

مصرف الإنماء
alinma bank



2023

Sustainability
Report



Enabling Net Zero Through Sustainable Financiering



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Chairman's Message

Strategic progress for sustainable growth



“

We strive to show through concrete action, that Alinma is fully committed to embracing sustainability as a path to leadership in ways that align with our values, ethics, and overall vision.

”

Dr. Abdulmalek bin Abdullah Al-Hogail

Chairman

As one of Saudi Arabia's largest financial institutions and a key contributor towards Saudi Vision 2030, Alinma is highly aware of the significant role we must play in shaping the future of the Kingdom and our society. We believe the global climate action imperative represents a critical opportunity for Alinma to future-proof our business and deliver value by driving innovation, creating jobs, and using our leadership capacity to drive positive social and environmental impact.

Our second annual sustainability report documents the latest progress on this journey. In particular, the report details how our sustainability commitments and initiatives continue to align with, and contribute to, Saudi Vision 2030 and the United Nations Sustainable Development Goals (SDGs).

established by the government of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and Crown Prince, HRH Mohammed bin Salman bin Abdulaziz Al Saud, who have challenged the corporate sector to serve as agents of change for our society.

As you will see in this report, our work continues to expand and evolve, considering the Kingdom's rapidly transforming landscape. We welcome you to join us on our continuing journey towards a more vibrant, positive future for our society and our environment.

As a fully Shariah-compliant financial institution, these activities are guided by a timeless system of values, ethics, and principles that enable and support our commitment.

Alinma is honored to take up this challenge, enabling access to inclusive, sustainable finance products in previously under-served communities, and developing innovative, impact-led investment solutions designed to create value for investors, our bank, and society at large. We strive to show through concrete action, that Alinma is fully committed to embracing sustainability as a path to leadership in ways that align with our values, ethics, and overall vision.

This report intends to further clarify our formal sustainability strategy, by reflecting the full scope of our efforts, from broadening the accessibility of sustainable finance solutions, to strengthening our focus on both environmental and social responsibility.

Our multi-faceted approach to accelerating sustainable development for our society and our region owes its evolution to the clear sustainability and environmental, social, and governance (ESG) guidelines and expectations

CEO's message

Accelerated and sustainable growth



“

Our Net Zero strategy positions us to leverage climate finance opportunities and manage climate-related risks effectively.

”

Abdullah Ali Al-Khalifa
Chief Executive Officer

As a leading financial institution in the Kingdom of Saudi Arabia, dedicated to contributing to Saudi Vision 2030, Alinma Bank works to create positive impact on behalf of the Kingdom's people and the environment. We aim to lead our industry by contributing solutions that empower our customers, investors, partners, and stakeholders towards progressive environmental and social change.

With this in mind, it is my great pleasure to share Alinma Bank's 2023 sustainability report. The report showcases the steps we are taking towards achieving the ambitions set forth in our sustainability strategy, which formalizes our sustainability commitments across six pillars with the aim of advancing our contribution to sustainable development across the region: accelerating sustainable finance, fostering environmental stewardship and a circular carbon economy, empowering our customers, building a thriving workplace, strengthening our communities and contributing to greater financial inclusion, and maintaining robust governance and responsible operations. The report highlights the myriad ways we worked to operationalize our sustainability strategy in 2023, including the integration of sustainability and ESG principles into financing considerations, and the undertaking of a high-level review of Alinma's portfolio and credit policy. We made significant strides towards measuring and understanding the ESG exposure of our financing practices, using the analysis to inform sustainable financing decisions and to enable Alinma to further prioritize financing in sectors with high growth and high positive impact. We also integrated ESG considerations into the structuring and delivery of our retail and corporate products. As part

of our drive to ensure greater financial inclusion and access for all, we also focused on reaching under-served communities across the Kingdom by offering new sustainable finance products to all customers, including individuals, SMEs, and commercial customers. In 2023, we made major progress towards implementation of our Net Zero Strategy, which we hope to finalize operationally by 2050, in line with the Kingdom's 2060 climate commitments. Our Net Zero strategy positions us to leverage climate finance opportunities and manage climate-related risks effectively. Through enhanced public disclosures, broadening of our climate-related financial instruments, and integrating climate risk assessments into our decision-making processes, we have set a clear and ambitious path towards decarbonization. Building our ESG capacity by empowering and enabling Alinma employees was another focus for 2023. To that end, we developed an ESG toolkit and training for all Alinma relationship managers and delivered sustainable finance training to all operational and management level teams. In line with our commitment to strengthening communities throughout the Kingdom, we formalized our social responsibility commitment through our Corporate

Social Responsibility (CSR) strategy in 2023. Aimed at delivering outcome-driven projects with mutual benefit to enterprise and community in ways that generate positive impact, the new strategy allocates 1% of our annual profits to CSR projects. Driven by our deeply held values, ethics, and principles, we are proud of the progress we have made. We are also aware that there are more opportunities and challenges to come. Looking ahead, we know that ensuring a positive future for our bank, our communities, our society, and our world will require greater collaboration, partnership, and innovation. Alongside those efforts, Alinma remains committed to further evolving and enhancing our own reporting and disclosures, ensuring full transparency for our investors and stakeholders as we move forward on our journey. I would like to thank our board, our employees, our partners, and our stakeholders for the roles they have played in our sustainability journey so far, and we look forward to continuing our work together in the years ahead.

About the Report

We are proud to present Alinma Bank’s Sustainability Report 2023. In this second annual sustainability report, we feature our sustainability commitments, strategy, and journey as part of our ongoing commitment to transparently communicating our sustainability credentials, performance, and progress.

Content

All report content has been developed with consideration for the priorities, interests, needs and expectations of our investors and stakeholders, as well as the priorities of Alinma Bank’s operations. Alinma Bank conducted a materiality assessment and developed a materiality matrix based upon Global Reporting Initiative (GRI) methodology to identify the Environmental, Social and Governance (ESG) aspects of our business that are most significant for the bank and for our stakeholders. Furthermore, the content presented in this report is organized around our sustainability framework. Built on the sustainability priorities identified via our materiality assessment, the sustainability framework outlines Alinma Bank’s guiding principles for the environment, social relationships and structures, people, fixed assets, and financial performance. Learn more about our stakeholders and our materiality process in the Sustainability at Alinma section of this report. This report has been developed with thorough review to ensure that all data and information are as accurate as possible.

Scope

This report covers the calendar year from 1 January 2023 to 31 December 2023 and focuses on the activities of Alinma Bank during this period. Information from previous years is provided wherever it is available.

Boundary

This report covers Alinma Bank’s operations across the Kingdom of Saudi Arabia (KSA).

Reporting Guidelines and Alignment with National and International Priorities

This report has been developed in alignment with the Global Reporting Initiative (GRI) Standards, as well as in alignment with our commitments to supporting the principle of united nation global compact (UNGC) and United Nations’ Sustainable Development Goals (UN SDGs) and focusing on ESG rating agency requirements. For more details regarding the UN SDGs alignment and Alinma’s contributions, please refer to the [Appendix B: UN SDG Alignment](#).

Assurance

Alinma Bank is committed to enhancing the transparency and quality of our sustainability reporting, aiming to provide stakeholders with clear, accurate, and impactful information.

To this end, Ernst & Young Professional Services (EY) has independently assessed and provided a reasonable assurance statement under ISAE 3000 (Revised), specifically focusing on Key Performance Indicators (KPIs) prepared following Alinma Bank’s established calculation methods:

- Net Promoter Score (NPS) ranking
- Percentage of female employment
- Total energy consumption
- Electricity consumption
- Total absolute Scope 1 and 2 emissions

These KPIs were chosen for assurance due to their significance and relevance to our stakeholders’ interests. EY, maintaining independence from Alinma Bank at the time of this report’s issuance, has provided feedback and recommendations that have been incorporated into a report. This report undergoes a review at the executive level and is shared with the relevant data providers.

For details on the scope of EY’s review and their independent opinion, please refer to the [Appendix F: Reasonably Assurance Report](#)

Previous Reports

Our Sustainability Report 2022 can be found at alinma.com/en/about-the-bank/sustainability/sustainability

Forward-Looking Statements

This report may contain forward-looking statements and information about Alinma Bank. These statements include plans, objectives and aims regarding the plans, intentions, ambitions and aims of Alinma Bank and its partners, as well as forward-looking statements about the future services, operations, and products, and future performance. While Alinma Bank believes that these statements are reasonable, all forward-looking statements and information are based upon current assumptions with respect to the cost and resources for implementing future targets, and they remain subject to risks and uncertainties which may be beyond the

control of Alinma Bank and/or difficult to predict. Investors and stakeholders may identify forward-looking statements by the inclusion of terms such as “plan”, “expect”, “aim”, “will”, “strategy”, “target”, “ambition” and other similar words or phrases.

Contact Us

At Alinma Bank, we believe sustainability is an evolving process, and we welcome your feedback and questions on the content of this report, or on our sustainability journey. Please get in touch via sustainability@alinma.com.



About Alinma Bank

Alinma Bank was founded as an Islamic banking services provider in 2006 by Royal Decree. Publicly listed on the Saudi Exchange since 2008, Alinma has offered Shariah-compliant banking, asset management and brokerage services since 2009.

Alinma has firmly established its role as a leading contributor to the Saudi Arabian economy, delivering innovative Shariah-compliant, value-based banking and financial services designed to enable customers in the digital age. Today, as a full-service financial institution, we serve individuals, corporates, and SMEs alike with comprehensive products and services, including auto, home, and personal financing, individual and corporate current accounts, saving accounts, card services, corporate financing, auto leasing, and more. By 2023, Alinma has 4.67 million customers and a market capitalization of over SAR 77.3 billion at year-end 2023.

Our Vision, Mission and Values

Guided by our commitment to leadership excellence, innovation, integrity, and service to our community as well as complete Shariah-compliance, we aspire to be the most digitally advanced, fastest, and most convenient bank in Saudi Arabia. In alignment with our drive to be the preferred financial partner for the Kingdom, we are also committed to serving as a key contributor to the Saudi Arabian economy.











Our Vision
Our vision is to be the preferred financial partner for all retail and corporate customers through the provision of innovative and unique products and services in a Shariah-compliant manner. The core objective of all our client solutions is to make them fast, simple and convenient, with digitally enabled.



Our Mission
Our mission is to provide our customers with the most innovative, best-in-class, fully Shariah-compliant financial solutions. We also aim to provide the best work environment for our employees, with a focus on sustainable development, and serving our community.

Our Values

 Striving to lead	 Taking initiative	 Respect for all
 Innovation	 Serving the community	 Honesty
 Strengthening relationships	 Serving customers	

2023 Key Achievements

<p>Sustainable assets in corporate portfolio reached 8.38%</p> 	<p>Launched Youth App (soft launch) and 10K customers onboarded (within SAMA cap)¹</p> 	<p>Reached 2nd place in NPS across KSA banks</p> 
<p>+75% of bank employees have been trained</p> 	<p>+320 employees obtained professional certificates</p> 	<p>96% Saudization rate</p> 
<p>21.9% female percentage of total workforce</p> 	<p>Ranked 3rd most preferred place to work in the Kingdom in a 2023 3rd party study</p> 	<p>90% talent retention rate</p> 
<p>58 solar energy systems installed at Alinma branches.</p> 	<p>76 smart building systems installed at Alinma branches.</p> 	<p>Ministry of HR & SD Labor Awards -- #1 place to work for people with disabilities.</p> 
<p>International Finance Awards Best Place to Work</p> 		

¹ the official launch 2024

Shariah Compliance and Governance

Alinma Bank's commitment to sustainability aligns closely with the values and principles of Shariah that we adhere to. This includes promoting the well-being of society and the environment, as well as responsibly managing resources to safeguard the interests and rights of future generations.

To ensure transparency and accessibility in Shariah compliance, Alinma Bank's Shariah web page offers customers and employers comprehensive answers to frequently asked questions regarding the Bank's products and services from a Shariah perspective. We strive to provide clear information from a Shariah perspective.

In 2023, the bank's Shariah Secretariat played a crucial role in addressing 160 inquiries from the bank's staffs regarding the execution of transactions in accordance with our Shariah committee resolutions. Additionally, they responded to 165 inquiries from our clients, providing information about the Shariah compliance of transactions through

our dedicated Shariah communication service. In total, Alinma Bank issued 1,346 Shariah resolutions in 2023. Furthermore, in 2023, the bank's Shariah Secretariat established collaborative partnerships with Saudi universities to foster knowledge exchange and experience-sharing in the field of Islamic banking. These partnerships also involved providing specialized training in Islamic banking for university employees and students. By the end of 2023, Alinma Bank had signed memorandums with four universities to support these initiatives.

Since its launch in 2018, our mobile app 'Alinma Shariah Publications' continues to serve as a valuable

resource for all our customers. The app provides access to information such as Shariah Committee resolutions, research findings, Shariah banking policies, standards, and procedures. In 2023, our Shariah Committee organized public discussion workshops, bringing together Shariah finance researchers and experts to exchange knowledge, expertise, and insights into Shariah banking products and services. For more information regarding Shariah compliance and governance, please refer to the [2023 Annual Report](#).

2025 Corporate Strategy

Alinma Bank has a five-year Strategic Plan anchored to three primary goals that reflect the Bank's envisioned positioning by the year 2025;

- To be recognized and celebrated as the fastest and most convenient bank in KSA,
- to be #1 in Net Promoter Score (NPS) across KSA Banks, and
- to be the #1 Employer of choice across KSA Banks.

For more details about our five-year strategic plan, please refer to the [2023 Annual Report](#).

2023 Financial Performance

Saudi Vision 2030 and Alinma's corresponding 2021-2024 corporate strategy continued to open up avenues for exploring and investing in new business opportunities in 2023. Overall Alinma continued to see strong balance sheet momentum, registering an increased net income of SAR 4,839 Mn. for the financial year ended 31 December 2022, largely derived from the 22% growth in total operating income.

	Unit	2020	2021	2022	2023
Total operating income	SAR'000	5,681,639	6,659,594	7,963,060	9,725,657
Operating expenses	SAR'000	1,023,660	1,240,894	1,439,653	1,577,005
Salaries and employees related expenses	SAR'000	1,042,258	1,116,674	1,325,324.00	1,466,521
Payments to government (taxes and penalties)	SAR'000	5,049	4,488	11,279	11,473
Dividends paid to shareholders (cash)	SAR'000	0	1,291,954	1,691,252	2,686,485
Donations and sponsorships	SAR'000	21,049	3,200	7,894	8,544
Donations and sponsorships as % of pre-tax profit	%	0.96%	0.11%	0.20%	0.16%
Total expenses	SAR	2,065,918	2,357,568	2,764,977	3,043,526
Zakat Payments during the year	SAR	139,843	227,639	311,545	413,759

	Unit	2020	2021	2022	2023
Net income	SAR'000	1,965,992	2,709,387	3,599,140	4,839,206
Equity attributable to the shareholders of the Bank	SAR	24,428,787	25,711,027	26,876,313	29,333,601
Return on (average) equity	Percentage	8%	11%	14%	17%
Tier-1 Sukuk	SAR	0	5,000,000	5,000,000	5,000,000
Total equity	SAR	24,428,787	30,711,027	31,876,313	34,333,601

Approach to Tax

Alinma Bank has approved tax-working procedures to ensure our compliance with tax regulations. These include Tax Reports Department Procedures, and Zakat Procedures.

The procedures are directly linked to the bank's accounting policy in the Statement of Commitment, which applies accounting standards for financial institutions It is as per International Financial Reporting Standards (IFRS) and other Saudi Organization for Chartered and Professional Accountants (SOCPA) standards.

Tax-working procedures are approved and updated by managers of the main department, the C-Level Bank.

The approach taken for tax compliance is to follow tax-working procedures, review Zakat returns with the external auditor to ensure regular compliance with taxes and to express an opinion, then to take necessary action to reach a high degree of compliance.

2

Sustainability at Alinma Bank

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Sustainability at Alinma Bank

Alinma Bank recognizes a strong business case for sustainability, powered by the opportunity to drive innovation and value in ways that generate positive impacts on society and the environment for Saudi Arabia and our world. Our sustainability strategy formalizes this opportunity into an ambitious framework of action, initiatives and performance targets across the entirety of our operations.

Alinma Bank aims to lead our industry towards positive, sustainable impact. By leveraging our tools, resources and expertise, we aim to contribute solutions that empower our customers, investors, partners and stakeholders towards positive environmental and social change. With this in mind, we see the climate action imperative as an opportunity to showcase innovation, create jobs and generate value – all while building a brighter future for Saudi Arabia and our world.

In 2023, we formalized our commitment by developing a sustainability strategy. Based upon our materiality assessment and a process of stakeholder engagement, the ambitious three-year strategy embeds sustainability principles into the core of our operations, ultimately accelerating our contributions to sustainable development throughout the region.

Materiality Assessment

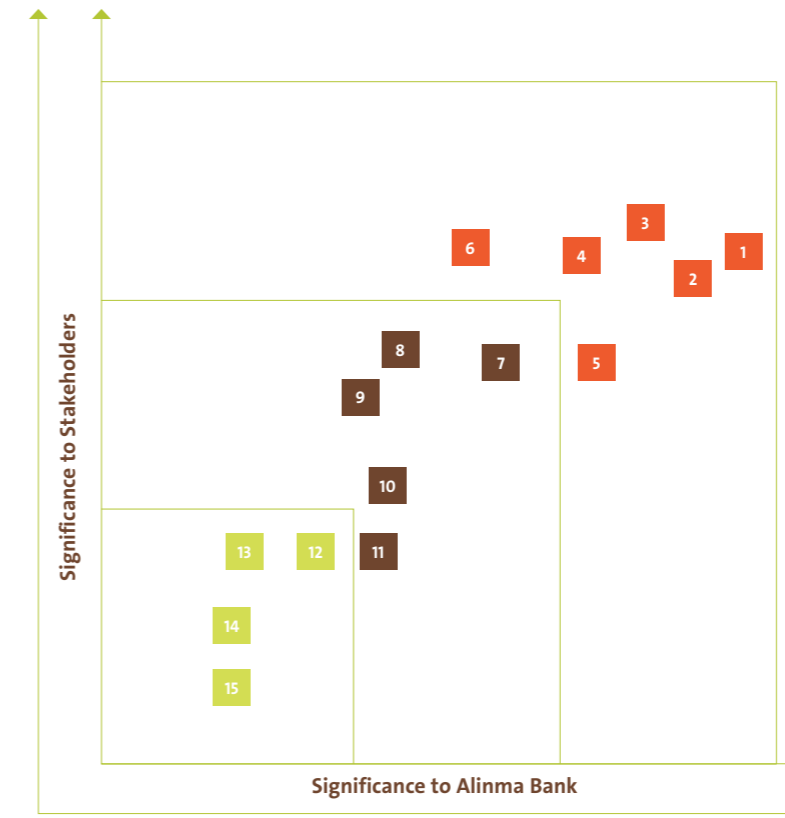
To develop our sustainability strategy and framework, in 2022 Alinma conducted a materiality assessment designed to identify our most materially important ESG issues. This materiality assessment focused on identifying the ESG and economic concerns most material to our stakeholders and to our business.

Based upon the GRI four-step materiality assessment process, we first conducted interviews with internal stakeholders*, information audits, and surveys and benchmarking of banking and financial services industry issues and ESG data. We also conducted a review of standards and national priorities, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDGs), MSCI ESG Ratings, and Saudi Vision 2030.

A total of 15 ESG topics were identified with the highest potential material impact on the bank and/or on our stakeholders. We then prioritized the most important material topics based upon their significance to business

(x-axis) and significance to stakeholders (y-axis). Topics that rank in the top right quadrant of the matrix are of the greatest impact and priority to both our business and our stakeholders. These priorities form the basis of our sustainability strategy and framework. *Engaging with a diverse range of stakeholders is critical to ensuring our priorities remain aligned with their needs and expectations. In future years, it is Alinma Bank’s intent to broaden the reach of our engagement to encompass feedback and insight from external stakeholders as part of our materiality assessment. Visit our Inaugural [2022 Sustainability Report](#) for more details.

Materiality Matrix



Most important	
1	Responsible customer relations and satisfaction
2	Talent attraction, retention, and development
3	Diversity and inclusion
4	Digitalization and innovation
5	Governance, accountability, transparency, and ethics
6	Systemic risk management
More important	
7	Employee engagement and well-being
8	Financial inclusion and accessibility
9	Data privacy and cybersecurity
10	Financial and economic performance
11	Sustainable/green financing and investment
Important	
12	Operational environmental impact
13	Supply chain management and responsible procurement
14	Social development and community engagement
15	Nationalization

Our Stakeholders

We define our stakeholders as individuals or entities with the greatest potential impact on Alinma’s value creation process, and those who stand to be most materially impacted by the Bank’s activities. We recognize that this range of stakeholders is extensive. It includes, but is not limited to, our customers, employees, investors, business partners, and the communities in which our operations have impact. Alinma Bank focuses on engaging with key stakeholder groups, those who matter most to our operations.

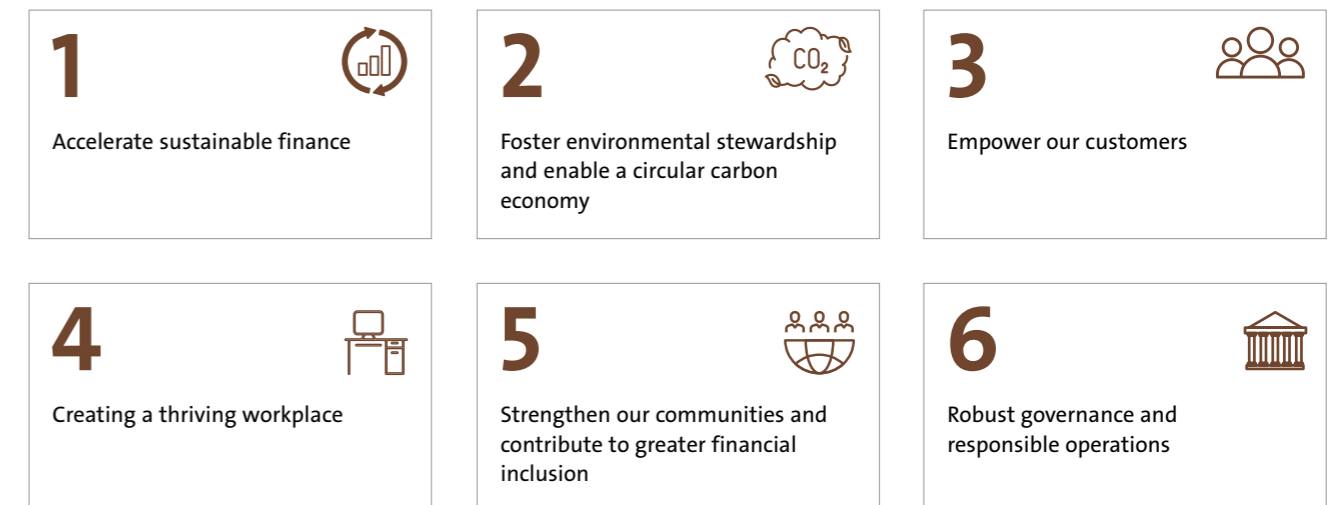


Sustainability Strategy and Approach

Our sustainability strategy outlines our approach to leading the region in sustainable finance, empowering our customers, and strengthening our communities. Built around six pillars of sustainability, the strategy provides a roadmap for operationalizing our commitments in ways that maximize our positive impact on the environment and society.

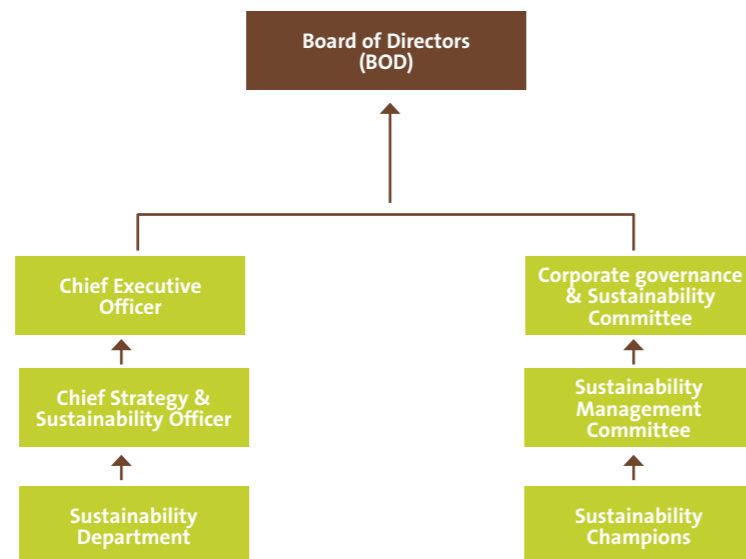
Aligned with our corporate mission, vision and values, the strategy sets out the critical issues identified during our materiality assessment in a practical framework for managing sustainability across our company. In the process, we established a set of foundational key performance indicators (KPIs) for benchmarking and measuring our ESG performance over time.

The 6 pillars of Alinma Bank's sustainability strategy are:



Sustainability Governance and Oversight

For Alinma, sustainability is a broad concept that encompasses all aspects of our operations including and beyond our day-to-day activities. To ensure full transparency and accountability for all our decision-making and sustainability activities, Alinma’s Sustainability strategies and activities are governed and managed at the Board, management, and department level.



Board Level – Corporate Governance and Sustainability Committee

The Board-level Governance and Sustainability Committee is the highest authority responsible for overseeing our sustainability strategy, management, and performance. The Committee is headed by the Vice Chairman of the Board of Directors and includes 4 members. Its recommendations are submitted to the Board of Directors for approval. At the recommendation of the Governance and Sustainability Committee, in 2023, the Board approved Alinma’s Corporate Social Responsibility (CSR) strategy and Alinma’s formal ESG strategy.

Committee comprised of members of our senior management team leading major functions at the Bank. Chaired by Deputy CEO, the Committee drives implementation of our ESG strategy and its integration into our long-term business strategy. The Committee also works to improve Alinma’s ESG disclosures as part of our commitment to transparently reporting, disclosing, and engaging with our stakeholders on our environmental and social impacts and our progress towards key sustainability performance targets. Subsidiaries and affiliates of Alinma may also be required to comply with these requirements in due course.

Executive Management Level - Sustainability Committee

To further strengthen our vision and focus on ESG, Alinma has established a management-level Sustainability

Sustainability Champions

Alinma’s senior management also appoints sustainability champions annually. The sustainability champions are responsible for collaborating on and helping to accelerate implementation of Alinma’s sustainability strategy and roadmap for the year.

Management Level - Sustainability Department

Sustainability Department, reporting directly to the Chief Strategy and Sustainability, is responsible for integrating and operationalizing ESG and Sustainability strategy. This department enhances the efficacy of sustainability champions by providing essential support and training,

enabling them to advocate and implement sustainable practices effectively across the Bank. Additionally, it orchestrates sustainability awareness programs for all employees, ensuring widespread understanding and alignment with Alinma Bank’s sustainability goals.

Sustainability Policy

Our Sustainability Policy was developed alongside our ESG strategy with consideration for the priorities of our stakeholders. The policy defines Alinma’s ambitions and approach to incorporating sustainability throughout our activities and operations. It also outlines the general guiding philosophy and principles that enable Alinma to leverage the overlap between sustainability and Shariah principles to inform financing decisions and support our customers, investors, employees, regulators, and other stakeholders.

Available via our website [link], the policy also reflects our understanding of how our ESG and sustainability priorities impact our business operations, and how our efforts represent an opportunity to drive business value and contribute to the Saudi Vision 2030 along with UN Sustainable Development Goals.

Building Internal Capacity around Sustainability

In 2023, we delivered a series of sustainability-focused events and training sessions for Alinma employees in person and online. Total of 414 employees attended these sessions, including:

- A sustainability day for Alinma leaders
- Introduction to sustainability training for all employees
- Sustainability training sessions as part of our new employee induction program
- Sustainable finance training for our corporate banking team
- Sustainable finance training for our sustainability committee
- Due Diligence (DD) toolkit training in person and online
- Sustainability in the supply chain training for our procurement team

We also incorporate and link sustainability-related measures to the executive performance evaluation process.

Alinma’s ESG Key KPIs

Alinma Bank is steadfast in its commitment to integrating ESG principles within its operational framework. The table below summarizes the Bank's performance against its top 10 ESG key performance indicators (KPIs), outlining current performance and future targets. The KPIs cover a wide range of initiatives, from launching sustainable finance products and reducing greenhouse gas emissions, to enhancing gender diversity within the workforce and leadership, and improving governance through updated ESG policies.

Focus Area	Commitment	Baseline	2023 Status	2025 Target
Environment	Launch sustainable finance products	0	0	Launch 3 products
	Increase percentage of sustainable corporate financing (*)	8.38%	8.38%	20% increase from baseline
	Reduce total scope 1 and 2 greenhouse gases (GHG)	33,635	26,301	20% reduction from baseline
Social	Improve NPS across KSA banks	4 th	2 nd	1 st
	Increase percentage of female employees	19.27%	21.91	25%
	To be employer of choice amongst KSA banks	NA	2 nd	1 st
Governance	Create and update key policies to incorporate ESG	0	3	5 policies
	Promote gender diversity within the Board of Directors	0	0	Add one female member in the board of directors
	Increase ESG ratings scores (MSCI)	BB	BBB	A
	Increase ESG ratings score (ESG Invest)	25	46	64

(*) base line has been developed by 2023

We plan to achieve these targets by operationalizing our recently approved sustainability strategy and mobilizing programs and initiatives across all six sustainability pillars. To guide and drive our progress, Alinma has specified the set of operational KPIs for ESG performance by 2025. Highlight KPIs include:

Sustainability Pillar	Sustainability Goals
1 Accelerate sustainable finance	Improve ESG integration into financing and investment decision-making
	Integrate ESG into commercial and retail product offerings
2 Foster environmental stewardship and enable a circular carbon economy	Achieve Net Zero carbon
	Reduce environmental impacts
	Harness digital transformation
3 Empower our customers	Maximize customer satisfaction and raise NPS score
	Support SMEs
4 Building a thriving workplace	Create great work environment
	Develop employee’s capabilities
	Support social engagement
	Ensure prosperity
5 Strengthen our communities and contribute to greater financial inclusion	Improve financial inclusion through CSR strategy and programs
	Support local suppliers
6 Robust Governance and Responsible Operations	Encourage governance practices and integrity
	Protect user’s privacy and data security

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Accelerating Sustainable Finance

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Accelerating Sustainable Finance

As a leading financial institution in KSA dedicated to contributing to the Saudi Vision 2030, accelerating sustainable finance by integrating ESG into financing considerations and making sustainable finance products accessible to our customers is mission critical. It's also part of our deeply held responsibility to treat our customers, investors, and stakeholders fairly, sharing risk and serving them with the very highest standards of integrity.

Aligning our financial decisions with sustainable principles, we aim to promote economic growth, environmental preservation, and social progress in the communities we serve. As sustainability becomes further embedded in our culture and business model, we continuously ensure ESG principles are a priority component of all our products, services, partnerships, and operations. Our sustainability strategy includes multiple objectives to support this objective, including:

- Improving ESG integration into financing and investment decision-making
- Aligning ESG financing and investment practices with international guidelines and standards
- Integrating ESG into commercial and retail product offerings
- Prioritizing financing in high growth, high positive impact sectors
- Establishing a sustainable finance framework to create options to reduce the cost of capital.



ESG Integration into Financing

In 2023, we took significant steps in measuring and understanding the ESG exposure of our financing practices, this analysis was instrumental in guiding our strategies and decisions in sustainable financing, as we gained valuable insights into how our business activities can align with our sustainability goals. These also enabled Alinma to cement its commitment to prioritizing financing in high growth, and high positive impact sectors, as we could identify our current and committed financing transactions on these. We conducted a client-level risk classification based on the criteria of the European Bank for Reconstruction and Development (EBRD) Environmental and Social Risk

categorization list. The client risk classification hierarchy is divided into three categories of high, medium, and low ESG risk- representing the ESG risk levels for each client in the portfolio.

For project financing transactions, we conduct a project-level risk assessment to categorize projects according to the International Finance Corporation's (IFC) environmental and social risk categorization process guided by the recommendations of the Equator Principles.

Through a series of strategic steps, Alinma is integrating ESG into our financing activities and to engage with our clients on material ESG topics. These include:

- **Developing due diligence toolkit** to assess ESG risks in financing activities, **projects and transactions** to identify and manage high ESG risks and impacts, including (but not limited to) human rights, climate change, and biodiversity. Following the development, we trained our relationship managers on how to use and implement the tool.
- **Analyzing exposure to material ESG topics** through direct client engagement and by utilizing publicly available information, including but not limited to annual reports, ESG and sustainability policies.
- **Conducting client-level risk classification** based on the criteria of the European Bank for Reconstruction and Development (EBRD) Environmental and Social Risk categorization list to determine a high, medium, or low ESG risk-level for each client in the portfolio.
- **Sustainable Finance Training.** Designed for relationship managers, this program was enhanced their knowledge and skills in sustainable finance, ensuring our team is well-equipped to effectively manage and advise on sustainable investments and finance.
- **Conducting project-level risk assessment for project financing transactions** to categorize projects according to the International Finance Corporation's (IFC) environmental and social risk categorization process in alignment with the Equator Principles.

These achievements in sustainable finance reflect Alinma Bank's strong dedication to supporting projects and initiatives that not only yield financial returns but also contribute positively to environmental and social goals.

ESG Integration into Investment

Incorporating ESG into investment decisions is key to future-proofing our operations in ways that generate positive returns while driving changes that benefit of our customers, investors, communities, and our planet. In 2023, we began incorporating ESG screening criteria into our Treasury and Investment Risk Policy. This approach will help to identify significant ESG-related risks or controversies during the investment process, as well as warrant a brief analysis on securities with poor ESG scores. We also plan to identify investments in green- and social-labelled deposit programs as well as ESG-related money market funds for our treasury investments to navigate the flow of capital towards sustainable finance securities.

	Unit	2020	2021	2022	2023
Total value of 'green' assets: renewable energy, energy efficiency, green real estate / efficient buildings, sustainable waste management, clean transportation, sustainable water management, climate change adaptation, and decarbonizing technologies	SAR	96,100,000	105,600,000	362,625,000	362,625,000

Sustainable Products and Services

Making a growing range of sustainable finance products accessible to our customers in ways that align with their values and needs is key to future proofing our business. By increasing our offering of sustainable products and services in commercial and retail financing, we will continue to expand and deepen our coverage of ESG risk and opportunity analysis. In 2023, we made notable strides in the delivery of sustainable finance products, including:



Corporate Banking

Throughout 2023, we financed a range of projects focused on green initiatives such as renewable energy, energy efficiency and green building, as well as social impact products aimed at improving access to essential services including basic infrastructure and healthcare facilities. The scale of our commitment to these projects was significant, with a committed exposure of SAR 13.33 billion and an outstanding exposure of SAR 7.53 billion.

We continued ESG integration into financing in 2023, including calculating sustainable financing in Alinma's portfolio. As of year-end 2023, this included 3.47% green and 4.91% social assets for a total of 8.38% sustainable assets in Corporate portfolio.

Our Sustainable Finance Framework, developed in 2023 and to be implemented in 2024, outlines our approach to classification of financial instruments and services as sustainable and to navigate capital towards projects and transactions with positive environmental and social impact. The Framework intends to be used as the basis to issue Green, Social and/or Sustainability Sukuk and Finance ("Sustainable Financing Instruments"). Alinma Bank will ensure that the Sustainable Financing Instruments proceeds are solely for the purpose of funding any activity or transactions relating to the projects mentioned in the "Eligible Assets" and Categories found in section 2.1.1 of the Sustainable Finance Framework.

Alinma received two awards at the 2023 Capital Markets and ESG Awards for Project Finance Deal of the Year:

- **Alfanar Global Development**
NEOM Construction Villages Wave 1, USD 2.5 billion non-recourse multi-tranche financing
- **Natural Resources Deal of the Year**
Neom Green Hydrogen Company, USD 6.1 billion project finance

Retail Banking

During 2023, we started developing our Sustainable Nama products that will enable our retail corporate and SME customers to designate the investment of surplus liquidity into the funding of products with benefits to the environment or society, growing their financial resources while complying with Shariah principles. Amounts issued via the Sustainable Nama product program are directed into an investment pool of revenue-generating assets with a steady cash flow, stable fair value, and potential to deliver positive environmental and/or social impact.

To be eligible for financing or refinancing through the Sustainable Nama product funds, projects must meet eligibility requirements outlined in the Alinma Sustainable Finance Framework or any green/ social/ sustainability sukuk held by the Bank's treasury. Alinma will hold responsibility for continually monitoring the allocated funds from Sustainable Nama Product issuances through Alinma Bank's Finance Register.

4

Foster Environmental Stewardship and Enable a Circular Carbon Economy

35 The Path to Net Zero by 2050
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Impact

Foster environmental stewardship and enable a circular carbon economy



As climate concerns become a stakeholder priority, financial institutions like ours have an obligation to evolve in ways that maximize their capacity to drive demonstrable positive change. Alinma recognizes that our business and operations have a real impact on the environment. We are committed to reducing those impacts directly and indirectly with the aim of ensuring our influence is positive for people and planet.

As a result, environmental stewardship is one of the key pillars in our sustainability strategy. The strategy sets forth a roadmap for enabling a circular carbon economy, with a framework of KPIs for measuring our progress and monitoring our contributions towards a healthy, thriving planet.

In 2023, Alinma was fully compliant with environmental laws with no fines or non-monetary sanctions imposed on the Bank.

Enabling a Climate-Positive Portfolio Transition

Our Sustainable Finance Framework provides a mechanism for steering capital towards projects and transactions with positive climate impact, ensuring Alinma's portfolio financing contributes directly to our Net Zero strategy via a focus on:

- Long-term profitability and stability
- Ethical investment and financing practices
- Developing sustainable products with reference to a specific green, social or sustainable use of proceeds
- Aligning with the Saudi Vision 2030, Saudi Green Initiative and national net zero goals

The Path to Net Zero by 2050

Achieving net zero carbon emissions by 2050 in support of the Kingdom's 2060 commitment is central to our sustainability strategy. Our Net Zero strategy supports our corporate strategic objectives and reinforces our ESG ambitions by opening climate finance opportunities and managing climate-related risks.

Built on a thorough assessment of our climate impact, Alinma Bank's Net Zero strategy sets a clear and ambitious path toward sustainability, focusing on actionable steps to mitigate environmental impacts. Key to our strategy is the enhancement of public disclosures, offering more comprehensive reporting that reflects our commitment to transparency. We have formalized processes and are implementing advanced measures, which we openly disclose, to reduce our environmental footprint.

A pivotal element of our approach includes broadening our range of climate-related financial instruments, facilitating the achievement of Net Zero goals not just within our operations but also encouraging similar ambitions beyond. We've adopted a systematic method for incorporating climate risk assessments into our operations, enhancing the accuracy of emissions management related to Alinma's financing and investment activities. This approach is integrated into the bank's decision-making processes, ensuring climate risk is a central consideration in all strategic decisions.

Additionally, we are optimizing our building and facilities management to significantly reduce our environmental footprint and supporting our customers in adopting effective climate management practices.

Financial Opportunity

Alinma will contribute to the development of innovative financial products, opening up new revenue streams. digital channels by improving current services and introducing new ones.

Attracting Stakeholders

Alinma can differentiate as a climate-conscious bank, attracting both financial and non-financial stakeholders who prioritize climate considerations in their investment, financial, and employment choices.

Competitive Advantage

Our net zero strategy positions Alinma among leading banks in the market.

Ensuring Compliance

Alinma's net zero strategy helps to future-proof the bank against upcoming regulations.

GHG Emissions

Central to our sustainability strategy, intertwined with our Net Zero Strategy, we strive to enhance our public disclosures for greater transparency. To achieve this, in 2023, we have been developing calculation methodology in

alignment with Greenhouse Gas Protocol and creating baseline for our operational emissions.

	Unit	2022 ¹	2023 ²
Direct GHG emissions (Scope 1)	metric tonnes of CO ₂ eq	2,555	2,304
• Stationary Combustion	metric tonnes of CO ₂ eq	10	19
• Mobile Combustion	metric tonnes of CO ₂ eq	21	28
• Refrigerants	metric tonnes of CO ₂ eq	2,524	1987
Indirect GHG emissions (Scope 2)	metric tonnes of CO ₂ eq	31,080	24,267
Indirect GHG emissions (Scope 3)	metric tonnes of CO ₂ eq	3,919	4,231
Total Scope 1 and 2 GHG emissions	metric tonnes of CO ₂ eq	33,636	26,301
Total Scope 1, 2 and 3 GHG emissions	metric tonnes of CO ₂ eq	37,554	30,532
GHG Intensity (Scope 1, 2 and 3) per FTE	metric tonnes of CO ₂ eq/FTEs	13.12	10.44
GHG Intensity per million SAR revenue	metric tonnes of CO ₂ eq/million SAR	4.71	3.13

For a detailed breakdown of GHG definitions, scope, boundaries and methodology, refer to the [Appendix A: Scope and Boundaries](#).

1 Revisions to the 2022 GHG calculations are below;

Addition: 2022 figures need to include a scope 1 breakdown

Restatement: Total scope 1 should be 2,555 tonnes CO₂e. Reason: Enhanced calculation methodology.

Restatement: Scope 2 should be 31,080 tonnes CO₂e. Reason: Enhanced calculation methodology.

Restatement: Total scope 1 and 2 should be 33,636 tonnes CO₂e. Reason: Enhanced calculation methodology.

2 Restatement: 2023 Data. Reason: Assurance outcomes.

Reducing Our Environmental Impact

Alongside our Net Zero strategy, Alinma is driving a growing list of environmental stewardship initiatives designed to measure, manage, and mitigate our impact on the environment.



Environmental Management System

In 2023, we developed an Environmental Management Policy in line with the ISO 14001 Environmental Management System Certification, and the Bank is in the final stages of obtaining ISO 14001 certification designed to inform both business processes and key stakeholders with a structured and transparent approach to managing the bank's collective environmental impact, policy is built on the following tenets:

Developing a culture of environmental stewardship

through training, awareness, communication, and engagement programs for all our staff and key stakeholders regarding key aspects and impacts of the bank's operations and appropriate environmental management and best practices.

Ensuring full compliance

with all applicable laws, including environmental and social laws and regulations relevant to the bank's business, and

those related to our EMS.

Supporting continuous improvement

of our environmental performance through processes such as management reviews, audits and inspections aimed at evaluating, monitoring, and identifying methods or actions, and supporting continuous improvement and effective implementation of our EMS.

For more detailed information about Alinma's Environmental Management Policy, please refer to our website. [LINK: https://www.alinma.com/en/about-the-bank/policies-and-reports-frameworks](https://www.alinma.com/en/about-the-bank/policies-and-reports-frameworks)

Energy Consumption

Alinma Bank is committed to aligning its operations with the Kingdom's environmental goals through a focused approach to energy and greenhouse gas management. By prioritizing the reduction of overall energy consumption, the Bank has embarked on a series of initiatives, including implementation of advanced energy management systems to enhance efficiency in its offices and branches, such as adopting energy-saving lighting and air conditioning controls. Moreover, Alinma Bank is actively pursuing renewable energy sources, with solar energy projects being introduced in selected branches. Additionally, the Bank is adopting smart and sustainable building practices for its branches,

ensuring that new constructions and renovations adhere to sustainable standards, from energy-efficient appliances to the use of environmentally friendly materials. In 2023, we were able to achieve a reduction of 21.7% compared to the previous years, mainly due to the increase of solar power generation in branches and upgrading the branches infrastructure with green building high efficiency tools. In contrast to the reduction of electricity consumption, fuel consumption increased over the year due to the test use of power generators to ensure compliance with local regulations.

	Unit	2020 ¹	2021 ²	2022 ³	2023 ⁴
Electricity consumption	kWh	45,222,147	41,888,813	54,718,948	42,724,006.27
Petrol consumption from operations and vehicles	Liters	NA	NA	9,088	11,931
Diesel consumption from operations and vehicles	Liters	NA	NA	3,631	7,423
Total energy consumption (direct and indirect)	GJ	NA	NA	197,444	154,501
Energy intensity per FTE	GJ/FTEs	NA	NA	68.9	52.6

For a detailed breakdown of energy consumption definitions, scope, boundaries, and methodology, refer to the [Appendix A: Scope and Boundaries](#).

1 Fuel consumption calculations started after the sustainability strategy was established.
 2 Fuel consumption calculations started after the sustainability strategy was established.
 3 Restatement: Petrol consumption is 9,088 L and diesel consumption is 3,631 L. Reason: Enhanced data collection methodology.
 Restatement: Electricity consumption to be changed to 54,718,948 kWh. Reason: Enhanced data collection methodology.
 4 Restatement: 2023 Data. Reason: Assurance outcomes.

Water Consumption

The Bank has taken steps towards water sustainability, incorporating a water management strategy to reduce consumption across its operations. This includes installing high-efficiency fixtures, deploying smart systems for monitoring, and reducing leaks, and investing in water recycling for non-potable uses. Recognizing the collective

action, the Bank engages in awareness campaigns to encourage responsible water use among its employees, customers, and the broader community. In 2023, we were able to achieve 8% reduction with the use high efficiency tool aligned with governmental regulations and monitoring meter tools.

	Unit	2020 ¹	2021	2022	2023
Total water withdrawal	m3	NA	67,498	76,221	70,338
Third-party water	m3	NA	67,498	76,221	70,338
Water consumption intensity per FTE	m3/FTEs	NA	25.3	26.6	24.05

For a detailed breakdown of water consumption definitions, scope, boundaries, and methodology, refer to the [Appendix A: Scope and Boundaries](#).

1 Water consumption calculations started after the sustainability strategy was established.

Waste Management

Alinma recognizes waste reduction and management as integral components of its sustainability efforts, aligning with global environmental objectives. The Bank's waste management approach focuses on minimizing waste generation, promoting recycling and responsibly disposing

of waste. By implementing recycling programs within its branches and offices, Alinma Bank encourages the segregation of recyclable materials, reducing the volume of waste sent to landfills, particularly paper waste. Additionally, the Bank prioritizes digitalization of workstreams to decrease paper use.

	Unit	2020	2021 ¹	2022	2023
Total non-hazardous waste generated	Kilograms	NA	NA	702,432	699,565
Waste recycled (paper)	Kilograms	NA	NA	9,960	12,310

For a detailed breakdown of waste definitions, scope, boundaries and methodology, refer to the [Appendix A: Scope and Boundaries](#).

1 Waste consumption calculations started after the sustainability strategy was established.

5

Empowering Our Customers



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Empowering Our Customers

Empowering our customers with solutions to the financial challenges they face in a rapidly changing world is driving force of our business. Core to this ambition is our commitment to ensuring every customer has access to the tools, resources and services they need wherever they are on their financial journey. Our strategic focus on customer empowerment is built upon the following tenets:

- A customer-centric approach
- Financial inclusion and access
- Digital transformation
- Support for small and medium-sized enterprises (SME)
- Customer education and capacity-building
- Transparent and ethical practices

Alinma achieved two new ISO certifications in 2023:

 <p>ISO 10002 Customer Satisfaction Management System</p>	 <p>ISO 10004 Quality Management – Customer Satisfaction, guidelines for monitoring and measuring</p>
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Customer Experience and Satisfaction

We adopt a customer-centric approach, emphasizing the development and provision of innovative, Shariah-compliant financial products and services. Our aim is to empower customers by meeting their diverse financial needs and aspirations, ensuring they have access to financial solutions that enhance their economic wellbeing. In the pursuit of financial inclusion and access, we focus on reaching under-served communities across the Kingdom. Our subsidiary, Saudi Financial Technology, plays a pivotal role in this effort. It is dedicated to creating a more

accessible and inclusive financial landscape, offering essential banking services to those previously outside the traditional banking system, thus fostering greater economic participation and empowerment. Our commitment to digital transformation is evident in our ongoing efforts to enhance and deliver digital platforms. These platforms are designed to provide an intuitive, seamless, and secure customer experience, aimed at maximizing satisfaction and happiness. By leveraging technology, we ensure that our services are not only

convenient but also meet the high expectations of today's digital-savvy consumers. Supporting small and medium-sized enterprises (SMEs) is a key focus area for us, as we offer specialized financial products and advisory services tailored to their unique needs. Through our subsidiary, Saudi Financial Technology, we extend these services to small merchants and SMEs. This initiative empowers them with innovative financial tools and solutions, facilitating their growth and contributing to the broader economy. Customer education and capacity-building are fundamental to our approach. We empower our customers through

various educational initiatives, including consumer financial protection training. These programs are designed to guide customers towards making informed financial decisions, contributing to their overall well-being and financial stability. We are committed to maintaining transparent and ethical practices in all customer interactions. By upholding the highest standards of transparency and ethics, and ensuring Shariah compliance, we align with best practices for customer relations. Our dedication to these principles reinforces our commitment to integrity and trust, fostering long-term relationships with our customers.

Alinma uses the Net Promoter Score (NPS) as a key indicator of our customer empowerment and satisfaction success. NPS is a metric used to measure customer experience and loyalty, and it is our goal to lead our region by achieving the highest NPS scores in the banking sector.* As of year-end 2023, Alinma ranked no. 2 in NPS scores across KSA banks according to an independent benchmark report.

Customer-Centric Engagement

Two-way communication with Alinma customers is critical to our ability to innovate products and services that provide solutions for our customers now – and anticipate their future needs. Using real-time engagement with customers through our traditional and digital channels, we prioritize customer feedback in product development to ensure the solutions we offer keep pace with fast-changing business

environments and lifestyles. In 2023 we also made our customer experience surveys accessible via digital channels, boosting the active response rate by seven times to 22% and giving us an even broader view of customer happiness levels and opportunities for future innovation. In 2023, we also provided training to all customer facing employees, and will continue to do so.



Customer Feedback Channels

We adhere to the policies and procedures outlined in ISO 10002:2014 for complaints handling and ISO 10004:2018 for monitoring and measuring customer satisfaction. Our Customer Care Unit is central to this framework, effectively

managing and addressing customer feedback. Additionally, Alinma has Customer Ombudsman & Independent internal complaint review body with well-defined procedures and targets.

	Unit	2020	2021	2022	2023
Total number of customer complaints received through communication channels	Number	26,847	62,364	125,903	201,615 ¹
Percentage of resolved issues that were raised through the complaint channels	Percentage	100%	100%	100%	100%
Average response rate for client complaints	Working days	8	5	5	3
Overall customer satisfaction	Percentage	N/A	N/A	N/A	86,47%

Customer Education

Our commitment to creating a great customer experience is about more than products. It's also about empowering our customers with capacity-building opportunities for training, education and knowledge-building – especially when it comes to the ways Alinma's sustainability and ESG practices can enable their own sustainability commitments.

Customer Engagement by the Numbers

Through our social media and marketing channels, we connected Alinma's products, services and resources with our customers in real time in 2023.

- 571,380 followers across social media platforms – an all-time high
- 1 million followers on X platform (formerly Twitter) – a 30% increase from 2022
- 51.8% interaction rate – the highest among Saudi banks
- 350,000 customer inquiries (leads) – a 66% increase from 2022
- 16% increase in loyalty program engagement (from 39% to 55%), a 30% increase in loyalty program registrations and a 120% surge in credit card usage driven by our new #Akthr identity.

¹ The increase in complaints is due to an increase in the number of customers and to an increase in the number of products provided to the customers

Selling Practices

Alinma's commitment to Shariah principles informs and aligns with our approach to sustainable and ethical consumer finance practices. First, we are committed to empowering consumers by making all information and details related to our financial offerings as clear, accessible

and transparent as possible. Second, we are dedicated to operating with integrity, upholding fair marketing and selling practices and to providing accurate and correct information to ensure our products and services are appropriate for the needs and interests of our customers.

Digitalization and Innovation

Providing access to the digital tools necessary for managing financial matters in today's fast-paced, mobile world is one of the primary ways we empower our customers. With this in mind, we are dedicated to the continuous innovation of new revamped apps, tools, and platforms while offering an intuitive, seamless and secure experience.

In 2023, our digital innovation initiatives included:

- Developing a new mobile application designed to empower the Kingdom's youth population with tools for managing day-to-day finances and future financial planning.
- Revamping Alinma's classic mobile banking application with new and re-imagined features that keep pace with customers' real-time financial needs.
- Building best-in-class digital platforms for corporate, SME and wealth management solutions that deliver all relevant banking and financing products via a seamless, low-click digital experience.
- Including customers in our innovation and product development process via more than 570 customer conversations and engagement sessions designed invite their views and recommendations on Alinma's digital products and services.
- Optimizing our digital product development processes in line with global best practices, enabling us to promote advanced digital products and services, foster innovation and collaboration, and attracting and retaining top talent.

By making a growing number of day-to-day banking services and products digitally accessible, our customers' digital activity also increased significantly in 2023, including a growing number of customers opening new accounts and / or onboarding.

Customer Digitalization					
	Unit	2020	2021	2022	2023
Digitally active customers	Percentage	59%	64%	67%	68%
New accounts for existing customers opened digitally	Percentage	61%	68%	69%	70%
New customers onboarded digitally	Percentage	58%	65%	76%	76%
Credit cards sold digitally ¹	Percentage	N/A	N/A	N/A	25%
Personal financing sold digitally ²	Percentage	N/A	N/A	N/A	10%

¹ Started in 2023.

² Started in 2023.

Growing Our Support for SMEs

Small and medium-size enterprises (SMEs) businesses are major contributors to the development and growth of the Saudi economy. Raising the level of SME's contribution to the Kingdom's GDP from 20% to 35% is one of the key objectives in the Saudi Vision 2030. In support of this target and vision, we leveraged our digitalization and automation strategies to further develop and extend critical financial services to small merchants and SMEs, empowering them with innovative financial tools and solutions that cater to their needs.

In 2023 we reorganized our Business Banking team to support the SME segment. As a result, Alinma achieved multiple strategic milestones including completing all 2021 and 2022 SME initiatives aligned with Kafalah growth, Program Based Financing, and the development of product bundles for SMEs. In 2023 Alinma also continued to align and grow our initiatives and partnerships with government programs that support SMEs in alignment with the Saudi Vision 2030:

- Elevating our role in financing opportunities through "Monsha'at," Financing Gate, the government's Small and Medium Enterprise Authority

- Increasing Alinma's contribution to the Kafalah program where more than 90% of program-based financing products are covered by a Kafalah Guarantee

- Building relations with government and semi-government sectors via collaboration agreements with different institutions in support of SMEs, such as:
 - Agricultural Development Fund
 - Nusaned Investment Co
 - Tomoh (fast-growing SME services)



6

Building a Thriving Workplace

51	Creating a Great Work Environment
53	Diversity, Inclusion, and Equal Opportunity
54	Health and Wellbeing
56	Employee Career Development
57	Ensuring Prosperity

Building a Thriving Workplace

From delivering great customer experiences to leading the market with world-class digital innovation, our people are the heartbeat of our bank. We take pride in employing some of the Kingdom’s top talent, and in creating a fair, nurturing work environment and growing a culture that prioritizes diversity, inclusion and equal opportunity, enables healthy work-life balance, empowers through world-class tools, resources, training and education.

To ensure Alinma builds a dynamic, thriving and welcoming workplace, we focus on four key dimensions:

 Creating a great work environment	 Employee career development	 Ensuring prosperity	 Supporting social engagement
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2023 Workplace Highlights

- Ministry of HR & SD Labor Awards -- #1 place to work for people with disabilities.

- International Finance Awards Best Place to Work

- Ranked 3rd most preferred place to work in the Kingdom in a 2023 3rd party study.

- 90% retention rate of talent and high performing employees¹

- Launched a new ‘Nsma’ak’ program for employee health and wellness.

- Launched Tamheer plus, a new development program to help young talent find their footing in the corporate world.

- Initiated a people analytics program to help us better understand employee needs and opportunities to continue building a more engaged workplace.

¹ This is calculated by adding number of new joining employees to number of employees resigned during the year and dividing that with the total of new joiners.

Creating a Great Work Environment

We prioritize investment in the Saudi national workforce by hiring and developing Saudi nationals, empowering local talent and contributing to the nation’s economy.

We want Alinma to be the workplace of choice for the Kingdom’s best and brightest professionals at every stage of their career. To support our ambition, we offer one of the highest salary and benefits benchmarks in the industry, including end-of-service benefits, savings programs and comprehensive benefits such as health insurance and retirement plans to all employees.

We also ensure the safety and well-being of our workplace, in compliance with regulatory requirements, by ensuring that all safety instructions and equipment are available across our 100+ branches. As part of Alinma’s commitment to maintaining a safe workplace, we plan to enhance the safety and security equipment in our new headquarters, which is currently under construction. Additionally, regulators conduct annual visits to ensure safety compliance of our offices.

Employee Engagement

Strong employee engagement is one of the keys to enabling a great work environment and ensuring our employees can model Alinma’s values. In addition to conducting an annual employee satisfaction survey, in 2023, we undertook and expanded several employee engagement initiatives, including:

Organizational Health Index (OHI) Survey

Conducted according to specific parameters, including leadership, direction, culture, communication, and alignment, the OHI survey serves as a tool for assessing our organization’s overall health and effectiveness, enabling Alinma to identify our areas of strength and opportunities for improvement.

	Unit	2021	2022	2023
Score of Employee Engagement (OHI responses)	Number	64	70	68

In 2023, we have implemented following actions to enhance engagement and strategic alignment within our organization: An in-depth analysis of survey results was conducted at the executive management level to assess current sentiments and areas for improvement. Additionally, we have planned a series of town hall meetings across

various Saudi cities. These meetings are designed to ensure the participation of executive management and facilitate a direct dialogue between them and all employees. This initiative will allow employees to express their opinions openly and understand Alinma’s strategy more comprehensively.

Supporting Social Engagement

Alinma is adopting a new approach to employee volunteering aimed at fostering community engagement and leveraging non-monetary resources through the investment of time and effort. This strategy is designed to contribute to our CSR strategic themes and to maximize our impact. Slated for activation by 2024, this new approach is in the final stage of approval. It encompasses three main streams. The first stream seeks to institutionalize volunteering practices

at Alinma, encompassing a proper strategy, execution plan, policy, procedures, a volunteer journey, and a legal base. The second stream aims to build a culture of volunteering through training, preparation, awareness, and educational messages. Finally, the third stream focuses on attracting volunteering opportunities that align with strategic CSR programs, in partnership with 16 potential NGOs.

In 2023, 492 Alinma volunteers supported 56 activities with 4,912 volunteer hours impacting as many as 7,500 beneficiaries.

	Units	2020	2021	2022	2023
Number of volunteers	Number	NA due to COVID restrictions	24	48	492
Employee volunteer hours	Hours		192	384	2,412
Number of volunteering days	Days		2	11	145

Employee Turnover

Our industry-leading staff turnover rates and engagement scores are one of the key indicators of our investment in creating a thriving workplace.

	Unit	2020	2021	2022	2023
Total number of new employees who joined the organization	Number	176	452	471	486
Total number of employees who left the organization	Number	129	228	386	480
Turnover rate (%)	Percentage	5.03%	8.57%	13.82%	16.61% ¹

Exit interviews

Conducted by the Human Capital group each quarter for employees who have left the bank, exit interviews aim to obtain an unbiased response about Alinma’s workplace by providing room for open-ended suggestions analysed

using natural language processing to identify the main cause of turnover. Collected responses enable Alinma to assess our workplace across six parameters, and to identify opportunities for improvement.

For more details on new hires and turnover, please refer to the [Appendix C: ESG Dashboard](#).

¹ The rise in turnover primarily reflects the Bank’s proactive adjustments and restructuring initiatives, integral to our 2025 strategy, which have involved modifications to several positions to better align with our future goals.

Diversity, Inclusion, and Equal Opportunity

In alignment with our mission, vision and values, as well as the Saudi Vision 2030, Alinma is committed to ensuring our workforce reflects the diversity of our customers, investors, and stakeholders, and to maintaining a workplace that ensures full inclusion and equal opportunity for every employee at every career stage.

Our diversity, inclusion and equal opportunity commitment is built upon our determination to build and maintain an inclusive work environment that empowers all employees by celebrating each individual’s skills, expertise and perspectives in ways that make every individual feel valued, included, and able to contribute their best work.

Empowering Women

Alinma was the first Saudi bank and one of the first Saudi companies to sign the UN Women’s Empowerment Principles, which represent a critical pathway for helping to achieve the Saudi Vision 2030 agenda and UN Sustainable Development Goals. With this in mind, Alinma has set a target of reaching 25% female employment by 2025. Towards this end, we successfully increased the percentage of female

employees from 19.27% in 2022 to 21.9% by the end of 2023, and women in leadership positions within the Bank rose to 8%. Throughout 2023 we also remained committed to female empowerment via the Principles, which set forth key tenets for promoting gender equality and women’s empowerment in the workplace, marketplace, and community. Alinma to identify our areas of strength and opportunities for improvement.

	Unit	2020	2021	2022	2023
Full-time employees	Number	2,461	2,671	2,862 ¹	2,924
Female full-time employees	Number	309	396	550	639
Male full-time employees	Number	2,152	2,275	2,312	2,285

For more details regarding Alinma’s social KPIs, please refer to the [Appendix C: ESG Dashboard](#).

Youth Employment

As a leading employer in the Kingdom, Alinma has an important role to play in fostering new generations of talent. In alignment with the Saudi Vision 2030 objectives, we offer several programs and opportunities for youth employment and the cultivation of up-and-coming young professional talent within the Kingdom. One highlight of our youth employment initiative is our Future Banker program, which is designed to provide elite talent from both bachelor’s and master’s degree programs with comprehensive insight and

training for careers in banking and finance. The program combines classroom learning with experiential learning, as well as e-learning, self-study and on-the-job rotations that ensure graduates of the program receive a well-rounded, real-world education.

In 2023, 45 individuals (for a total of 160 to date) trained through our Future Banker program.

Throughout the year, Alinma also participates in a variety of youth employment schemes and events, including A Step Ahead Career Fairs at Prince Sultan University, Imam Mohammad Ibn Saud and Islamic University.

¹ Total Employees is corrected to be 2,862. to cover all full time employees.

Nationalization

As one of the leading employers in the Kingdom, Alinma is dedicated to providing job opportunities for Saudi nationals. When opportunities arise to join our company, candidates who are Saudi nationals are given priority consideration. Through our youth employment, training and career development initiatives, including technical, leadership, and

skills development programs, we then make every effort to enable their successful career progression with Alinma. We also cooperate with several local and international institutes and facilities to provide training according to specialization requirements and the needs of our company. As of 2023, 96% of Alinma employees are Saudi nationals.

	Unit	2020	2021	2022	2023
Number of full-time national employees	Number	2,279	2,511	2,709	2,776
Female national employee	Number	309	396	549	638
Male national employees	Number	1970	2115	2160	2138
National full-time employees in senior management	Number	29	30	32	43
Number of employees of other nationalities	Number	182	160	153	148

Health and Wellbeing

Alinma takes a holistic approach to supporting our employees, ensuring their health, safety and wellbeing are prioritized alongside career opportunities. In 2023, we enhanced our health and wellbeing support by launching the 'Nsma'ak' program. The program gives employees access to a health clinic, provides access to health consultations, and offers health awareness sessions throughout the year. Employees also receive health and safety training each year.

Keeping Employees Safe

To ensure employee safety at all times, Alinma offers safety and wellbeing workplace training in compliance with regulatory requirements and ensures all safety instructions and equipment are available in all our locations and

branches. Advanced safety and security equipment is also being incorporated into Alinma's new headquarters, which is currently under development. The bank is also subject to annual visits and compliance reviews by safety regulators.

Nsma'ak' Program

Nsma'ak is the dedicated service Alinma provides for offering private and confidential counseling sessions for our employees with the aim of enhancing their mental health and wellbeing. Nsma'ak ("we are listening to you"), offers a variety of programs and initiatives. It also allows employees to book a session with an occupational health consultant

for counseling and psychological support services delivered with the highest degree of professionalism, privacy, and confidentiality. **The first year since its launched 200 Alinma employees visited or used the program.** In addition, Alinma also offers an onsite medical clinic at the Alinma tower to address employees with medical concerns during working hours.

	Unit	2020	2021	2022	2023
Employee fatalities as a result of work-related injury	Number	0	0	0	0
Employees injury	Number	0	0	0	0

Employee Grievance Process

Alinma expects that all employees model the bank's values and uphold the Alinma Code of Ethics at all times to protect the reputation of the bank and ensure compliance with the principles of prudent and professional behavior.

grievance can be submitted. Each submission is reviewed by the Human Capital team with the goal of reaching a resolution within 48 hours. The Employee Voice platform also provides an opportunity for employees to submit ideas and to ask questions.

In the event that a grievance occurs, all employees have access to Alinma's Employee Voice platform. Managed by our Human Capital Excellence Team, the platform can be accessed by any employee via the Alinma portal and a

In addition, our Employee Voice Portal ensures all employees are able to voice their opinions, share their ideas and report grievances with ease. In 2023, a total of 437 requests were addressed through the portal, with 95% of them reaching resolution within 48 hours.



Employee Career Development

We are committed to supporting our employees at every stage of their careers with Alinma. In addition to professional mentoring and support, comprehensive training, education and professional development opportunities are a core part of our commitment to Alinma employees.

In 2023, we expanded our talent management team to further address the needs of our diverse talent base to provide better training coverage, enable additional professional certifications, and help us grow our leadership programs and future banker program, plus stay ahead of new employment trends. In keeping with global best practices, we also conducted training assessments and gap analyses to identify new and emerging pathways for career development and employee training, including opportunities to bridge

critical ESG skill gaps. Alinma also has a collaboration with nearly 60 local and national institutions to provide more than 100 professional certifications available to bank employees.

Through the Alinma Academy for Education and Development, we will integrate ESG capacity-building into our already holistic training program, streamlining professional development initiatives under one coherent strategy. This approach ensures green and social finance training is prioritized alongside current market trends, skill building and certification opportunities. Alinma is also dedicated to setting clear targets for training hours per employee, placing a special focus on annual ESG and sustainable business educational sessions.

	Unit	2021	2022	2023
Average hours of training per year per employee	Hours	20.39	31.05	33.17
Average hours of training per year per female employee	Hours	17.76	73.03	82.49
Average hours of training per year per male employee	Hours	34.88	29.94	19.33

For more details on employee training hours, please refer to the [Appendix C: ESG Dashboard](#).

2023 Career Development by the Numbers

- 184 certifications available for employees to pursue through Alinma talent management.
- Managers and management candidates trained through leadership development programs to prepare them for future leadership roles.
- Alinma hosted a series of in-person and online sustainability events and training sessions, including a Sustainability Day for leaders and an introductory sustainability training for all employees.
- 9 member of our Board received 6 hours of training on anti-corruption

Annual training is provided to the Board on many subjects including business continuity management, cyber security, corporate governance, compliance, sharia governance, conflict of interest and fraud risk management.

Ensuring Prosperity

Alinma is committed to gender pay equality. In alignment with Saudi labor law covering equal opportunities and pay for both genders, we apply one salary scale and grading structure to all Alinma employees regardless of their gender.

In addition to the equal pay, Alinma frequently benchmarks our benefits against other employers in the industry and region to ensure that we are offering the most competitive benefits, and to continuously improve our overall offerings.



As stipulated by the Cooperative Health Insurance Law and its implementing regulation, Alinma provides health insurance to all employees. Alinma also pays the subscription amount for all employees in the social insurance of the General Organization for Social Insurance (GOSI) in accordance with the provisions of relevant laws and regulations.

Thank You for Your Contributions is a program designed for all Alinma employees who have reached retirement age. The program provides a continuation of some key benefits to retired employees for two years and ensures deferred shares

due and granted by the bank are also transferred within the competency preservation program. Our retired employees also continue to have access to distinguished banking services.

Performance Management

All Alinma employees are included in the Performance Plan and have annual objectives uploaded in our Performance Management System. Employee performance reviews are done annually.

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Strengthening Our Communities and Contributing to Greater Financial Inclusion

The systemic role Alinma plays in our national economy and in Saudi society gives us a responsibility and an opportunity to contribute to greater financial inclusion and help strengthen communities throughout the Kingdom. In 2023, we used best practice global guiding principles to formalize our responsibility into a new corporate social responsibility (CSR) strategy aimed at focusing on outcome-driven projects offering mutual benefit to enterprise and community in ways generate positive impacts on local communities and wider society.

1% of our annual profits are allocated for CSR projects via a reserve account. Payments from the reserve account are made in accordance with the CSR programs' requirements and amounts and powers must be approved by Alinma's Board of Directors.

Corporate Social Responsibility

CSR Strategy

Alongside the development of our CSR policy, in 2023 we gave our CSR efforts an uplift by launching an impact-driven CSR strategy focused on projects that are mutually beneficial to both enterprises and the community, aligned with UN SDGs. The strategy represents a transition from traditional CSR to a focused, targeted and impact-driven approach strategically designed to enable Alinma to leverage our resources,

knowledge, skills, products, and services to generate the greatest possible positive impact. Our CSR strategy aims to reduce financial exclusion and inequality caused by lack of developmental empowerment, particularly for youth, women, and underprivileged communities in Saudi Arabia by enabling access to financial services for an additional percentage of these groups, leading to increased financial inclusion and economic empowerment.

Our strategy prioritizes three areas of focus within an overarching theme of inclusive and sustainable finance:

- **Financial inclusion:** Ensure that all individuals and communities, especially those who are underserved or marginalized, have access to and usage of appropriate, affordable, and reliable financial services by providing them with empowering solutions and tools such as offering grants, scholarships and other opportunities to help beneficiaries gain, regain or maintain sound financial footing.
- **Financial management skills and confidence:** Empower individuals and families for training, mentorship, and knowledge-sharing to grow and accelerate financial literacy and build a financially empowered future.
- **Seed funding for start-up and early-stage companies / entrepreneurs / SMEs to fuel innovation and economic growth.** Supporting entrepreneurs in the seed and early stages, and empowering them to participate in the economy, creating opportunities, and fostering financial stability for themselves and their communities extends beyond pure finance, breaking down barriers and creates a more equitable and inclusive entrepreneurial ecosystem. By the year 2025, we aim to provide seed funds to - up to 35 entrepreneurs and start-ups operating in highly promising sectors.

Discretionary funding is also included in our new CSR strategy to enable Alinma to consider the widest possible range of funding, sponsorship and support requests – and to continue supporting such requests where feasible and appropriate. This includes:

- Philanthropic and charitable donations
- Sponsorship and CSR activities with an emphasis on the economic and cultural components of the community, such as events that have a social, educational, economic, health, welfare, or environmental value.
- Environmental / climate change awareness, including occasionally carrying out programs intended to raise awareness around the environment / climate change.
- Employee volunteering and the wider participation of employees using their professional skills or developing personal interests when volunteering for social, environmental, or other good causes.

A proud supporter of Saudi football, Alinma Bank renewed our partnership with the Saudi Roshan League for 2023-2024.

CSR Policy

Aligning financial stability and economic growth with Islamic values requires financial inclusion across all elements of society. As a Shariah-compliant entity, we strive to positively contribute to the welfare and the protection of the communities and enterprises we serve. In 2022, we formalized our commitment to social impact and service to our communities in our CSR policy. The policy establishes a framework for defining, evaluating, developing, and supporting community programs and initiatives, and for engaging our employees through volunteering opportunities that develop their skills and generate a shared sense of social responsibility.

Alinma’s CSR policy aligns with the laws of the Kingdom of Saudi Arabia, Vision 2030, and the requirements and principles of Islamic Shariah, the UN Sustainable Development Goals and global best practices and principles for social responsibility. The policy clarifies Alinma’s commitments to transparency about our potential impacts on elements of society, highlights our ethical responsibilities, and our obligation to operate with respect for the interests of concerned parties, international standards and norms of behavior, as well as to meet all regulatory requirements.

Alinma’s CSR policy is available on our website at: <https://www.alinma.com/en/about-the-bank/policies-and-reports-frameworks>

CSR Programs

Providing support for the communities in which Alinma employees and customers live, work and play is one of the highlights of our CSR strategy, providing an opportunity for our bank and our people to share our time and resources for good causes across the Kingdom.

Empowering Underprivileged Students Through Scholarships

In collaboration with the Ministry of Human Resources and Social Development and Taluum Charity, Alinma has dedicated SAR 5 million to support underprivileged students across various regions of Saudi Arabia. This commitment will fund 20 scholarships, each valued at SAR 250,000, providing the opportunity to the recipients to attend prestigious institutions such as Prince Sultan University, Mohammed bin Fahd University, and Effat University. These scholarships are intended to enhance diversity within the Saudi educational system and support underprivileged students while fostering financial inclusion.

Making Finance More Inclusive

Inclusive and sustainable finance (providing everyone with an opportunity to achieve financial independence) is the central ambition of our CSR strategy. The strategy focuses on leveraging our human capital and resources to amplify our CSR impacts in ways that have capacity to generate exponential benefit.

1. Leveraging Alinma’s key core business attributes for positive social impact, such as our significant knowledge of financial management, and our financial tools and products, services, and technology.
2. Maintaining a clear thematic focus on inclusive and sustainable finance
3. Maintaining focus aims on two main beneficiary groups:
 - Financially marginalized or at-risk stakeholders including low- or no-income individuals and households, and family-run micro-enterprise businesses/ households.
 - Under-supported potential high-impact contributors to society, including youth, women, and start-up and early-stage entrepreneurs in high social value sectors.
4. Maintaining a focus on increasing impact and performance through impact- and outcome-focused monitoring and measurement
5. Promoting scalability by targeting CSR initiatives with the potential to evolve in a timely manner and the ability to afford their relevant costs.
6. Leveraging partnerships to scale and accelerate the impact of our CSR initiatives

Accessibility

Opening branches and ATMs in underserved areas is part of broader financial inclusion efforts, aiming to provide banking services to populations that traditionally lack access. This aligns with many banks’ corporate social responsibility (CSR) goals. Alinma’s investment in community development includes opening branches and ATM locations in traditionally

under-served areas. This initiative helps stimulate local economies while ensuring all individuals and small businesses have easy access to the financial products and services they need. In 2023, number of branches and ATMs in low populated and economically disadvantaged areas were 24 and 203 respectively.

	Unit	2020	2021	2022	2023
Number of branches in low populated and economically disadvantaged areas	Number	22	24	24	24
Number of ATMs in low populated and economically disadvantaged areas	Number	162	175	191	203

Empowering Underprivileged Productive Families through Microfinance

Underprivileged productive families face a multitude of challenges when they are unable to access microfinance. These challenges, which can hinder their ability to escape poverty and improve their livelihoods, include:

- Inability to invest and grow without microfinance, families lack the necessary capital to invest in their existing income-generating activities by purchasing the equipment, raw materials, or livestock needed to grow and expand.
- Lack of financial literacy: without basic financial knowledge and skills, it can be difficult for families to manage financing effectively, invest wisely, or plan for the future.
- Limited business skills: Access to microfinance programs often comes with training in business management, marketing, and other relevant skills without which families may be unable to run their businesses efficiently and sustainably.
- Social exclusion: Underprivileged communities often face discrimination and limited access to essential services like training and market opportunities. This further hinders their ability to succeed without the support of microfinance programs.

In 2023, Alinma partnered with Jana, a non-profit specializing in microfinancing underprivileged productive families across the Kingdom to help alleviate these challenges. Across three years, we aim to fund more than 280 families with SAR 5 million in circulation to become approximately SAR 15 million.

Through microfinance programs like our partnership with

Jana, families are empowered, business investment is enabled, income is boosted, and jobs are created. As a result, this leads to better food security, healthcare, and education – plus, families gain confidence and participate more with their communities, breaking the cycle of poverty and building a brighter future for generations to come.

Supporting Local Suppliers

The overall focus of our CSR strategy is to support inclusive and sustainable finance. Inclusive finance means providing everyone with an opportunity to achieve financial independence and wellbeing, and to participate in the economic system in a way that can improve one's quality of life and contribution to society. Key to this effort is a targeted focus on supporting local suppliers, including SMEs and women-owned businesses.

We aspire to advance financial inclusion by exploring opportunities to involve SMEs, women-owned businesses and local suppliers within our supply chain, with the aim

of contributing to the sustainable growth of these pivotal stakeholders.

In 2023, we reviewed Alinma's critical suppliers in terms of product/service provision and conducted an assessment of ESG risk exposure, along with identifying opportunities for these critical suppliers. Alinma will continue to develop its ESG assessment tool to ensure a sustainable supply chain and provide better support for its suppliers. In 2023, Alinma worked with 305 local suppliers and increased the percent of local spending to 95.5%.

	Unit	2021	2022	2023
Total number of suppliers	Number	221	284	305
Total number of local suppliers	Number	181	249	236
Percentage of local suppliers	Percentage	81,90%	87,68%	77.4%
Percentage of spending on local suppliers	Percentage	88,77%	94,96%	95.9%

Supplier Code of Conduct

Alinma expects its suppliers to promote our values and uphold the highest professional standards. For this reason, we ask all our suppliers to abide by our Supplier Code of Conduct (CoC) which sets forth guidance and expectations on the standards of behavior expected of them when providing goods and services to Alinma Bank. The Supplier CoC covers the following topics:



Alinma's Supplier Code of Conduct is available on Supplier portal.

From a risk management perspective, we also aim to ensure all our suppliers comply with our Supplier Code of Conduct and we monitor this through periodic audits and assessments. We also aim to increase the number of ESG

audits conduct on our local suppliers to ensure adherence to our sustainability objectives. In 2023, 14 suppliers were subject to both social and environmental audits.



8

Robust Governance and Responsible Operations

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Robust Governance and Responsible Operations

Alinma recognizes the critical role we play in shaping the future of Saudi society. As one of the largest financial institutions in the Kingdom and as an Islamic bank, the values of integrity, ethics, responsibility and altruism are deeply intertwined with our corporate culture. These values serve as the cornerstone of Alinma’s principles, actions, and convictions, making our commitment to robust governance and responsible operations a bedrock imperative.

Corporate Governance

Alinma is subject to rigorous internal supervision from our independent Board of Directors in addition to being regulated by SAMA and CMA. This oversight allows us to focus on contributing to a more sustainable and socially conscious financial landscape while managing potential risks associated with material ESG issues. Equally important, our dedication to responsible business practices and the most stringent governance practices ensures we remain a trusted partner for our customers, investors, communities, and other stakeholders.

In 2023, we updated Alinma’s [Corporate Governance Framework](#) to include the foundations of our Sustainability and CSR strategy into the Board of Directors agenda, enhancing sustainability and social responsibility within our governance structure and culture. The framework is published on our website: Corporate Governance Framework. With the help of an external consultant, we also initiated the project of enhancing governance across all departments of the bank. This project aims to identify gaps and address governance related matters, providing a solution plan to cover and overcome these gaps.

Our Leadership

Board of Directors (BoD) is responsible for overseeing the bank’s management on behalf of shareholders in an effective and ethical manner, guiding its vision and strategic direction. 6 out of 9 members of Alinma’s Board are independent.

Alinma conducts an annual performance evaluation of the Board and Board Committees in accordance with Saudi Central Bank (SAMA) and Capital Market Authority (CMA) governance principles as well as the Board Charter and our Policy for Evaluation Mechanisms of Board Directors, Members and its Committees.

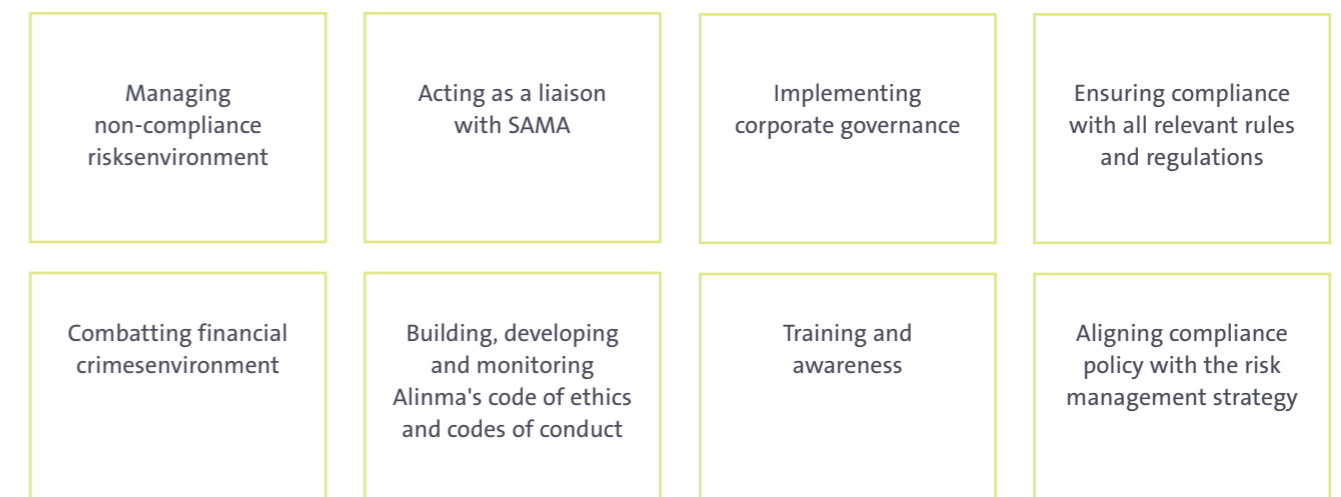
Legal and Compliance

Alinma’s Legal Operations team provides crucial legal counsel in support of key banking initiatives and ensures the bank’s compliance with all applicable legal requirements and industry regulations. This includes leading the bank’s adaptation to evolving regulatory environments specific to the banking sector and risk mitigation. In 2023, Alinma’s legal and compliance activities included:

- Delivering training programs for legal staff to stay informed about the latest regulatory changes and compliance requirements.
- Enhancing communication channels within the legal department to facilitate better collaboration and information sharing.
- Conducting regular reviews of existing contract templates to ensure compliance with legal and regulatory requirements.
- Establishing mechanisms for reporting and addressing ethical concerns within the legal department.
- Implementation of artificial intelligence or machine learning solutions to aid contract analysis and risk assessment.

Compliance at Alinma

An integral part of the bank’s internal control, risk management, and operations monitoring functions, Alinma’s compliance division operates independently from any other department within the bank. In this capacity, our compliance division identifies, assesses, monitors, and reports non-compliance risks and violations that may cause significant legal or regulatory impact, financial loss, damage, or reputation loss for the bank. A critical function for Alinma’s success, our compliance division helps to fortify and protect the bank’s reputation and credibility, and protects the interests of shareholders and depositors via the following activities:



In 2023, we completed a full digital transformation via implementation of a comprehensive, unified legal IT platform. This new cutting-edge solution positions our Legal Operations team ahead of evolving digital workflows by automating litigation case archiving and streamlining consulting processes. The user-friendly platform also significantly facilitates decision-making through better access to information, improves the quality and efficiency of time spent on legal consultations, and enhances data security throughout the legal workflow.

	Unit	2020	2021	2022	2023
Total incidents of non-compliance with laws and regulations	Number	15	11	17	14
Total number of non-monetary sanctions	Number	2	4	4	4
Percentage of legal and regulatory fines and settlements that resulted from whistleblowing actions ¹	%	0%	50%	28%	13%
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations ²	SAR	4,150,000	3,408,400	10,383,835	10,609,300

for more details please refer to our [2023 Annual Report](#).

Risk Management

Alinma carefully balances our risk appetite with our business goals and social responsibilities. In 2023, in the context of dynamically challenging global economies with a direct impact on the Saudi economy, the bank took a cautious approach to laying down boundaries and our allowable tolerance level. A robust risk identification and management procedure aligned to our overarching governance process

enables us to identify existing risks, be conscious of emerging risks, and ensure any deviations from routines and business norms are grasped and remedied quickly.

In 2023 we also began integrating sustainability into our risk management process to ensure that sustainability-related risks are identified, assessed, monitored and managed according to the same rigorous processes and procedures.

¹ Percentage is calculated by dividing total confirmed reports with total received reports during a year and multiplying by 100.
² The data reflect total amount of SAMA violation

2023 Strategic Risk Assessment

In 2023, Alinma used a risk scorecard to assess risk via key drivers related to our strategic planning process and implementation. Each key driver has multiple parameters and was assessed via a questionnaire to which relevant stakeholders were asked to respond. Questions were weighted according to significance.

Operational Risks

- Alinma estimated operational risks by considering the potential losses to which the bank may be exposed due to the occurrence of technological failures and non-technological failures Aligning ESG financing and investment practices with international guidelines and standards

Concentration Risks

- The bank adopted the Granularity Adjustment (GA) method. This involved the integration of Credit Risk methodology and internal rating-based approach under Basel III to calculate the granularity adjustment. In fact, Alinma has developed a model for the calculation of GA at the customer level so that the total concentration charge is accurately calculated.

The bank also evaluates name concentration and sector concentration risk using granularity adjustment method.

Compliance Risks

- Alinma created a robust scorecard model methodology to estimate the cost of risk related to bank's non-compliance with Shariah laws.

Reputational Risks

- The Bank assessed reputational risk through a scorecard, largely driven by those related to the factors contributing to the potential fallout of operational, liquidity and compliance risks. Alinma evaluated each parameter under multiple variables through questionnaires. Different weights were assigned to each of the key drivers/ parameters based on their importance and significance

For more information regarding Alinma's approach to Risk Management, please refer to our [2023 Annual Report](#).



Business Ethics

Alinma has a Code of Conduct (CoC) designed to provide all employees and associates, including our Board of Directors and our suppliers, with a guide to our organisational behaviour, ethics, integrity, and standards. All new employees receive training on our Code of Conduct, which they must read, acknowledge, and endorse by signing it with the understanding that they will act in accordance with the code throughout the entire period of their employment with Alinma.

Alinma's CoC covers the following policies and topics:

Anti-corruption	Anti-bribery	Anti-money laundering	Business Conduct
Compliance	Conflicts of Interest	Customer and Supplier Relations	Discrimination and Harassment
Diversity, Inclusion and Equal Opportunity	Employee Rights, Responsibilities and Accountability	Environmental Responsibility	Health and Safety
Human Rights	Whistleblowing Policy	Workplace Etiquette	

Alinma's Code of Conduct is available on our website at <https://www.alinma.com/en/about-the-bank/the-bank/compliance-and-anti-financial-crimes-division>

Whistleblower Protection

Alinma is committed to creating an environment in which concerns about any actual or potential breach of our CoC, or instances of misconduct can be raised by employees, suppliers, and sub-contractors. Our Whistleblowing Program is designed to safeguard the right of any individual (internal or external) to report a matter that they suspect may involve improper, unethical, or inappropriate conduct within the bank, ensuring their concerns are addressed and protecting them from retaliation.

Alinma provides multiple channels for reporting these matters, including online reporting, email, telephone and postal mail. The hotline number is available and operational twenty-four hours a day, every day. Outside working hours and on holidays, the hotline provides a voice message with information on how to submit a report via email to: WA@Alinma.com. 33% of reports received in 2023 were submitted through the bank's whistle-blower channels. [Alinma's full whistleblowing policy is made available to all employees and suppliers and is available on our website.](#)

Data Privacy

Led by our Enterprise Data Management department, we continuously update and uphold the most stringent standards of data privacy and security, with multiple layers of preventative and protective measures in place throughout the company. We also conduct regular assessments and cyber security stress tests to evaluate and ensure the integrity of our IT infrastructure.

The main goal of Alinma's data privacy and protection is to protect user's personal data and regulate the bank's data life cycle such as collection, storage, use, processing, retention, and disposal. To accomplish this, Alinma has established an effective data privacy program. Designed to minimize sensitive data and protect business-critical and regulated data from unauthorized access, the program ensures required safeguarding measures are in place to identify and manage privacy risk.

In 2023, Alinma continued to monitor, manage and amplify the bank's data privacy and security through the following initiatives:

- **Launching a Data Privacy Project** to implement technologies covering data privacy and classification requirements, including IBM Security Discovery and Classify (ISDC), Guardium Data Protection Module, and Guardium Vulnerability Assessment Module, and Informatica Data Privacy Management (DPM).
- **Conducting a Data Privacy Impact Assessment (DPIA)** on every new or existing system/service to assess them from a Personal Data Protection and Data Subject Access perspective, enabling the bank to evaluate applied controls and identify missing controls or policies.
- **Handling Secure Shared Folder Requests** via a dedicated request in the Alinma Ticketing Portal that contains all the required details to raise data sharing requests by Alinma employees when they want to share data or documents with external entities.
- **Handling SAMA Visits, Inquiries, and Observations Response.** The primary regulator of all financial sectors, SAMA periodically conducts audit visits to assess the bank from a data privacy point of view. In addition, inquiries from SAMA are received every 2-3 months.
- **Performing NDMO and PDPL Gap Assessment** by reviewing updating the gap assessment according to the latest stage.
- **Establishing a Data Governance and Privacy Consultation Project** to review policies and procedures, create new policies and procedures, conduct awareness and training and support and to advise on the implementation of projects from a data privacy standpoint. The Data Governance and Privacy Consultation project's scope is mainly to review the current policies and procedures, create new policies and procedures, conduct awareness and training for relevant people, and support and advise on the implementation projects.
- **Establishing a Data Governance and Privacy Committee** according to a requirement in the NDMO to present the current progress of NDMO and PDPL compliance.

Cyber Security

Equipped with cutting edge tools for preventing security breaches and in alignment with our cyber security policies, standards and procedures, the Cyber Security division led a portfolio of security initiatives in 2023, including:

- A Network Access Control (NAC) solution to secure network access
- Cyber Security Risk assessments for both technical and business
- PCI DSS v4.0.
- NAC Organisations' Social Media Accounts Cybersecurity Controls
- NAC Cloud Cybersecurity Controls
- NAC Telework Cybersecurity Controls
- SAMA Financial Sector Cyber Threat Intelligence Principles
- CMA Cyber Security Guidelines for Financial Market Institutions
- SWIFT Customer Security Controls Framework v2022

Data Governance

Guided by our [Personal Data Protection Policy](#) and in alignment with Alinma's strategic vision, which emphasizes trustworthiness, user privacy, data security, and usability for our stakeholders, we are committed to the following in pursuit of robust governance and responsible operations:

- 1. Robust data safeguarding** with the aim of achieving zero annual breaches of customer privacy in 2025 through consistent protection of user privacy and transaction security. As part of this commitment,
 - Alinma deletes data after a [defined amount of time] and the bank does not collect personal data from third parties except where required by law
 - Alinma does not rent, sell, or provide personal data to third parties for purposes other than completing transactions or services.
 - Alinma has full access control and encryption/de-identification techniques in place.
 - Alinma provides right of access, rectification and deletion of individuals' data
- 2. Continuous capacity building** via regular training and education on information security management systems and potential risks and safeguards against data breaches provided to all employees. Consistent with this, data security training and awareness campaigns are embedded as an ongoing initiative at the bank.
- 3. Transparent leadership**, particularly in the realm of sensitive or emerging data issues and ensuring robust protections and rights for our customers in close collaboration with relevant national and international authorities.
- 4. Regular audits** and continual refinement of our internal and external audit processes to ensure the integration and effectiveness of our security controls.
- 5. Proactive internal risk management** by cultivating a culture of internal accountability and vigilance that encourages prompt responses, ensures risks are mitigated, and consistently upholds security standards. This includes data protection and privacy programs covering our suppliers and business partners, and inspections to verify their compliance.
- 6. Going beyond compliance to achieve certifications** in information security that cement our steadfast dedication to being recognized as a trusted, ethical institution in the realm of data protection. This includes having a data breach / incident response plan in place with proactive and reactive measures.

The Personal Data Protection Policy is sponsored and owned by Alinma's Head of Advance Analytics and Intelligence department, which is responsible for the maintenance and accuracy of the policy. The policy is approved by our Chief Information Officer and reviewed by the Data Governance and Privacy Committee. The Information Technology division is responsible for ensuring Alinma's adherence to this policy.

Anti-Money Laundering

As a Shariah bank with integrity at the heart of our operations, our stand against money laundering is unequivocal. We uphold a steadfast commitment to meeting local and international benchmarks, including those from leading financial bodies, ensuring our anti-money laundering practices are current, contemporary, and effective. Underscoring our dedication to transparency and accountability are our robust policies and reporting

mechanisms, which cover anti-money laundering, terrorist financing and Know Your Client procedures alongside frequent audits and compliance monitoring. We also place strong emphasis on continuous training on anti-money laundering and terrorist financing prevention, equipping our employees with the knowledge and skills they need to identify, report and act decisively against suspicious transactions.

Alinma's full Anti-Money Laundering Policy can be found on our website: <https://www.alinma.com/en/about-the-bank/policies-and-reports-frameworks>

Bribery and Anti-Corruption

Alinma expects all contracted suppliers and those seeking to offer goods and services to the bank to strictly adhere to all applicable rules and regulations concerning bribery and corruption. Suppliers are prohibited from directly or indirectly offering money, goods, or services to any bank staff in expectation of receiving a favorable decision, opinion, recommendation, vote, or benefit, which constitutes

corruption. Additionally, suppliers must not offer, provide, or promise any form of gratification to any Alinma Bank staff member for their benefit or at the direction or request of any staff member. Furthermore, suppliers are required to promptly notify Alinma's designated Point of Contact if any staff member solicits, obtains, or attempts to obtain any form of gratification for themselves or others.

	Unit	2020	2021	2022	2023
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to*.	Number	9	9	9	9
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to.	%	100%	100%	100%	100%

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Appendix A. Scope and Boundaries

Indicator	Definition	Scope and Boundary	Calculation Methodology
Greenhouse Gas (GHG) Emissions	This refers to the direct (Scope 1) and indirect (Scope 2 and 3) emissions associated with operations owned or controlled by Alinma Bank. This includes scope 1 emissions from mobile sources, stationary sources, and refrigerant leakage; scope 2 emissions from purchased electricity; and scope 3 emissions from Fuel and Energy-related Activities, Waste Generated in Operations, Business Travel, and Employee Commuting.	The scope of these indicators covers 102 of Alinma Bank's owned/branches, 7 offices, and assets.	<p>Scope 1: Emissions are calculated from diesel consumption in generators (litres), petrol usage in vehicles (litres), and refrigerant top-up (kilograms)*</p> <p>Scope 2: Emissions are calculated from electricity usage, measured in kilowatt-hours (kWh) across owned or controlled branches and offices**</p> <p>Scope 3:</p> <ul style="list-style-type: none"> Category 5 - Waste Generated in Operations: Emissions are calculated from the weight (tonnes) and disposal method of generated wastes* Category 6 - Business travel: Emissions are calculated from the total distance travelled (passenger.km) by air during the reporting year* Category 7 - Employee commuting: Emissions are calculated by estimating employee commuting distances (km) during the reporting year*
Energy Consumption	This metric quantifies the direct and indirect energy usage across Alinma Bank's controlled or owned operations, incorporating energy from fuel combustion (both mobile and stationary sources) and purchased electricity.	The scope of these indicators covers 102 of Alinma Bank's owned/branches, 7 offices, and assets.	Energy consumption is calculated from the combustion of diesel and petrol (in litres) for stationary and mobile sources, respectively, and through the electricity consumption (in kWh) across Alinma Bank's owned and controlled operations.

Indicator	Definition	Scope and Boundary	Calculation Methodology
Water Consumption	This refers to the sum of all water that has been withdrawn and consumed through assets, and is not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period.	The scope of this indicator is water consumed across all Alinma assets in KSA, i.e., 74 branches.	With reference to a third-party water provider, i.e., total water procured and consumed across Alinma's assets, during the reporting period (in MegaLitres).
Waste Management	Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal methods used by Alinma, i.e., landfilling and recycling during the reporting period. Of the total non-hazardous waste produced, paper quantities are recycled, i.e., paper quantities are diverted from landfill, and all other waste quantities are diverted to landfill sites.	The scope of this indicator is waste produced across all Alinma assets in KSA, i.e., 7 offices, 102 branches.	Total waste produced (in metric tons).

* Emission factors (EFs) sourced from UK Department for Energy Security and Net Zero 2023 Conversion Factors

** EFs sourced from IEA 2023

Appendix B. UN SDG Alignment



UN SDGs	SDG Logo	Calculation Methodology
UN SDG 1		The CSR strategy emphasizes inclusive and sustainable finance, notably through its partnership with Jana for microfinancing projects that aim to empower over 280 underprivileged families with a circulating fund of SAR 5 million.
UN SDG 3		Alinma Bank's commitment to SDG 3: Good Health and Well-being is demonstrated through its robust efforts to ensure the health, safety, and well-being of its employees. Alinma enhanced its support for health and well-being by launching the 'Nsma'ak' program, which provides employees with access to a health clinic, health consultations, and health awareness sessions throughout the year.
UN SDG 4		Alinma Bank invests in comprehensive training and development programs for its employees, aiming to enhance their skills and competencies. This includes specialized sustainable finance training for relationship managers and management level teams, leadership development programs, and the Future Banker program designed to provide elite talent with insight and training in banking and finance.
UN SDG 5		As the first Saudi bank to sign the UN Women's Empowerment Principles, Alinma Bank showcases its dedication to promoting gender equality and women's empowerment in the workplace, marketplace, and community. By setting a target to reach 25% female employment by 2025 and successfully increasing the percentage of female employees to 22% by the end of 2023, along with a rise in women in leadership positions to 8%, Alinma Bank demonstrates a clear commitment to advancing gender equality.
UN SDG 7		Alinma has undertaken measures to reduce its environmental footprint, including the installation of 58 solar energy systems across its branches. Additionally, the Bank's efforts in installing 76 smart building systems further highlight its commitment to enhancing energy efficiency and promoting sustainable operational practices.
UN SDG 8		A pivotal part of Alinma's strategy involves leveraging digitalization and automation to enhance financial services for SMEs, recognizing their vital role in the Saudi economy's growth. The bank has restructured its Business Banking team to better support the SME segment, achieving key milestones such as completing SME initiatives aligned with the Kingdom's Kalafah growth program and developing product bundles tailored for SMEs. Additionally, Alinma has strengthened its collaboration with government programs that back SMEs, reflecting its alignment with Saudi Vision 2030 goals.

UN SDGs	SDG Logo	Calculation Methodology
UN SDG 9		Alinma is dedicated to providing access to digital tools essential for navigating the financial landscape of today's fast-paced mobile world. This is manifested in developing new mobile applications tailored for the Kingdom's youth and enhancing its classic mobile banking application with new features. Alinma also focused on building advanced digital platforms for corporate, SME, and wealth management solutions, ensuring a seamless, low-click digital experience across all banking services.
UN SDG 10		By offering financial support and empowerment to financially marginalized or at-risk stakeholders, including low-income individuals, households, and micro-enterprise businesses, Alinma Bank contributes to reducing inequalities within KSA. The aim of these microfinance programs is to provide these groups with the capital needed to invest in income-generating activities, thereby promoting financial inclusion, economic empowerment, and ultimately contributing to the reduction of inequalities.
UN SDG 12		Alinma achieved a 10% savings in energy consumption compared to the previous year, recycled 12,310 KG of paper, and installed 58 solar energy systems and 76 smart building systems across its branches to enhance energy efficiency. Additionally, the Bank's initiatives to upgrade air conditioning systems to environmentally friendly alternatives and add live plants in branches for better air quality further demonstrate its commitment to responsible consumption and production practices.
UN SDG 13		The Bank is firmly committed to its Net Zero strategy, aiming for net-zero carbon emissions by 2050, in alignment with KSA broader 2060 climate commitment. Notably, Alinma Bank emphasizes the integration of climate risk assessments into its operations, financing, and investment activities, ensuring climate considerations are central to strategic decisions.
UN SDG 16		Alinma has established measures to ensure data protection and privacy, mitigate cybersecurity risks, and encourage ethical conduct among its employees and stakeholders. Notable initiatives include the Data Governance and Privacy Committee for oversight, advanced cybersecurity measures to prevent breaches, and a robust whistleblowing policy to protect individuals who report unethical or inappropriate conduct.

Appendix C. Social Dashboard

Workforce by Category and Gender	Unit	2021	2022	2023
Senior Management	Number	30	32	43
Male employees in senior management	Number	30	32	42
Female employees in senior management	Number	0	0	1
Middle Management	Number	121	147	153
Female employees in middle management	Number	7	14	14
Male employees in middle management	Number	114	133	139
Lower Management	Number	425	474	606
Female employees in lower management	Number	32	51	66
Male employees in lower management	Number	393	423	540
Other Staff	Number	2,095	2,209	2,122
Female employees (other staff)	Number	357	485	557
Male employees (other staff)	Number	1,738	1,724	1,565

Workforce by Age Group	Unit	2020	2021	2022	2023
18-30	Number	919	872	658	804
31-50	Number	1,439	1,686	2,056	1,995
51+	Number	103	113	148	125

New Hires and Turnover	Unit	2021	2022	2023
Total number of new employees who joined the organization	Number	452	471	486
Total number of new employees who joined the organization (female)	Number	NA	170	172
Total number of new employees who joined the organization (male)	Number	NA	301	314
Total number of new employees who joined the organization (18-30)	Number	328	178	258
Total number of new employees who joined the organization (31-50)	Number	121	288	222
Total number of new employees who joined the organization (51+)	Number	3	5	6
Total number of employees who left the organization	Number	228	386	480
Total number of employees who left the organization (female)	Number	30	88	132
Total number of employees who left the organization (male)	Number	198	298	348
Total number of employees who left the organization (18-30)	Number	101	162	198
Total number of employees who left the organization (31-50)	Number	81	156	214
Total number of employees who left the organization (41-50)	Number	22	39	49
Total number of employees who left the organization (51+)	Number	24	29	19

Appendix C. Social Dashboard (continued)

Parental Leave	Unit	2020	2021	2022	2023
Total number of employees that were entitled to parental leave (female)	Number	16	24	34	62
Total number of employees that were entitled to parental leave (male)	Number	141	156	174	174
Total number of employees that took parental leave (female)	Number	16	24	34	62
Total number of employees that took parental leave (male)	Number	141	156	174	174
Total number of employees who returned to work after parental leave ended (return to work) (female)	Number	16	24	34	62
Total number of employees who returned to work after parental leave ended (return to work) (male)	Number	141	156	174	174
Total number of employees returned from parental leave who were still employed twelve months after return to work (retention) (female)	Number	16	24	34	62
Total number of employees returned from parental leave who were still employed twelve months after return to work (retention) (male)	Number	141	156	174	174

	Unit	2021	2022	2023
Total number of training for females	Hours	40,404	40,166	52,710
Total number of training for males	Hours	14,046	48,704	44,034
Total number of training for total workforce	Hours	54,450	88,870	96,744
Total number of training for senior management	Hours	1,530	1,036	5,964
Total number of training for middle management	Hours	52,338	2,648	10,596

Appendix D. GRI Content Index



2024

Statement of use		Alinma Bank has reported in accordance with the GRI Standards for the period 01.01.2023 - 31.01.2023		
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)	Not Applicable			
<p>For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.</p>				
OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 10, 11		
	2-2 Entities included in the organization's sustainability reporting	Page 10		
	2-3 Reporting period, frequency and contact point	Page 10		
	2-4 Restatements of information	Restatements are shared in each page where information has been revised compared to previous years.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-5 External assurance	Page 104, 105, 106, and 107.		
	2-6 Activities, value chain and other business relationships	Page 12, also refer to Annual Report 2023 page 9, 18 and 19.		
	2-7 Employees	Page 53, 54, 82.		
	2-8 Workers who are not employees	All the workers performing work for Alinma Bank are employees and we do not have any workers who are not employees.		
	2-9 Governance structure and composition	Page 22, 23, 68 also refer to Annual Report 2023 page 98, 99, 100 and 101.		
	2-10 Nomination and selection of the highest governance body	Refer to Annual Report 2023 page 98 and 115.		
	2-11 Chair of the highest governance body	Refer to Annual Report 2023 page 98.		
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 22, 23.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
General disclosures				
	2-13 Delegation of responsibility for managing impacts	Page 22, 23.		
	2-14 Role of the highest governance body in sustainability reporting	Page 22, 23.		
	2-15 Conflicts of interest	Alinma Bank's Code of Conduct covers the conflict of interest issue and is governed at Management level.		
	2-16 Communication of critical concerns	Page 55.		
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	Page 56, also refer to Annual Report 2023 Page 118.		
	2-18 Evaluation of the performance of the highest governance body	Refer to Annual Report 2023 between page 216 and 221.		
	2-19 Remuneration policies	Refer to Annual Report 2023 between page 115 and 122.		
	2-20 Process to determine remuneration	Refer to Annual Report 2023 page 218.		
	2-21 Annual total compensation ratio	Not disclosed.	Confidentiality constraints.	Due to Human Capital Policy.
	2-22 Statement on sustainable development strategy	Page 18, 19, 20 and 21.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
General disclosures				
	2-23 Policy commitments	Page 23, 30, 37, 60, 62, 72, 74, 75.		
	2-24 Embedding policy commitments	Page 23, 30, 37, 60, 62, 72, 74, 75.		
	2-25 Processes to remediate negative impacts	Page 55, 72.		
	2-26 Mechanisms for seeking advice and raising concerns	Page 55, 72.		
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Page 69, 70.		
	2-28 Membership associations	Page 46 and UN Women's Empowerment Principles .		
	2-29 Approach to stakeholder engagement	Page 20.		
	2-30 Collective bargaining agreements	Not disclosed.	Legal prohibitions: Collective bargaining is prohibited by Saudi Arabian laws.	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 18, 19.		
	3-2 List of material topics	Page 18, 19.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Financial and Economic Performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 14, 15.		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 14, 15.		
	201-3 Defined benefit plan obligations and other retirement plans	Page 51, 57, also refer to Annual Report 2023 page 185 and 221.		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 31.		
	203-2 Significant indirect economic impacts	Page 60, 61, 62 and 63.		
GRI 207: Tax 2019	207-1 Approach to tax	Page 15.		
	207-2 Tax governance, control, and risk management	Page 15.		
	207-3 Stakeholder engagement and management of concerns related to tax	Page 15.		
Social Development and Community Engagement				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 60, 61, 62.		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 52, 61, 62, 63, 64.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Employee Engagement and Wellbeing				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 51, 54.		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 51, 54.		
	403-2 Hazard identification, risk assessment, and incident investigation	Page 51, 54.		
	403-3 Occupational health services	Page 54.		
	403-5 Worker training on occupational health and safety	Page 54.		
	403-6 Promotion of worker health	Page 51, 54.		
	403-9 Work-related injuries	Page 55.		
	403-10 Work-related ill health	Page 55.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Data Privacy and Cyber Security				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 73, 74.		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no complaints received regarding the breach or loss of customer data during 2023.		
Governance, Accountability, Transparency and Ethics				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 68, 70, 72, 75.		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 75.		
	205-2 Communication and training about anti-corruption policies and procedures	Page 75.		
	205-3 Confirmed incidents of corruption and actions taken	There were no incidents regarding corruption reported during 2023.		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 69, 70.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Governance, Accountability, Transparency and Ethics				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Alinma fully complies with Saudi labor laws that strictly prohibit the employment of children under the age of 15.		
GRI 415: Public Policy 2016	415-1 Political contributions	Not disclosed.	Legal prohibitions: Political contributions are prohibited by Saudi Arabian laws.	
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 53, 57.		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Refer to Annual Report 2023 page 98, 99, 100 and 101.		
	405-2 Ratio of basic salary and remuneration of women to men	Page 57.		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents regarding discrimination reported during 2023.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Nationalisation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 54.		
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Page 54.		
Responsible Customer Relations and Satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 42, 43, 44.		
	417-1 Requirements for product and service information and labeling	Page 45.		
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	There are no recorded incidents regarding product and service information and labelling in 2023.		
	417-3 Incidents of non-compliance concerning marketing communications	There are no recorded incidents concerning marketing communications in 2023.		
Supply Chain Management and Responsible Procurement				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 64.		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 64.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Supply Chain Management and Responsible Procurement				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 64.		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 64.		
Talent Attraction, Retention and Development				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 50, 51, 56.		
	401-1 New employee hires and employee turnover	Page 52, 83.		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 57.		
	401-3 Parental leave	Page 84.		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Alinma Bank complies with local laws and regulations regarding providing minimum notice upon operational changes.		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 56, 85.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Talent Attraction, Retention and Development				
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 24, 53, 56.		
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 57.		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The scope of the report covers Alinma Bank's Saudi Arabia operations only, where due to legal prohibitions collective bargaining is prohibited by Saudi laws.		
Operational Environmental Impact				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 34, 35, 36, 37, 38, 39, 78 and 79.		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 38.		
	302-2 Energy consumption outside of the organization	Page 38.		
	302-3 Energy intensity	Page 38.		
	302-4 Reduction of energy consumption	Page 37, 38.		

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Operational Environmental Impact				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 37, 39.		
	303-3 Water withdrawal	Page 39, 79.		
	303-5 Water consumption	Page 39, 79.		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Alinma Bank does not own, lease or manage buildings and branches adjacent to protected areas and areas of high biodiversity value outside protected areas.		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 36.		
	305-2 Energy indirect (Scope 2) GHG emissions	Page 36.		
	305-3 Other indirect (Scope 3) GHG emissions	Page 36.		
	305-4 GHG emissions intensity	Page 36.		
	305-5 Reduction of GHG emissions	Page 36.		

Appendix D. GRI Content Index (continued)

OMISSION				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION/DIRECT ANSWER	REASON	EXPLANATION
Operational Environmental Impact				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 37, 39, 79.		
	306-2 Management of significant waste-related impacts	Page 37, 39.		
	306-3 Waste generated	Page 37, 39.		
	306-4 Waste diverted from disposal	Page 37, 39.		
	306-5 Waste directed to disposal	Page 37, 39.		
We also report on topics that are not covered by the GRI Topics Standards.				
Digitalisation and Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 45.		
Systemic Risk Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 70, 71.		
Sustainable/Green Lending and Investment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 28, 29, 30, 31.		
Financial Inclusion and Accessibility				
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 62, 63.		

Appendix E. Acronyms Table

Acronym	Full Form
ESG	Environmental, Social, and Governance
GRI	Global Reporting Initiative
ISO	International Organization for Standardization
NPS	Net Promoter Score
SAMA	Saudi Arabian Monetary Authority
SME	Small and Medium-sized Enterprises
NDMO	National Data Management Office (assumed based on context)
PDPL	Personal Data Protection Law (assumed based on context)
GHG	Greenhouse Gas
EFs	Emission Factors
CO2eq	Carbon Dioxide Equivalent
UN SDG	United Nations Sustainable Development Goals
KPIs	Key Performance Indicators
IT	Information Technology
EMS	Environmental Management System
CSR	Corporate Social Responsibility
PCI DSS	Payment Card Industry Data Security Standard
CMA	Capital Market Authority
SWIFT	Society for Worldwide Interbank Financial Telecommunication

Appendix F: Reasonable Assurance Report



ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
 Paid-Up Capital (SR 5,500,000 - Five Million Five Hundred Thousand Saudi Riyal)
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REASONABLE ASSURANCE REPORT ON NON-FINANCIAL KPIS FOR GREENHOUSE GAS EMISSIONS (GHG), ENERGY CONSUMPTION, ELECTRICITY CONSUMPTION, FEMALE EMPLOYEE PERCENTAGE AND NET PROMOTER SCORE (NPS) TO THE SHAREHOLDERS OF ALINMA BANK (A SAUDI JOINT STOCK COMPANY)

Scope

We have been engaged by Alinma Bank (the “Bank”) to perform a ‘reasonable assurance engagement,’ as defined by International Standards on Assurance Engagements endorsed in the Kingdom of Saudi Arabia, here after referred to as the engagement, to report on Bank’s non-financial KPIs for greenhouse gas (GHG) emissions, energy consumption, electricity consumption, female employee percentage and net promoter score (NPS) (the “Subject Matter”) as set out in the attached (Appendix A) for the year ended 31 December 2023.

Criteria Applied by the Bank

In preparing the Subject Matter, the Bank applied the Global Reporting Initiative (GRI) 2021 Standard (the “Criteria”). Such Criteria was specifically designed for disclosure of non-financial performance. As a result, the Subject Matter information may not be suitable for another purpose.

Bank’s Responsibilities

The Bank’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’) that is endorsed in the Kingdom of Saudi Arabia, and the terms of reference for this engagement as agreed with the Bank on 21 March 2024. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

REASONABLE ASSURANCE REPORT ON NON-FINANCIAL KPIS FOR GREENHOUSE GAS EMISSIONS (GHG), ENERGY CONSUMPTION, ELECTRICITY CONSUMPTION, FEMALE EMPLOYEE PERCENTAGE AND NET PROMOTER SCORE (NPS) TO THE SHAREHOLDERS OF ALINMA BANK (A SAUDI JOINT STOCK COMPANY) (continued)

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of Procedures Performed

Our procedures included:

- Conducted interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Conducted interviews with selected external stakeholders
- Conducted interviews with key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating, and reporting the subject matter
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and testing assumptions supporting calculations
- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Inspected relevant documentation of the systems and processes for compiling, analyzing, and aggregating data in the reporting period and testing such documentation on a sample basis
- Performing site visits to visually inspect operations and perform inquiries and inspect documents on a sample basis.
- Reading and reviewing selected material qualitative statements in applicable sections of the report for plausibility and consistency

We also performed such other procedures as we considered necessary in the circumstances.

Appendix F: Reasonable Assurance Report (continued)



REASONABLE ASSURANCE REPORT ON NON-FINANCIAL KPIS FOR GREENHOUSE GAS EMISSIONS (GHG), ENERGY CONSUMPTION, ELECTRICITY CONSUMPTION, FEMALE EMPLOYEE PERCENTAGE AND NET PROMOTER SCORE (NPS) TO THE SHAREHOLDERS OF ALINMA BANK (A SAUDI JOINT STOCK COMPANY) (continued)

Other Matter

The attached Schedule is stamped by us for identification purposes only.

Opinion

In our opinion, the accompanying Schedule as of 31 December 2023 is presented, in all material respects, in accordance with the Criteria.

Restricted Use


This report is intended solely for the information and use of the Bank for the disclosures made in its Sustainability Report for the year ended 31 December 2023 and is not intended to be and should not be used by anyone other than the Bank.

for Ernst & Young Professional Services

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(29 August 2024)





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