

Sustainability

Bank Albilad maintains a comprehensive ESG Framework that guides its sustainability initiatives and strategies. The Framework focuses on the ESG issues relevant to the Bank and its stakeholders. It is based on six key pillars and aligns sustainability priorities and commitments with the Bank's mission, values and operations. The Framework is regularly reviewed and enhanced to ensure its continued relevance.

Sustainability Framework

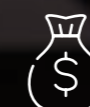
In order to define what 'sustainability means for Bank Albilad, as well as guide and focus our ESG efforts, we developed an ESG framework ('Framework'), which thematically groups the material ESG issues we previously identified under one of six key sustainability pillars.

Transparent, Effective and Responsible Governance



Transparent, Effective and Responsible Governance

- Business ethics and compliance.
- Corporate Governance.
- Risk management and business continuity.
- Anti - money laundering and corruption.



Sustainable banking practices

- Sustainable financial products.
- Financial inclusion and education.
- Financial performance.



Empowering employees

- Talent development, attraction and retention.
- Employee engagement and wellbeing.
- Diversity and equality.
- Localization.



Contributing the communities

- Community investment and impact.
- Human rights.
- Supply chain management.



Acting on the environmental footprint

- Climate change management, risks and opportunities.
- Managing environmental impacts.



Innovating for a dynamic business structure

- Customer experience.
- Digitization.
- Customer privacy.

Material ESG Issues

Bank Albilad has conducted a materiality assessment to identify and understand the ESG considerations that are most important to the Bank and its stakeholders. This assessment involved a comprehensive review of reputable sustainability standards, including those published by the GRI, SASB, and the Principles for Responsible Investment (PRI). It also included consideration of:

- ESG issues specific to the banking industry, as identified by various ESG rating agencies.
- ESG reports published by local and international peers.
- Objectives of relevant national and international sustainability-related ambitions, including Saudi's Vision 2030 and the United Nations Sustainable Development Goals (SDGs); and
- Stakeholder interests and perspectives.

After identifying and listing all possible ESG issues for consideration, the list was refined and prioritized based on where Bank Albilad currently has the most significant impact, where it has the greatest potential to be impacted, and those ESG issues that may significantly influence the assessments and decision-making of its key stakeholders. A total of 19 material ESG issues were identified.

This materiality assessment has been valuable in identifying the Bank's strengths and areas that require attention or development. The identified material issues guide the Bank's ESG policies, strategies, goals, targets, and actions related to ESG and sustainability management.

Bank Albilad will continue to review its materiality analysis to ensure it remains relevant in the rapidly changing sustainability landscape.

Materiality Assessments

The results of the materiality assessment are presented below, where we have identified and prioritized 19 material ESG issues. Please note, for issues not categorized as 'Most Important', this does not mean they are unimportant or are not being addressed by Bank Albilad.



1.  Business ethics and compliance

2.  Customer experience

3.  Risk management and business continuity

4.  Digitization

5.  Customer privacy and cybersecurity

6.  Talent development, attraction and retention

7.  Corporate governance


8.  Financial performance


9.  Employee engagement and wellbeing


10.  Anti-money laundering and corruption

11.  Community investment and impact


12.  Sustainable financial products


13.  Climate change management, risks and opportunities


14.  Financial inclusion and education

15.  Diversity and equality

16.  Human rights

17.  Managing environmental impacts

18.  Supply chain management

19.  Localization

This materiality assessment has been of great benefit in enabling us to identify our strengths and our areas for development. Going forward, the analysis will form the basis for our work related to our ESG policies, strategies, goals, targets and actions relating to ESG and sustainability management. We will also continue to review our materiality analysis to ensure it remains up to date in a changing landscape.

