. This is also important to our stakeholders as reflected in the [materiality assessment](#). Our commitment to Corporate Social Responsibility (CSR) reflects our dedication to contributing positively to society and aligns with Saudi Arabia’s Visiotn 2030, which aims to foster a vibrant society and a thriving economy. Through various community support initiatives, we strive to empower individuals, promote education, and enhance social welfare. By actively engaging with local communities, we are not only fulfilling our corporate responsibilities but also creating lasting positive impacts that contribute to a sustainable future for all.

Our Approach

The approach to community support and CSR at SAB is guided by a commitment to sustainable development and the well-being of the communities we serve. Our [CSR policy](#) outlines a strategic framework that prioritises initiatives in education, environmental sustainability, and social welfare, ensuring that our efforts align with the broader goals of Saudi Arabia’s Vision 2030.

We actively engage with local communities to identify their needs and tailor our initiatives accordingly. By fostering partnerships with non-profit organisations, educational institutions, and government bodies, we enhance the impact of our community programmes. Our approach emphasises transparency, accountability, and stakeholder engagement, allowing us to track our progress and continuously improve our contributions.

Through our dedicated efforts, we aim to empower individuals, promote financial literacy, and support sustainable practices, ultimately creating lasting positive change and reinforcing our role as a responsible corporate citizen in the Kingdom.

Charity Donations and Volunteering

SAB actively supports community welfare through charitable donations and employee volunteering initiatives. By partnering with local organisations, we contribute to social causes that enhance education, healthcare, and environmental sustainability, fostering a culture of giving and engagement among our employees to make a meaningful impact in our [communities](#).

SAB is proud to contribute to the Thatafur program, an initiative by the Ministry of Human Resources and Social Development aimed at supporting the employment of individuals with special needs. This social investment program provides valuable employment opportunities within the community, fostering inclusivity and empowerment. By participating in Thatafur, SAB not only enhances its commitment to social responsibility but also receives nationalisation credits for its sponsorship arrangements. This collaboration underscores our dedication to creating a diverse workforce and promoting equal opportunities for all, aligning with our broader goals of community support and sustainable development. Through our involvement in the Thatafur program, we aim to make a meaningful impact on the lives of individuals with special needs, helping them achieve their potential and contribute to society.

Environmental Philanthropy

We are committed to supporting initiatives that promote environmental conservation and sustainability. Through funding local projects focused on reforestation, waste reduction, and renewable energy, we aim to enhance biodiversity and foster a healthier environment, reinforcing our dedication to environmental stewardship and community well-being.

Our various initiatives include community clean-up such as ‘Cleaning One Million Square Metres’ desert project organised by the municipality of Riyadh and an annual beach cleaning campaign at Half Moon Bay in collaboration with the Municipality of Al Khobar. In addition to these clean-up activities, we focus on raising environmental awareness through participation in global events. Each year, we observe the United Nations’ World Environment Day and take part in ‘Earth Hour’, where we promote energy conservation by switching off non-essential lights across various locations.

Moreover, we collaborate with the Saudi Wildlife Commission on initiatives designed to protect wildlife and preserve endangered flora. By financing research on the impacts of human activity on marine environments, we demonstrate our commitment to fostering environmental stewardship and promoting a sustainable future for all.



Saudi Green Initiative

The Saudi Green Initiative (SGI) aims to enhance the Kingdom’s environmental sustainability through ambitious goals, including increasing vegetation cover, reducing carbon emissions, and promoting renewable energy sources. This initiative reflects Saudi Arabia’s commitment to addressing climate

change and fostering a greener future for its citizens. At SAB, we are dedicated to supporting the SGI by integrating sustainable finance into our operations, facilitating investments in eco-friendly projects, and actively participating in afforestation efforts.

Native Plant Conservation and Propagation Centre

In our commitment to support Saudi’s Green Initiative (SGI), we collaborated with the Environmental Awareness Association in 2024 to establish a Prince Faisal bin Mashaal Centre for Native Plant Conservation and Propagation. Under the SGI, our nation’s native wild plants have received special attention as they significantly contribute to biodiversity and are on the verge of extinction. We launched the facility in December 2024 with the aim to implement science-based initiatives and provide necessary resources to preserve this national treasure. More than one million square metres of land has been allocated for the centre in Al-Asiaf National Park in Qassim region.

We plan to establish nurseries, plant incubators and growing rooms in the facility to facilitate research, workshops and trainings for researchers and graduate students working on afforestation and desertification.

Key targets and contributions to SGI through this project:

- > Plantation of 10,000 trees
- > Production of 20,000 seedlings per year

- > Providing viable native plant seeds (with 5% germination failure rate)
- > Workshops and training with more than 10,000 participants annually
- > Saving 10 endangered plant species per year
- > 8 scientific research projects
- > Providing seeds and seedlings of native plant to researchers
- > Highlighting the plant diversity in the Kingdom

Mangrove Plantation

In 2022, we signed an agreement with the Murooj Foundation, a non-profit organisation to plant one million trees across the Kingdom by 2030. We were the first bank in the country to make this substantial commitment. For this partnership we chose to plant mangrove trees which can sequester up to 1.5 metric tons of CO<sub>2</sub> per tree over its lifespan of 60 years.

In 2024, we continued mangrove plantation where 77 SAB employees volunteered to plant c.300 mangroves achieving the total of 900,000 trees by August 2024. We also conducted an awareness session to educate our employees on the significance of mangroves in natural ecosystem.



In December 2023, Goumbook launched the MENAT Regenerative Agriculture Initiative to foster a regionally coordinated approach to regenerative agricultural practices. The initiative aims to drive regionally relevant awareness and create movement around regenerative agriculture, mobilise key cross-sectoral stakeholders, and rally a supportive & enabling ecosystem to scale innovative and accessible research, sciences and nature-based solutions.

The initiative is implemented in partnership with HSBC and SAB, with technical support from the European Institute of Innovation & Technology (EIT Food) and strategic alignment with the United Nations Climate Champions Team. Through this multi-stakeholder framework, the initiative aims to translate policy commitments into tangible, scalable action for sustainable agricultural transformation in the MENAT region.

MENAT Regenerative Agriculture Initiative aims to:

- > Position the region as a seedbed of innovation for climate resilient agriculture solutions

- > Create MENAT regenerative agriculture movement and awareness- addressing regional challenges & opportunities
- > Support & Capacity build the knowledge economy: research, science and data backed solutions; bridging the gap with the private & public sectors.
- > Develop a regional regenerative agriculture regional stakeholder network & enabling ecosystem to address needed policy changes, kick start transformation in food systems and bring research solutions to life - to scale accessible innovations for environmental & social impact

A key pillar of this framework is the Venture Programme, which identifies and supports research-driven solutions addressing MENAT’s agricultural, food, and water security challenges. By providing awareness, capacity building, and entrepreneurial skills, the program helps academia and researchers scale their impact while engaging cross-sector stakeholders. Now in its second year, the programme has attracted 660+ registrations, 190 validated solutions from 65 countries, and participation from over 80 research and academic institutions.

Access to Finance

Access to finance is a crucial driver of economic growth and social development, enabling individuals and businesses to realise their full potential. As a leading financial institution, SAB plays a vital role in facilitating access to financial services, particularly for underserved communities and small and medium-sized enterprises (SMEs). Our commitment aligns with Saudi Arabia’s Vision 2030, which aims to enhance financial inclusion and promote a diversified economy. By developing innovative financial products and services, we strive to empower our clients, foster entrepreneurship, and contribute to the overall prosperity of our communities and the nation.

Access to Banking

SAB is dedicated to enhancing access to banking

services for all segments of society. We offer tailored products and digital solutions that cater to the needs of underserved communities, ensuring financial inclusion and empowering individuals to manage their finances effectively and confidently.

To facilitate this, we have established a comprehensive banking network that spans various population zones – Zone 1 encompasses large cities, Zone 2 includes medium cities, Zone 3 covers small cities. Finally, Zone 4 addresses rural areas, which consist of villages and centers with populations of less than 100,000. In this zone, we have established 3 branches, 2 self-service centers, and 11 ATMs to ensure that rural communities are not overlooked in our efforts to promote financial inclusion.

In addition to our physical presence, we consider income levels for customers wishing to reschedule



loans or modify existing loans based on eligibility and criteria. This approach ensures that we can meet the diverse financial needs of our customers, regardless of their location or economic status. Through these initiatives, SAB fosters a more inclusive financial environment, empowering individuals to take control of their financial futures.

## Promoting Financial Literacy

At SAB, we are dedicated to promoting financial literacy as a key component of financial inclusion. We offer various educational programmes and workshops that empower individuals with essential financial knowledge, enabling them to make informed decisions and effectively manage their finances for a secure future. The necessary skills and knowledge imparted via our initiatives help communities navigate the complexities of personal finance confidently.

Through strategic alliances, particularly with the Al-Nahda Philanthropic Society for Women, SAB has made substantial strides in enhancing financial literacy among Saudi women. The 'Khazna' initiative is central to this partnership, aimed at imparting crucial money management skills to women, thereby promoting financial independence and enduring economic

stability. The program offers structured training in budgeting, saving, and prudent spending, empowering women to manage their financial futures. Additionally, Khazna includes family financial planning, inviting male family members to attend workshops for a comprehensive approach to financial well-being, fostering sustainable habits and ensuring lasting socio-economic benefits within households.

### Financial Education for Young Adults

We are firm believers that financial education and skills empower people to take sound decisions and lead independent and rewarding lives. Imparting such skills and knowledge at a younger age has far-reaching impacts. With this vision, in 2023, we proudly co-founded the Riyali Foundation, a financial education organisation, together with SEDCO (Saudi Economic Development Company) to provide financial literacy programmes focussed on students. Through interactive courses and games, students learn key concepts such as budgeting, saving, investing, inflation, Islamic borrowing and finance. We are proud to have reached nearly 765,000 young beneficiaries through our programmes and projects in 2024.

**Financial Literacy For Everyone** is an innovative social media initiative designed to make financial education simple, engaging, and accessible to everyone especially people with hearing disabilities.

#### Key Features:



One-Minute Videos – Quick, digestible lessons on savings, budgeting, investments, loans, and more.



Sign Language Interpretation – Ensures inclusivity for the hearing-impaired community.



Branch Screen Displays – Reinforces learning by reaching customers while they visit.

#### Impact:

- > Empowers customers with practical financial knowledge.
- > Promotes inclusivity by catering to people with disabilities.
- > Strengthens trust and engagement with the community

Through short, impactful videos displayed on screens across all branches, the program breaks down complex financial concepts into easy-to-understand lessons.





# Appendix

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Alignment with International  
Frameworks



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Alignment with International Frameworks

SDG	SAB's contribution towards the SDG	Reference Report Sections
	<ul style="list-style-type: none"><li>SAB organised various events in the headquarters and branches to raise awareness on topics such as breast cancer, diabetes, tobacco, autism, flu vaccine, and obesity.</li><li>We offer comprehensive health insurance cover to our employees and support them with various benefits and paid time off in case of illness.</li></ul>	<p><a href="#">Employee health and well-being</a></p> <p><a href="#">Employee benefits</a></p>
	<ul style="list-style-type: none"><li>We offer financial literacy programme in partnership with Riyali Foundation, which is a dedicated financial education organisation. Through the programme, we trained nearly 765,000 students on financial literacy concepts and skills.</li><li>SAB provides allowance for employees to fund their children's education.</li><li>We grant our employees paid time off for five working days to support them in higher studies and skill enhancement.</li></ul>	<p><a href="#">Promoting financial literacy</a></p> <p><a href="#">Employee benefits</a></p>
 	<ul style="list-style-type: none"><li>SAB' CEO signed the UN Women Empowerment Principles, committing to uphold the highest standards of inclusion for women in workforce.</li><li>Our Balance Programme provides female employees resources and guidance to progress in their careers at SAB.</li><li>SAB supports the Thatafur program, promoting employment for individuals with special needs and inclusivity.</li></ul>	<p><a href="#">Diversity, equity, and inclusion</a></p> <p><a href="#">Community Support</a></p>
	<ul style="list-style-type: none"><li>We financed the green hydrogen project at NEOM. Estimates indicate a potential output up to 600 tonnes of green hydrogen daily, saving up to 5 million tonnes of CO<sub>2</sub> per year.</li><li>In 2024, we financed 3 large-scale solar PV projects with an aggregate capacity of 4.5 GW, sufficient to power approximately 4 million homes.</li></ul>	<p><a href="#">Sustainable Finance</a></p>

SDG	SAB's contribution towards the SDG	Reference Report Sections
	<ul style="list-style-type: none"><li>We foster skill and talent development among the Saudi youth and hire fresh graduates under our Sustainability Graduate Programme to enhance our process to support sustainable finance.</li><li>We collaborate with Taqadam and The King Abdullah University of Science and Technology (KAUST) Entrepreneurship Centre to provide entrepreneurs with guidance, mentorship, funding and training.</li><li>Support MSMEs through our Monsh'at and Kafalah programmes focussed on uplifting small businesses and providing them with resources.</li></ul>	<p><a href="#">Saudisation</a></p> <p><a href="#">Collaborations</a></p> <p><a href="#">Support to MSMEs</a></p>
	<ul style="list-style-type: none"><li>SAB Tower headquarters are in LEED certified buildings ensuring resource use efficiency.</li><li>Three recycling machines installed at SAB Tower to facilitate diversion of waste from landfills.</li></ul>	
	<ul style="list-style-type: none"><li>We are committed to achieve net zero operations by 2035 and net zero financed emissions by 2060 or sooner.</li><li>By December 2024, we have achieved <del>₹</del> 19 billion in sustainable financing.</li><li>SAB purchased carbon credits worth 115,500 tCO<sub>2</sub>e from voluntary carbon market platform.</li><li>In 2024, we began the electrification of our fleet and installation of rooftop solar panels on our branches.</li><li>SAB is involved in the MENAT Regenerative Agriculture Initiative, promoting sustainable agricultural practices and fostering collaboration among stakeholders for climate-resilient solutions in the region.</li></ul>	<p><a href="#">Operational emissions</a></p> <p><a href="#">Financed emissions</a></p> <p><a href="#">Environmental philanthropy</a></p>



SDG	SAB’s contribution towards the SDG	Reference Report Sections
	<ul style="list-style-type: none"><li>In partnership with Murooj Foundation, we are committed to plant one million trees across the Kingdom by 2030, achieving 900,000 trees by August 2024.</li><li>Clean-up programmes such as ‘Cleaning One Million Square Metres’ desert project organised by the municipality of Riyadh and an annual beach cleaning campaign at Half Moon Bay.</li><li>We finance research on the impacts of human activity on marine environments and collaborate with the Saudi Wildlife Commission on initiatives designed to protect wildlife and preserve endangered flora.</li><li>We inaugurated a Native Plant Conservation and Propagation Centre under the Saudi Green Initiative with the aim to implement science-based initiatives and provide necessary resources to preserve native wild plants.</li></ul>	<a href="#">Environmental philanthropy</a>
	<ul style="list-style-type: none"><li>SAB’s CEO is the chair of the ESG Bank Advisory Committee (EBAC), under the supervision of SAMA. The committee has made significant progress in the development of an ESG framework and several foundational deliverables, with inputs from all member banks.</li><li>We were selected as “Sustainability Champions” by the ministry of Economy and Planning, where we will be guiding four corporates as they develop, implement and disclose ESG practices.</li></ul>	<a href="#">Regulators</a>

UNGC

SAB proudly aligns itself with the principles of the United Nations Global Compact (UNGC), reinforcing our commitment to responsible business practices that promote sustainability, human rights, and ethical labour standards. As the first bank in Saudi Arabia to sign the UNGC in 2023, we are dedicated to integrating these principles into our corporate strategy and operations, ensuring our actions positively impact both the global

community and the Kingdom. Our commitment is actively sponsored by our CEO and is publicly available on the [UNGC website](#). We are focused on enhancing our communication of progress reports, detailing our initiatives in social and environmental stewardship. By embracing the UNGC’s ten principles, we strive to uphold human rights and promote fair labour practices while actively working to reduce our ecological footprint. Our goal of achieving

net zero financed emissions by 2060 aligns with the UNGC’s call for businesses to combat climate change. Through various initiatives, including afforestation projects and sustainable finance offerings, we contribute to a greener economy. By collaborating with other businesses and stakeholders, we share best practices and drive collective action towards the Sustainable Development Goals (SDGs), reinforcing our role as a leader in responsible banking committed to building a sustainable future for all.

We are currently working on our Communication of Progress (CoP) report, which will detail our initiatives and advancements in alignment with the UNGC principles. This report is set to be published by Q3 2025 and will be accessible on the [UNGC website](#), ensuring transparency and accountability in our sustainability efforts.

IFRS S1 and S2

Pillar	Metric	Reference Report Sections
Governance	Disclose governance body (board/committee or equivalent) responsible for oversight of sustainability and climate related risks/opportunities , their responsibilities and mandate, skills and competencies, meetings schedule. Provide description of incorporation of sustainability and climate related risks/opportunities into decisions, transactions etc.	Please refer to our ESG governance approach, and the roles and responsibilities of <a href="#">The Board of Directors</a> in sustainability risk oversight. Additionally, refer to oversight of sustainability and climate risks in the <a href="#">Risk Management</a> section.
	Detail approach to oversight or target-setting, monitoring of progress and linkage of performance with remuneration policies. Disclose if management-level position or committee monitors sustainability and climate related risks/ opportunities. Explain if controls and procedures are used to support oversight and how they are integrated with other internal functions.	Please refer to our ESG governance approach, and the roles and responsibilities of The Board of Directors in sustainability risk oversight. Additionally, refer to oversight of sustainability and climate risks in the <a href="#">Risk Management</a> section.
Strategy	Sustainability and climate related risks and opportunities Disclose material sustainability and climate related risks/opportunities and associated time horizons (short, medium or long-term), define these time horizons. Explain how these relate to company's planning horizons in decision making. Classify all climate risks as physical or transitional.	Please refer to <a href="#">ESG Risks Identified by SAB and Embracing Opportunity in Sustainable Finance</a> sections of this report.
	Business model and value chain Disclose current and anticipated effects of sustainability and climate related risks/opportunities on company's business model and where they are concentrated (for example, geographical areas, facilities and types of assets).	Please refer to the <a href="#">ESG Risks Identified by SAB</a> section of this report.



Pillar	Metric	Reference Report Sections
Strategy	Strategy and decision-making  Explain actions and preparedness towards sustainability related risks/opportunities. Disclose progress and trade-offs considered with respect to strategy using qualitative and quantitative metrics	Please refer to <a href="#">Risk Management</a> section and our risk appetite statement.
	Strategy and decision-making Detail the response plan and expected changes with respect to climate related risks/opportunities. Disclose mitigation and adaptation strategies, transition plan, GHG targets, progress towards metrics, and resources planned for the above.	Please refer to our approach in <a href="#">Risk Management</a> , <a href="#">Operational emissions</a> and <a href="#">Financed emissions</a> sections of this report.
	Financial position, financial performance and cash flows Disclose sustainability and climate related risks/ opportunities with current and anticipated impact to financial status, performance, and cash flows. Outline plans to manage these risks/opportunities with respect to investment/disposal plans, and funding sources. Disclose financial impacts of these risks/ opportunities in the short, medium, and long term.	Please refer to our risk appetite satetemnt under <a href="#">Risk Management</a> section of this report.
	Resilience Resilience analysis to assess the capacity to adjust to uncertainties arising from sustainability-related risks, including scenario analysis of physical and transition risks.	Please refer to risks and stress testing approach in <a href="#">Risk Management</a> sections of this report.
	Resilience Resilience analysis, including how strategy and business are impacted by climate risks and opportunities. Explanations if and how scenarios were used. Scenario analysis, including inputs, alignment of scenarios to climate agreements, results, assumptions and considerations.	Please refer to risks and stress testing approach in <a href="#">Risk Management</a> section of this report.

Pillar	Metric	Reference Report Sections
Risk Management	Detail methods for identifying, assessing, prioritising, and monitoring sustainability and climate related risks/opportunities. This includes data & inputs used, scenario analysis, assessment of risk impact, and prioritisation of sustainability risks. Disclose how risks and changes to processes are monitored, and how are opportunities identified and managed. Explain how these processes are integrated into overall risk management.	Please refer to our 3LOD approach and risk management framework under the <a href="#">Risk Management</a> section and <a href="#">SAB Risk Management Policy</a>
Metrics and Target	Report climate-related metrics, including GHG emissions (scope 1, 2 and 3), measurement methodology, significant changes to previous reported data. Disclose assets/business activity vulnerable to physical and transitional risks, opportunities. Disclose capital deployed for climate related risks/opportunities, carbon pricing mechanisms and climate performance linked remuneration.	Please refer to the <a href="#">Operational emissions</a> and <a href="#">Financed emissions</a> sections of his report.
	Disclose climate targets (quantitative and qualitative), metrics used to track progress, objective and scope. Also report on progress made towards these targets.	Please refer to the <a href="#">Operational emissions</a> and <a href="#">Financed emissions</a> sections of his report.

SASB

Topic	Metric	Category	Code	Response
Data Security				
	Number of data breaches	Quantitative	FN-CB-230a.1	<a href="#">Data Privacy and Cybersecurity</a>
	Percentage involving personally identifiable information (PII)	Quantitative	FN-CB-230a.1	<a href="#">Data Privacy and Cybersecurity</a>
	Number of account holders affected	Quantitative	FN-CB-230a.1	<a href="#">Data Privacy and Cybersecurity</a>
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	<a href="#">Data Privacy and Cybersecurity</a>



Topic	Metric	Category	Code	Response
Financial Inclusion & Capacity Building				
	Number of loans outstanding qualified to programmes designed to promote small business and community development	Quantitative	FN-CB-240a.1	<a href="#">Support to MSMEs</a>
	Amount of loans outstanding qualified to programmes designed to promote small business and community development	Quantitative	FN-CB-240a.1	<a href="#">Support to MSMEs</a>
	Number of past due and nonaccrual loans qualified to programmes designed to promote small business and community development	Quantitative	FN-CB-240a.2	<a href="#">Support to MSMEs</a>
	Amount of past due and nonaccrual loans qualified to programmes designed to promote small business and community development	Quantitative	FN-CB-240a.2	<a href="#">Support to MSMEs</a>
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	FN-CB-240a.3	No formal zero-cost checking accounts are offered by SAB or in the Kingdom.
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	<a href="#">Access to Finance</a>
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis				
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	<a href="#">ESG Risk in Credit Activities</a>
Financed Emissions				
	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	FN-CB-410b.1	<a href="#">Financed Emissions</a>
	Gross exposure for each industry by asset class	Quantitative	FN-CB-410b.2	<a href="#">Financed Emissions</a>
	Percentage of gross exposure included in the financed emissions calculation	Quantitative	FN-CB-410b.3	<a href="#">Financed Emissions</a>
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	FN-CB-410b.4	<a href="#">Financed Emissions</a>

Topic	Metric	Category	Code	Response
Business Ethics				
	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	FN-CB-510a.1	<a href="#">Annual Report 2024</a>
	Description of whistleblower policies and procedures	Discussion and Analysis	FN-CB-510a.2	<a href="#">Whistleblowing and Whistleblowing Policy</a>
Systemic Risk Management				
	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	FN-CB-550a.1	SAB is not classified as G-SIB
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	<a href="#">Annual Report 2024</a>
Activity Metrics				
	Number of checking and savings accounts by segment: (a) personal (b) small business	Quantitative	FN-CB-000.A	<a href="#">Annual Report 2024</a>
	Value of checking and savings accounts by segment: (a) personal (b) small business	Quantitative	FN-CB-000.A	<a href="#">Annual Report 2024</a>
	Number of loans by segment: (a) personal (b) small business (c) corporate	Quantitative	FN-CB-000.B	<a href="#">Annual Report 2024</a>
	Value of loans by segment: (a) personal (b) small business (c) corporate	Quantitative	FN-CB-000.B	<a href="#">Annual Report 2024</a>





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