

# SUSTAINABILITY

The Bank strives to achieve the “Sustainable development” by according high priority to the social and environmental issues. The Bank’s endeavors to contribute to sustainable development involve the adoption of managing financial and non-financial performance measures based approach. As the importance of achieving sustainability increases. The Bank realizes the importance of the role it plays in entrenching the concept of sustainability within its strategy and in all its activities.

## Social Responsibility

#Albilad Mubadara

### VOLUNTEERING

#### General

- Male and female ambassadors general volunteering
- Volunteering within the Bank’s social initiatives



#### Professional

- Male and female Ambassadors volunteering in specialized fields such as accounting and information technology to help non-profit organizations



### SUSTAINABILITY

#### Environment

- Optimal exploitation of natural resources
- Recycling
- Afforestation
- Environmental awareness



#### Community

- Integrate disabled persons to take advantage of the Bank’s services
- Food basket
- Training and employment opportunities for citizens
- Developing Saudi youth competencies



### COMMITMENT TO THE COMMUNITY

As one of the Kingdom’s leading banks, the Bank recognizes the importance of supporting the community beyond the provision of banking services. This springs from its belief that the creation of long-term value is achieved through closer

and deeper scope of relations that bind the Bank to the community and stakeholders. The Bank is keen to achieve the sustainable development by entrenching the concept of sustainability in the way business is performed, and by seeking to manage operations in a more sustainable manner.

Saving more than

**80**

thousand liters of fuel per annum



Reducing carbon dioxide emissions by

**194**

tons per annum

CO<sub>2</sub>

Ramadan Food Baskets

**8,000**



Riyadh office solar energy system (m<sup>2</sup>)

**1,743m<sup>2</sup>**



## MOST OUTSTANDING INITIATIVES OF THE BANK DURING 2020

### Providing support to the Health Endowment Fund and the Community Fund (Corona Pandemic)

In cooperation with Saudi banks, the Bank contributed to the support of the Health Endowment Fund of the Ministry of Health and the Community Fund of the Ministry of Human Resources and Social Development with financial support exceeding 260 million Saudi riyals to mitigate the effects of the Corona pandemic.

### Autism Center of Excellence

The Bank contributed to the establishment of Autism Center of Excellence in Riyadh, at a cost of 286 million Saudi riyals, in partnership with the Ministry of Human Resources and Social Development and a group of Saudi banks. The Center aims to develop national capabilities in the field of autism and support the specialized research and studies in this regard.

### Empowerment of Disabled Persons

The Bank contributed to launch a number of automated teller machines (ATMs) to meet the needs of customers with disabilities in all its branches in the Kingdom in partnership with the Authority for Persons with Disabilities (APD). ATMs are equipped with a voice user interface that allows people with disabilities to conduct their financial transactions in easy, quick and safe manner, and with complete privacy. The Bank, further, provided its forms in Braille for persons with disabilities in all bank branches, as well as launching awareness videos for persons with disabilities in sign language about the bank's products and services.

### Ramadan Food Basket

The Bank distributed 8,000 integrated food baskets throughout the Kingdom during the holy month of Ramadan.

### Supporting the Savings Awareness Initiative

The Bank launched the Savings Awareness Initiative (phase two), which targets personnel of ministries, government, semi-governmental and private agencies, as well as university and school students. The Initiative aims to encourage community members to saving and achieve financial balance.

### Recycling

Within the social responsibility programs for environmental preservation, Bank Albilad supports the plastic and paper recycling program, where recycling containers have been distributed to all floors in the head office building- Bank Albilad Tower in Riyadh.

The recycling process aims to preserve the environment through reducing pollution caused by plastic wastes and lesser dependence on logging to produce paper.

### Bank Albilad's Chair for Environmental Sustainability and Food Security

The Bank has established the Chair of Environmental Sustainability and Food Security in partnership with King Faisal University.

### Use of clean energy

The solar energy system was inaugurated in the Head Office Building - Albilad Tower in Riyadh over an area of 1,743 square meters to produce renewable and sustainable energy to preserve the environment, reduce environmentally harmful carbon emissions and contribute to the provision of:

- More than 80 thousand liters of fuel per annum.
- Reducing carbon dioxide emissions by 194 tons per annum.
- Reducing nitrogen and sulfur oxides emissions at a rate of 1,872 kilograms per annum.

Since Bank Albilad ambassadors started their career with the Bank, they have been keen to participate in sustainability initiatives. The Bank is proud of its accomplishments, as the corona pandemic did not preclude it from participating in volunteer work in the distribution of Bank Albilad and Enjaz Ramadan Food Baskets of more than 2,000 volunteer hours.

# SUSTAINABILITY (continued)

## STAKEHOLDER ENGAGEMENT

Our stakeholders are those individuals or entities that have an interest in our business. We value the opinions of those

stakeholders whose actions have an impact on our ability to execute our strategy and business activities. Outlined below are our stakeholder classifications and focus areas:

Clients	Government and regulators	Investors	Employees	Partners and suppliers	Community and society
<ul style="list-style-type: none"> <li>Continuously enhance client service levels</li> <li>Provide convenient banking options</li> <li>Reduce delays, errors and complexity</li> <li>Continuously enhance defenses against cybercrime and fraud</li> </ul>	<ul style="list-style-type: none"> <li>Comply with legislative changes</li> <li>Maintain strong relationships</li> </ul>	<ul style="list-style-type: none"> <li>Maintain transparency and communication</li> <li>Manage asset quality and impairments</li> <li>Manage costs and improve the cost-to-income ratio</li> </ul>	<ul style="list-style-type: none"> <li>Provide training and skills programmes</li> <li>Develop local talent</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to fair procurement practices</li> <li>Work with local suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to unemployment initiatives</li> <li>Contribute to education initiatives</li> <li>Contribute to Vision 2030</li> </ul>



Engaging with stakeholders is fundamental to the way we operate – and vital to our long-term success. In 2020, one of senior management's key priorities is to ensure stakeholder needs are taken into consideration and that our environmental, social and governance (ESG) factors are managed efficiently.

### OPERATING RESPONSIBLY

At Bank Albilad, responsible operation is a part of the fabric of who we are, the prosperity of our stakeholders and our reputation. The Bank remains committed to ensuring that it operates responsibly and ethically. We focus on 5 areas that ensure detailed policies, practices and disclosures to hold our businesses to account.

#### a. Cyber security and the protection of customer data

The security of customers' personal details is the Bank's highest priority. Recognizing the importance of safeguarding data and money, Bank Albilad uses a robust framework supported by systems that prevent fraud and detect fraudulent behavior in real time. The cyber security programs are supported by policies and procedures that are championed by our management and Board risk governance.

Cyber threats are monitored and reviewed at regular intervals to ensure we maintain our world-class protection. This is done through internal and external audits that evaluate the adequacy of our security controls, and independent third-party testing to identify any security gaps that can be further enhanced. We are continuously improving our cyber defenses by using advanced technology as demonstrated by our strong performance in customer privacy issues – and training of staff to deal with potential risks and threats.

#### b. Financial inclusion

By serving underbanked individuals and MSMEs, we believe that we can benefit society and still improve our bottom line. We do this through bringing financial literacy and technological education to remote areas across the Kingdom and providing affordable products and services to individuals and businesses that are excluded from traditional banking.

#### c. Business ethics

Our strong business ethics are the foundation for our relationships with our stakeholders – and a cornerstone of our business practices. The Bank is proud of its commitment to developing a culture that complies with the highest ethical and legal standards – and we integrate these values into the ways we hire, procure, recognize and conduct financial transactions. Engagement with suppliers is guided by our Supplier Selection Procedures, which sets out our expectations of vendors on issues such as ethics, anti-bribery and anti-corruption, human rights and environmental performance.

#### d. Corporate governance

We operate against a background of increased regulatory focus on governance and risk management. The most significant challenges arise from ensuring that the Bank continues to demonstrate compliance with the requirements of regulators, shareholders' rights and the Board. Bank Albilad ensures strong governance is executed through an effective, well-established governance process, supported by independent credit risk oversight and assurance. Our experienced Board of Directors ensures that a robust governance framework and a strong culture of ownership and accountability enables clear accountability for decisions and results.

# 100%

Incidents of breach of customer privacy detected (and prevented)

# 0%

Incidents of breach of customer privacy

# 379,718

Total training hours on anti-corruption

# 95%

of spending on local suppliers