



1.17 Social Responsibility Policy

Approved by General Assembly on April, 2025

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1.17.1. Introduction

- a. Believing in Bank Al-Bilad in its key role and duty towards society and in implementation of its moral, religious and legal commitment stemming from the principles and provisions of Islamic law, the bank is keen on its permanent commitment to serve its community in various fields to contribute to achieving and protecting the interests of its members, increasing its progress and welfare, preserving and maintaining the environment, and contributing to the achievement of Comprehensive and sustainable development throughout the nation, and to effectuate its role and duty as a citizen bank.
- b. The bank has not only taken social responsibility as a basic pillar of its orientations, policy-making, plans and strategic decisions, but also seeks to include it in its daily operations and activities, by enhancing the internal awareness of its employees of social responsibility, its importance and objectives, and striving to follow the best practices for its implementation, so that social responsibility becomes within the culture of the bank and the environment of its commitment. In a way that best reflects the image of Bank Albilad as a pioneering and committed Islamic community bank by offering and supporting community and environmental initiatives, programs and projects related to sustainability and sustainable development, and its endeavor to adopt ethical and socially responsible investment.

1.17.2. Definitions

1.17.2.1. Social Responsibility

An ethical, religious and legal commitment on the part of the bank towards society in order to achieve solidarity and cooperation, and to contribute to the maintenance and protection of the interests of its members. Not only this but to increase its progress and well-being, to preserve and maintain the environment, and to achieve sustainability and comprehensive and sustainable development.

1.17.2.2. Ethical Investment

It is an ethically motivated investment that takes into account the core values of the bank, and their impact on the investment decision-making process, with a view to serving society, and does not harm it either directly or indirectly.

1.17.2.3. Socially Responsible Investment

It is an investment that takes into account social responsibility and sustainability standards, in addition to traditional financial standards.

1.17.2.4. Sustainable Development

It is the development that meets the needs of the present without compromising the capabilities of future generations to meet their needs. In other terms; it is an expression of development that is characterized by stability and possesses the factors of continuity and communication.

1.17.2.5. Social Responsibility Initiatives

Selected programs or activities that are specifically and clearly designated to meet specific goals related to social responsibility.

1.17.2.6. Elements of Society

People, Environment and Development

1.17.3. Policy Scope

The scope of this policy includes Bank Albilad, including members of the boards of directors, all members of the executive management, and all employees of the bank, subsidiary, their boards of directors and their employees.

1.17.4. Policy Objectives

The social responsibility policy aims to:

1. Establishing a methodology and institutional framework for the social responsibility of Bank Al Bilad, along with spreading its culture with the bank and its subsidiaries. Not only this, but to make community service a crucial part of the culture of the bank.
2. Urging and motivating the bank's employees - regardless of their roles and positions - to develop their skills and sense of their societal responsibilities and create a spirit of cooperation, solidarity and complementarity towards society with all its elements and classes.
3. Establishing basic frameworks for defining, evaluating, developing and supporting community programs and initiatives.
4. Maximizing the positive aspects of community satisfaction, and addressing the negative aspects in the specific topics / programs according to what is deduced from the results of the questionnaires and others.

In addition to the aforementioned main objectives, there are other secondary goals that are no less important, and this policy seeks to achieve them, the most important of which are:

1. Improving the organization of the relationship with the concerned parties, and building greater trust with the public in order to enhance the image and reputation of the bank, its brand, sales and loyalty of its customers.
2. Increasing employee loyalty and morale, improving health and safety factors, positively impacting the bank's ability to recruit, motivate and retain employees, and the consequent increase in productivity, quality, efficiency and effectiveness.
3. Improving the reliability and integrity of transactions and the consequent financial savings by increasing productivity and resource efficiency. Reducing energy and water consumption and reducing waste.

1.17.5. Social Responsibility Principles

Bank Albilad and its affiliated companies seek, in the event that it exercises its social responsibility, to serve the community and increase its contribution to sustainable development, in accordance with the requirements of the principles and provisions of Islamic Sharia, the laws of the Kingdom of Saudi Arabia and the best practices and principles of social responsibility, which are:

1. Transparency:

The bank is obligated to adequately disclose, clear and accurate policies, procedures, decisions and activities and their known and potential impacts on the elements of society, and that the bank adopts an approach to

separating and delegating powers to everyone who participates in preparing, issuing or approving decisions, through a hierarchy of powers. It also adopts transparency and disclosure in presenting the financial statements and important related information in accordance with the best practices of corporate governance approved by the bank's board of directors.

2. Ethical Behavior:

The Albilad builds its behavior and actions on ethics of honesty, integrity, justice and integration towards all elements of society and commitment to achieving the interests of the concerned parties.

3. Respecting the Interests of the Parties Concerned:

The bank takes into consideration the relationship between the interests of the stakeholders and the larger expectations of society in general and sustainable development in particular, in addition to the nature of the relationship of those parties with the bank. As well as taking into account the visions of these parties that may be affected by a decision.

4. Respecting Regulations:

In addition to its commitment to the relevant principles and provisions of Islamic Sharia - the bank and all its subsidiaries and employees are committed to all relevant laws and regulations issued by regulatory and governmental authorities, as well as respecting international standards and norms of conduct, agreements, executive regulations, declarations, charters and international decisions approved and ratified by the government.

1.17.6. Dimensions of Social Responsibility

Social responsibility includes several dimensions within which the bank will operate and will choose its programs from among its topics, namely:

1.17.6.1. Legal Dimension

The bank is committed - to the laws, regulations and all legal rules issued by the various regulatory and supervisory authorities, which aim to maintain a balance between the rights of the bank and the rights of other interested parties, such as respecting human rights and preventing discrimination, protecting clients, achieving justice, improving working conditions, and providing job opportunities for people with Special needs, environmental protection, conservation and development of natural resources.

1.17.6.2. Economic Dimension

The economic dimension of social responsibility does not refer to profit as an aspect of business. Rather, it indicates the bank's commitment to practices such as corporate governance, combating fraud, bribery and corruption, and ethical investing. As well as commitment to apply the principles of social responsibility.

1.17.6.2.1. Corporate Governance

Governance plays a fundamental and crucial role in the field of social responsibility, as a mechanism that provides both the board of directors and the executive management with the appropriate conditions to achieve goals that are in the interest of the bank, and facilitates the creation of an effective monitoring process, in a way that helps to utilize resources efficiently. Governance also guarantees the non-concentration of authority, while applying the principle of accountability among them, as well as the commitment to apply all principles of social responsibility in decision-making and implementation processes, and to develop evidence of governance and related policies.

1.17.6.2.2. Protecting the Interests of Clients and Dealers

Societal responsibility is linked to fair marketing practices in compliance with the principle of equality and fairness by the bank towards its customers and dealers, protecting health and safety, and sustainable access to basic services and products. Taking the necessary steps to ensure their safety and quality, protecting data, privacy and confidentiality, and providing effective and transparent procedures when accepting, studying and acting. In complaints, dispute settlement and compensation.

1.17.6.3. Social and Humane Dimension

This dimension revolves around everything that contributes to the well-being of the society in which the bank operates, and the most important axes that contribute to that are the following:

1.17.6.3.1. Fair Operating and Labor Practices

The employees as the bank's human capital are its most valuable asset and represent a great competitive advantage for it, and this is why the bank is keen to gain their support - not only - for the success of its operations

and increasing its profits, but also for its commitment to the requirements of societal issues. In pursuit of the three pillars of sustainability (economic, social and environmental), which are integrated with the Bank's highest values. Therefore, the bank works to apply best practices in order to provide the most important organizational factors that will contribute to the creation of a valid and effective work environment that stimulates production and all that develops the spirit of initiative, creativity and innovation, and improves the level of performance of employees, such as ensuring the provision of education, training and means of continuous development.

1.17.6.3.2. Contributing to the local Community and Observing Ethical Standards and Social Values Prevailing in Society

Determining the areas in which it can contribute depends on many factors. The most important of which are the characteristics, requirements and needs of society, such as creating job opportunities, local economic development initiatives, expanding education programs, developing skills, providing health services, caring for young people through cultural and sports clubs and a commitment to donate to serve societal causes. Doing all this while taking into account respect for customs, traditions and ethical aspects, by focusing on products and services that are compatible with the quality of life in society and what helps to provide for its basic needs.

1.17.6.4. Environmental Dimension

This dimension means taking into account the environmental impacts that may result from processes, products, services, activities and related decisions. It also means exerting the utmost effort to achieve maximum efficiency and productivity from the available resources and avoiding practices that may negatively affect them. This could be done, for example, by placing the bank among its interests and within its social responsibility initiatives programs related to some environmental issues such as: (waste minimization, efficient and economical use of energy and materials such as (paper), water conservation, etc.).

1.17.8. Basic Provisions and controls for the Activities and Programs of Social Responsibility Initiatives:

- a. The social responsibility initiatives undertaken by the bank's management and its subsidiaries are linked to the general strategy of the bank to enhance its social role, where the bank allocates a percentage of its annual

net profits to support the activities and programs of social responsibility initiatives. This amount is determined by a resolution of the board of directors.

b. Social responsibility and sustainability activities, programs and initiatives are implemented in accordance with the approved controls and provisions in accordance with the laws, regulations, instructions of regulatory authorities, and this policy.

1.17.9. Policy Adoption and Periodic Review:

This Policy and any amendment thereto shall be adopted by the General Assembly upon the recommendation of the Board of Directors. On the recommendation of the compliance and governance committee and is reviewed every three years.