

## Sustainability Report 2023

# Forging a Sustainable Future





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## CHAPTER ONE

# INTRODUCTION

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**MR. Bandar bin Ibrahim Alkhorayef**

Minister of Industry and Mineral Resources

## A Message From Our Chairman

Environmental, Social, and Governance (ESG) practices are the cornerstone of building and developing any successful organization. Saudi EXIM Bank recognizes the importance of these practices and is working towards implementing them across all its operations. This stems from the bank's role as a contributor to the sustainable economic development of the Kingdom and its responsibility to enhance the non-oil economy and foster global trade relations.

The bank is aligning itself with global sustainability trends by identifying and prioritizing its ESG practices while considering national commitments, international standards, and best market practices. These efforts encompass areas such as sustainability, climate change, net-zero initiatives, data security, risk management, transparency, and human capital development.

Through this approach, the bank aims to achieve financial sustainability and maximize the economic impact of its activities in enabling non-oil Saudi exports. This contributes to income diversification and sustainable development. Additionally, the bank seeks to raise awareness of the importance of responsibility and ethical practices in business, encourage sustainable investment in collaboration with its partners, build a more sustainable future, and achieve economic development goals both within the Kingdom and globally.

The bank has adopted a robust strategy for applying principles of responsibility in business, regularly measuring its commitment and progress in this area. This strategy includes policies related to sustainability, environmental considerations, social initiatives, and responsible institutional practices. It ensures the bank's adherence to responsibility and ethical practices across all operations, with a focus on integrating these concepts into decision-making processes and ensuring that all employees understand and commit to implementing them, recognizing them as a crucial element in achieving the bank's objectives.



## About Saudi Exim

Established by the Council of Ministers Decision No. (423) dated 061441/24/ AH corresponding to 022020/18/ AD, Saudi Exim is a pivotal institution dedicated to advancing the development and diversification of Saudi exports. With the goal of enhancing the competitive edge of Saudi products in global markets across various sectors, the bank plays a crucial role in promoting economic growth.



### Vision

We empower the Saudi non oil economy in the global market.



### Mission

We enable Saudi exports to reach global markets by bridging financing gaps and mitigating export risks.

## Bank Strategy



Maximizing the economic impact of our initiatives and bolstering support for exports from non traditional economic sectors in Saudi Arabia.



Empowering customers and financial institutions to seamlessly engage in export activities through tailored products, services, and effective partnerships.



Ensuring long term financial sustainability to provide enduring support for Saudi exporters.



Streamlining operations, enhancing transparency, and maximizing efficiency and effectiveness for an optimized customer experience.



Fostering our workforce and leveraging technology to maintain our status as an employer of choice while enhancing operational capabilities.







## Financial Products



**Domestic Line of Credit:** Cultivate partnerships with local financial institutions to deliver credit solutions, empowering local exporters and driving global export development.



**Pre-Export Financing:** Short-term revolving facilities extended to companies against confirmed purchase orders to purchase required production inputs locally internationally (e.g. raw materials, packaging, etc.).



**Discounting:** Short-term revolving facilities providing liquidity to exporters against export receivables by reducing payment terms.



**Supply Chain Financing:** Short-term revolving facilities extended to large export-oriented companies to assist in managing the payment of accounts payable to their complex supply chains and in extending payment terms.



**Import Finance:** The Import Finance product provides financing for the purchase of raw materials and intermediate inputs (in bulk) directly from international suppliers. These materials are used in production lines specifically for export purposes.



**International Line of Credit:** An agreement signed between the Saudi Exim and international financial institutions to enable importers to obtain financing to import Saudi products.



**Working Capital Financing:** Short-term, export-related facilities designed to enhance the growth of local exports. Structured Financing for International.



**Structured Financing for International Projects:** Medium to long-term tailored loans financing exporters' execution of international export-generating projects or projects involving procurement from Saudi Arabia (e.g., EPC contracts).



**Buyer's Credit:** Short to medium-term revolving facilities provided to international buyers of Saudi goods and services against confirmed export orders.



**Letter of Guarantee:** Issuance of Letters of Guarantee to exporters to support their international bids and project execution. Available banking instruments include bid bonds, advance payment bonds, performance guarantees, warranty bonds, and retention bonds.

## Insurance Products



**Export Credit Insurance Policy:** A credit insurance policy that protects Saudi exporters against the risk of non-payment by international buyers or banks due to commercial or political risks.



**Letter of Credit Confirmation Insurance Policy:** Insurance policy between Saudi Exim and local commercial banks/financial institutions to protect against the risk of non-payment of Letters of Credit (LC) issued by the importers bank.



**Buyer's Credit Insurance Policy:** This product covers banks and financial institutions against the risks of non-payment by importers, enhancing the global competitiveness of local products.





## Economic Progress 2023

### Financial Targets and Credit Activities:

› Achievement of financing and insurance targets totaling 16.5 billion SAR. Noteworthy activities in 2023/2024- include:

- 139 approved requests
- SAR 7.03 billion in total disbursements
- 139 credit facility disbursement operations
- Signing of 28 credit facility agreements

### Partnerships and Global Engagement:

› Focus on strengthening partnerships through agreements and memorandums of understanding (MoUs) with local and international commercial banks and financial institutions.

› Commitment to providing integrated financial services to finance exports, support trade, and enhance the global competitiveness of Saudi non-oil exports.

› Notable achievements include the signing of 54 financing agreements, 21 insurance agreements, and 18 cooperation agreements and MoUs to foster economic diversity, knowledge exchange, and cross-border trade.

### Institutional Development and Customer Empowerment:

› Finalization of institutional setup, including departments, systems, policies, training, and service automation.

› Implementation of digital initiatives such as the digital signature service, customer experience governance model, customer service center, product recommendation service, and the development of the e-services portal.

› Establishment of the Saudi Exim representative office in Jeddah governorate to improve accessibility and expand service reach.



Total financing targets achieved

**7.03** BN SAR



Total insurance targets achieved

**9.5** BN SAR



Total facilities disbursed

**16.5** BN SAR







# 02

## CHAPTER TWO

# SUSTAINABILITY

At Saudi Exim, we prioritize propelling sustainable and inclusive growth, shaping our Environmental, Social, and Governance (ESG) agenda with unwavering dedication and purpose.

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# Our Approach to ESG



Building Blocks	Materiality	Market Best practices	National Commitments	Global Standards
	Materiality drives relevance, aligning our strategy with impactful issues for sustainable business practices and stakeholder engagement.	Embracing industry norms and market best practices refines our approach, ensuring excellence and resilience in sustainability endeavors.	National commitments inspire our purpose, uniting us with the broader vision for responsible growth and societal well-being.	Guided by global benchmarks, our commitment to high standards ensures ethical conduct, transparency, and international credibility.

# ESG Key Pillars

## Our commitments framework

Guided by three pillars—Environmental, Social, and Governance—our ESG strategy shapes responsible business. Through meticulous commitment areas, we address Saudi Exim's impacts and stakeholders' concerns, fostering a sustainable and ethical approach. This framework ensures resilience, accountability, and positive contributions to the global community and economy.



## Environmental



### Operational

- Own operation emissions reduction.



### Portfolio Management

- Portfolio emissions reduction and Net-Zero.
- Reduce carbon intensive financing exposure.



### Sustainable Finance

- Promote sustainable financing opportunities.

## Social



### Job Creation and Entrepreneurship

- Boost SMEs, and job creation.



### Inclusivity in the Workplace

- DEI policy and program development.
- Increase participation of women in the workforce.



### Human Capital Development

- Empower through employment preparation, training.

## Governance



### ESG Oversight and Management

- Increased frequency and attention to ESG topics in board meetings.
- ESG dedicated committees and responsibilities at board level.



### Risk Management

- Integrate risk management for success.



### Compliance and Ethics

- Compliance, Ethics, Anti-briber.



## Our ESG Focus

While many departments contribute to identifying and mitigating various financial risks, including those related to Environmental, Social, and Governance (ESG) factors, we are establishing a dedicated Sustainability Team. This team will serve several distinct purposes and provide specific advantages.



### Holistic Approach to Sustainability

Our holistic approach integrates ESG factors throughout an organization's operations, considering the interconnected impact on the planet, people, and profit. It guides decision-making with long-term sustainability principles.



### Specialized Expertise

Our specialized expertise in sustainability involves deep knowledge of ESG principles. This ensures Saudi Exim makes informed decisions, complies with standards, and effectively implements impactful sustainability initiatives.



### Stakeholder Engagement

Stakeholder engagement is about building relationships with diverse groups. Actively seeking input and incorporating feedback fosters collaboration, builds trust, and ensures sustainability initiatives align with stakeholder expectations.



### Continuous Reporting

We hold ourselves accountable through regular, transparent reporting, fostering a culture of continuous improvement in our sustainability efforts. This ensures ongoing commitment to uphold ESG objectives.

## Our ESG Policies Framework

We have crafted ESG policies to promote balanced governance, addressing climate, social, and risk factors. This approach ensures responsible practices that align with global standards for sustainable and ethical business operations. Two key guidelines the policies follow are:



### Paris Climate Change Agreement:

Devote concerted efforts to support operations and practices with the Paris Agreement, demonstrating a commitment to the goal of limiting global warming to 1.5 degrees Celsius.



### Saudi Vision:

Support initiatives with Saudi Vision 2030, fostering economic diversification, innovation, and sustainable development in sync with the Kingdom's long-term goals.

### Reporting:

Additionally report on the following in each policy

**CCE** - Climate Change and Environment Report on sustainable resource use, circular economy, and efficient water and waste management.

**Social** - Assess and communicate progress in company's Saudisation of workforce effectively. Report on additional topics based on materiality assessment and the ESG reporting framework chosen.

### Disclosure:

Commit to transparent disclosure, sharing pertinent information openly. Continuous engagement with stakeholders ensures alignment with values, promoting trust and accountability.

### Climate Change and Environmental Policy (CCE)

- › Net-zero commitments
- › Green office program
- › Portfolio emissions

### Social Policy (Social)

- › SME Development
- › Saudisation of Workforce
- › Upskilling
- › Providing Equal Opportunities





# 03

## CHAPTER THREE

# MATERIAL TOPICS

Key material topics inform our bank's ESG strategy, guiding sustainable practices and responsible business decisions for impactful outcomes.

- E ..... **Climate Stewardship**
- S ..... **People and Culture**
- G ..... **Responsible Business Practices**

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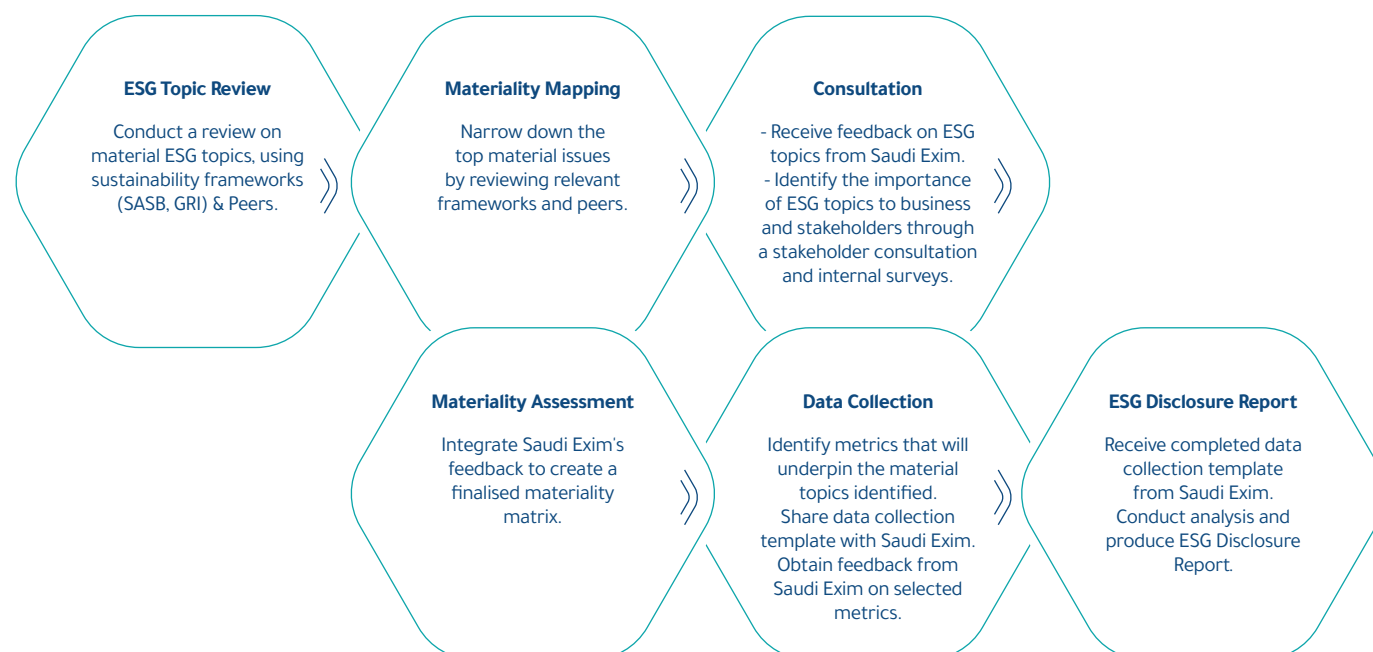
## Materiality Assessment Process

Saudi Exim engaged S&P Global Sustainable1 to deliver an ESG Disclosure Report for FY2022, covering the period from January 1, 2022, to December 31, 2022. A materiality assessment was conducted based on Sustainable1's methodology, referencing SASB and GRI frameworks, as well as disclosures from Saudi Exim's industry peers. This assessment identified 11 material ESG topics, which were then scored by internal and external stakeholders based on their perceived importance to the business and stakeholders. The resulting materiality matrix is appended on the next page. The ESG Disclosure Report includes inputs from Saudi Exim on the company's practices and efforts related to each of the identified material topics.

Proactively identifying key materiality issues provides companies with opportunities to enhance their value, both in business and financial terms. Focusing on these material ESG issues can enable

companies to positively impact their growth in terms of profitability and customer relations. Conversely, failure to address these issues can negatively affect a company's reputation and financial performance. Given that materiality issues can evolve alongside changing market dynamics and operating environments, it is crucial for companies to periodically revisit such assessments as needed. ESG reporting allows Saudi Exim to demonstrate its commitment to sustainable development, showcasing key achievements, practices, and management approaches to its stakeholders. Sustainable1 assisted Saudi Exim in its ESG reporting journey by identifying the material ESG topics and metrics relevant to the business unit. The materiality assessment approach is grounded in the SASB (Sustainability Accounting Standards Board) reporting framework, with an overlay of the GRI (Global Reporting Initiative) framework on the identified material issues.

### Steps involved in conducting a materiality assessment & developing ESG disclosure



## Our Stakeholder Engagement Process

We took the following steps to determine stakeholder views for our materiality assessment:



### We considered the following key stakeholders:

#### Our Internal Stakeholders



**Investors/Shareholders:** Influences long-term viability and ethical practices in ESG materiality.



**Board of Directors and Leadership Team:** Guides strategy, ensuring alignment with sustainability goals in materiality assessment.



**Executive / Senior Management:** Drives vision, integrates ESG factors into organizational strategies for impact.



**Middle Management:** Implements sustainability initiatives, translating strategy into actionable plans effectively.



**Employees:** Employees are integral to materiality, emphasizing a healthy, ethical workplace, diversity, fair labor practices, and overall corporate responsibility.

#### Our External Stakeholders



**Clients:** When assessing sustainability practices, clients prioritize responsible partners in their materiality considerations.



**Suppliers:** Sustainability initiatives affect procurement decisions, fostering long-term partnerships.



**Industry Associations:** Collaborating on industry standards impacts materiality by aligning with sector expectations.



**Contractors:** Ensuring sustainability requirements in contracts is essential to meet materiality goals and ensure project success.



**Banks:** Financial institutions consider ESG factors, which influence materiality assessments for responsible financing.

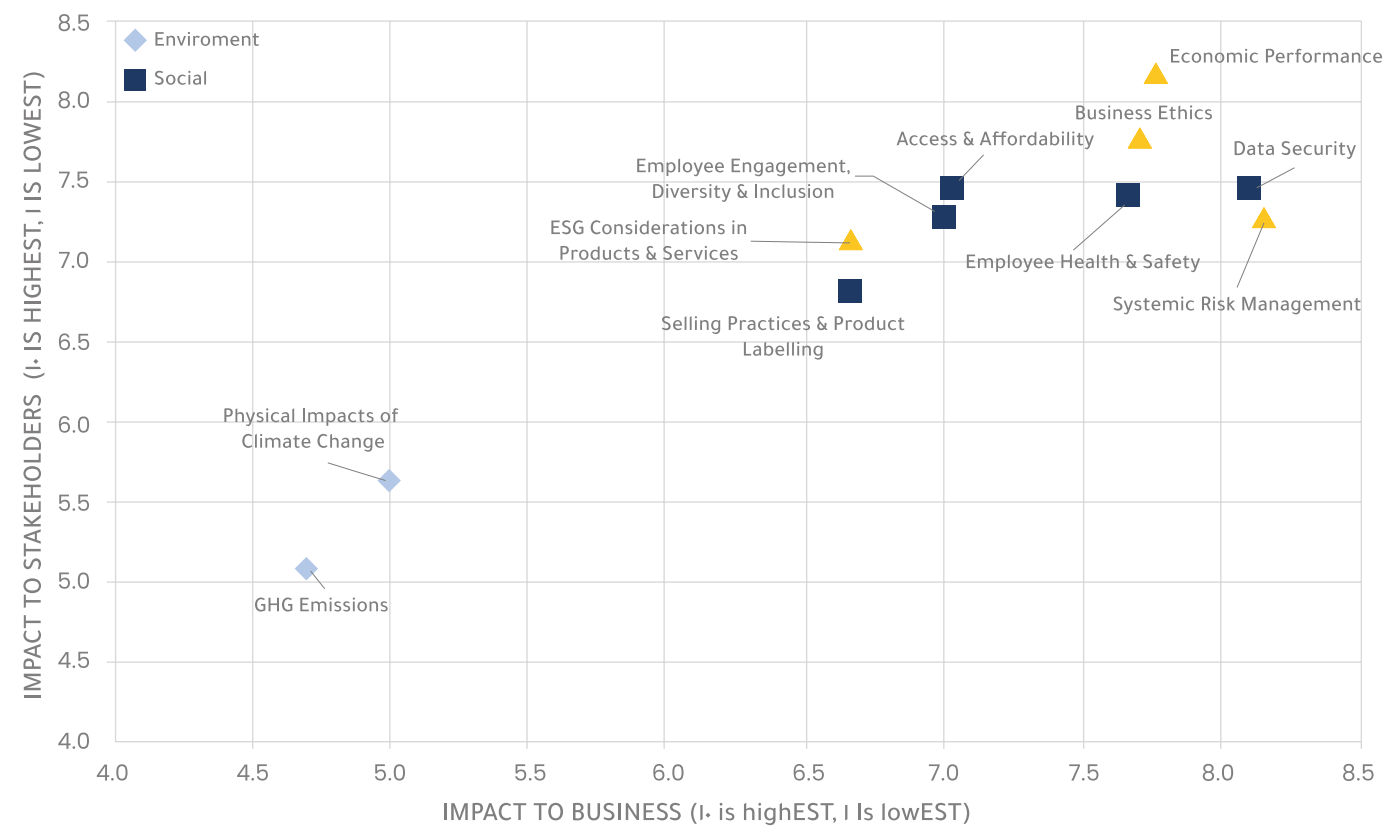


## Our Materiality Matrix

### Material topics summary

Category	No.	Material Issue
Climate Stewardship	1	GHG Emissions
Climate Stewardship	2	Physical Impacts of Climate Change
Responsible Business Practices	3	Data Security
Responsible Business Practices	4	Access & Affordability
Responsible Business Practices	5	Selling Practices & Product Labelling
People and Culture	6	Employee Health & Safety
People and Culture	7	Employee Engagement, Diversity & Inclusion
People and Culture	8	ESG Considerations in Products & Services
Responsible Business Practices	9	Business Ethics
Responsible Business Practices	10	Systemic Risk Management
Responsible Business Practices	11	Economic Performance

Saudi Exim's material matters drive value creation, encompassing economic, environmental, and social impacts. Identified through an organization-wide process, these matters are crucial for commercial resilience and strengthening stakeholder relationships.



The Materiality Matrix illustrates Saudi Exim's stakeholders' perceptions of the importance of each of the 11 topics to the business and its stakeholders. The most significant ESG topics identified include Economic Performance, Data Security, Business Ethics, Systemic Risk Management, and Employee Health & Safety. The two environmental topics, GHG Emissions and Physical Impacts of Climate Change, while considered material, were deemed to have lesser impact.

## Our Key Commitments



### Paris Alignment

Our company actively aligns with the Paris Agreement, integrating sustainable practices, reducing carbon impact, and championing environmental responsibility to contribute to a greener future.



### Saudi Vision

Aligned with Saudi Vision, our company embraces transformative initiatives, driving economic diversification, fostering innovation, and contributing to the nation's growth and prosperity through strategic partnerships and advancements.



### Net Zero

Our company relentlessly pursues net-zero goals by implementing sustainable practices, reducing carbon emissions, and driving innovation for a greener future in line with environmental stewardship.

## Our Commitments

### ENVIRONMENTAL

#### OPERATIONAL

Own operation emissions reduction

#### PORTFOLIO MANAGEMENT

Portfolio emissions reduction and Net-Zero

Reduce carbon intensive financing exposure.

#### SUSTAINABLE FINANCE

Promote sustainable financing opportunities

### SOCIAL

#### JOB CREATION AND ENTREPRENEURSHIP

Boost SMEs, and job creation

#### HUMAN CAPITAL DEVELOPMENT

Empower through employment preparation, training.

#### INCLUSIVITY IN THE WORKFORCE

DEI policy and program development

Increase participation of women in the workforce

### GOVERNANCE

#### ESG OVERSIGHT AND MANAGEMENT

Increased frequency and attention to ESG topics in board meetings.

ESG dedicated committees and responsibilities at board level.

#### RISK MANAGEMENT

Integrate risk management for success.

#### COMPLIANCE AND ETHICS

Compliance, Ethics, Anti-bribery





# Climate Stewardship

## GHG Emissions

In line with the latest GHG Protocol Corporate Standard, Saudi Exim utilized an operational control approach to quantify emissions for the organization, as it has full authority to introduce and implement operating policies within the bank.

Sources of energy consumption were identified, and using the latest DEFRA (2021) and IEA (2021) emission factors, Saudi Exim’s operational footprint was calculated.

As a financial sector organization, less than 6% of emissions are attributed to Scope 1, while 94% are attributed to Scope 2 emissions. Within Scope 1, mobile emissions account for the highest proportion, arising from fuel consumed by vehicles owned and operated by the organization.

The total emission intensity per full-time employee is 2.16%, and the total emission intensity per revenue is 1.98 tCO2e/mSAR.

EMISSION BY SCOPE		
Scope	Category	Absolute emissions (tCO2e)
Scope 1	Stationary Emissions	0.20
	Mobile Emissions	34
	Refrigerants	-
Scope 2	Electricity: Location Based	523
	Electricity: Market Based	523
Total Emissions (Location Based)		557.2
Total Emissions (Market Based)		557.2

The Data Collected From General Services Team Of Electricity Consumption and Fuel Burned In The Year 2023



ABSOLUTE AND INTENSITY EMISSIONS			
Scope	Absolute Emission (tCO2e)	Emission Intensity (tCO2e/ mSAR)	Emission Intensity (tCO2e/ FTE)
Scope 1	34.2	0.12	0.133
Scope 2, Location based	523	1.86	2.02
Total	557.2	1.98	2.16

How we manage GHG emissions efficiencies

“The Banks’ role in enhancing the contribution of non-oil exports underscores its commitment to economic diversification. This strategic focus helps reduce the economy’s reliance on oil, contributing to a lower carbon footprint and promoting sustainable development.”







# People and Culture

## Employee Health and Safety

Saudi Exim's management of *Occupational Health Safety (OH)* is aligned with the national policy set out by the Ministry of Human Resources and Social Development. The policy outlines expectations for employers to ensure workplace health and safety, focusing on the following areas:

Areas	Expectations of employers include
Protection against Occupational Hazards and Accidents	<ul style="list-style-type: none"><li>› Maintaining the workplace in a clean and hygienic condition, and providing necessities like lighting, potable and washing water, and compliance with rules, measures and standards of occupational protection, health and safety.</li><li>› Making clear disclosures about job hazards before employees start work and requiring the use of relevant personal protective equipment when necessary.</li><li>› Taking necessary precautions to protect employees against fire hazards and providing means to combat these hazards.</li></ul>
Work Injuries	<ul style="list-style-type: none"><li>› Providing treatment for employees who have sustained work injuries or occupational diseases and covering the necessary expenses.</li><li>› Providing financial aid to employees suffering from temporary disability arising from work injuries.</li><li>› Compensating injured employees or eligible beneficiaries in cases of permanent total disability or death arising from work injuries.</li></ul>
Labor Medical and Social Services	<ul style="list-style-type: none"><li>› Providing one or more medical aid cabinets stocked with drugs and necessities needed for first aid.</li><li>› Assigning physicians to conduct medical examinations for workers exposed to occupational diseases listed in the Schedules of Occupational Diseases provided for in the Social Insurance Law.</li><li>› Providing workers with preventive and therapeutic healthcare.</li></ul>

## Workplace Hazards and Incidents

During the reporting period, there were no work-related injury or ill-health, and hence no resulting fatalities, in Saudi Exim.

In order to eliminate work-related hazards and minimize risks, Saudi Exim first analyzes the bank's facilities. This is followed by identifying any risks after the safety inspection rounds. Workers can dial 444 or send an email to Safety Control to report any work-related hazards and hazardous situations.

In the event of a work-related incident, Saudi Exim will conduct an investigation upon receiving the relevant report to identify the risks and the root cause. The risks will then be analyzed, and solutions will be developed and implemented to eliminate these risks.

### Promotion of Worker Health and Safety

Saudi Exim facilitates workers' access to medical and healthcare services through its premium medical insurance which covers employees for both occupational and non-occupational medical treatments and services. The company also offers voluntary health promotion initiatives targeting major non-work-related health risks through annual on-premise events that encourage medical check-ups among employees. In addition, Saudi Exim conveys safety awareness messages to its employees as part of its efforts to prevent or mitigate occupational health and safety impacts. Saudi Exim relies on engineering controls and the use of personal protective equipment to eliminate other work-related hazards and minimize associated risks.





## People and Culture

### Employee Engagement, Diversity and Inclusion



#### Training and Education

During the reporting period, Saudi Exim employees underwent an average of 16.4 hours of training. The training programs focus on upgrading employees' skills in three key areas: soft skills, technical skills, and leadership skills. Additionally, transition assistance programs are provided to support employees' career transitions. These programs are formulated based on gap analysis to develop relevant skills in a targeted manner.



#### Full-time Employee Benefits

Saudi Exim provides a premium medical insurance covering healthcare and disability exclusively for full-time employees only. In addition, full-time employees also enjoy children education support from the company.



#### Performance and Career Development

Performance and career development reviews are performed twice a year in Saudi Exim (mid-year and annual). As part of these reviews, topics including performance appraisal, career development plans and skill gaps are raised and discussed. The below charts reflect the percentage of employees that receive regular performance and career development reviews by gender and employee category.



#### Parental Leave

During the reporting period, 25 female employees and 85 male employees of Saudi Exim were entitled to parental leave. Out of these employees, 6 female employees and 15 male employees exercised their parental leave. 20 employees returned to work after the leave ended and are still employed 12 months after returning to work, translating to a 95% return-to-work and retention rate of employees that took parental leave.

## Responsible Business Practices

### Selling Practices & Product Labelling

#### Marketing and Labelling of Products and Services

During the reporting period, there were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship reported. There were also no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

All of Saudi EXIM's products and service categories are covered by and assessed by the company's procedures for product and service information and labelling. Under the procedures, the following types of information would need to be disclosed:

1. The sourcing of components of the product or service
2. Content, particularly with regards to substances that might produce an environmental or social impact

#### Complaints-to-Claims and Customer Retention Rate of Insurance Segment

Saudi Exim's insurance-related customer retention rate at the end of December 2023 was 36.17%, as compared to a year before.

#### Informing Current and Prospective Customers about Products and Services

Saudi Exim adopts a differentiated approach in its outreach to current and prospective clients based on their level of engagement:

**General audience:** Utilizes general marketing campaign brochures, press releases on various activities, and participation in conferences.

**New clients:** Reviews and contacts prospects upon receiving applications to fully understand their needs. Prospects are then served by Relationship Managers to discuss technical needs once the application reaches the appropriate level of maturity.

**Existing clients:** Communication is facilitated by Relationship Managers in a coordinated manner to ensure Saudi Exim's procedures meet clients' needs. This includes monitoring their financial position, following up on requested utilization, and tracking due amounts for timely loan settlement.

**"The introduction of comprehensive credit facilities and insurance policies to support Saudi exporters which reduces the likelihood of complaints arising from unfulfilled claims. The Bank also engages in proactive measures to foster a positive client experience, including a detailed feedback mechanism and customer service improvements."**

**"Saudi EXIM has signed key agreements with major international players like Trafigura and SABIC. These agreements include provisions for extensive insurance coverage that ensure Saudi exporters are protected against non-payment risks and can confidently enter new markets."**



## Responsible Business Practices

### Data Security

#### Regulatory Compliance and Alignment:

Our data security practices are meticulously regulated by the National Cybersecurity Authority, ensuring strict compliance with their controls. This alignment underscores our dedication to upholding the highest standards of cybersecurity.

#### Policies and Procedures:

Saudi Exim diligently follows a comprehensive set of policies and procedures mandated by the National Cybersecurity Authority, including:



Cybersecurity Risk Management Policy



Data and Information Protection Policy



Vulnerability Management Policy



Penetration Testing Policy



Cybersecurity Event Logs and Monitoring Management Policy



Cybersecurity Incident and Threat Management



Physical Security Policy



Web Application Security Policy



Information Processing Facilities Protection Policy



Vulnerability Assessment Procedure



Access Management Procedure



### Risk Management

#### Vulnerability Management:

Proactively identifying vulnerabilities via monthly scans and ad-hoc assessments on new products ensures a robust defense against data security risks.

#### Cybersecurity Risk Assessments:

Annual assessments, including thorough risk assessments and penetration testing for both existing and new products, strengthen defenses against emerging threats.

#### Breach Disclosure:

Adhering to National Cybersecurity Authority regulations, Saudi Exim strictly follows established policies for transparent and timely customer disclosure in the event of breaches.

#### Incident Response Management:

In preparation for emerging threats, Saudi Exim employs an incident response lifecycle that includes threat intelligence subscription and 24/7 monitoring for active brand and data protection.



### Monitoring and improvements

#### Continuous Improvement:

We uphold a commitment to continuous improvement in our data security measures. Regular vulnerability assessments and penetration testing identify weaknesses, allowing us to remediate promptly in alignment with our policies and procedures.

#### Metrics and Performance Indicators:

Saudi Exim measures success through key indicators, including the frequency and success rate of vulnerability scans, breach response effectiveness, and other relevant metrics demonstrating the robustness of our data security measures.





## Responsible Business Practices

### Access & Affordability

Saudi Exim plays a key role in the promotion of small business and community development through its financing facilities.

### Promotion of Small Business and Community Development



19 of financings outstanding qualified for programs designed to promote small business and community development.



Total financing  
**SAR 112,322,960.2**  
(4 financing, totaling SAR 16,844,231.73, were past due and non-accrued).

### Short-Term Actions

Saudi Exim has deployed a SAR 100 million revolving facility catered specifically for SME exporters through various Saudi banks.

### Long-Term Actions

Saudi Exim aims to offer its products to all Saudi exporters to enhance the Kingdom of Saudi Arabia's (KSA's) position in foreign markets, with a particular focus on SMEs who benefit most from alleviating export-related risks. Saudi Exim will continue to assess and identify other feasible solutions to meet the needs of SMEs.

### Business Ethics

#### Whistleblower Policy

Saudi Exim adheres to both local regulations and international best practices related to whistleblowing. The bank has implemented an internal Whistleblower policy approved by its Board of Directors. This policy outlines processes related to responsibilities, reporting, handling, protection, and record-keeping. Additionally, the bank's Compliance Department periodically disseminates organization-wide awareness messages via email regarding whistleblowing and available reporting channels.

#### Business Ethics Training

Saudi Exim's Compliance and Anti-Money Laundering (AML) policies are approved by its Board of Directors, and these policies are shared and accessible by all staff. Mandatory Compliance trainings are provided to staff depending on the priority and readiness after alignment with HR. Currently, all Saudi Exim staff are required to attend annual AML trainings.





# 04

CHAPTER FOUR

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APPENDIX





# Appendix I - Sustainability Frameworks



## Sustainability Accounting Standards Board (SASB)

Developed to facilitate disclosure based on financially-material, sector-specific sustainability topics. SASB offers 26 topics with coverage spanning 77 unique industries.



## Global Reporting Initiative (GRI)

The GRI Standards are modularly grouped into Economic, Environmental, and Social categories, each containing specific topics. These topics are broad yet comprehensive, focusing on stakeholder consultation to identify material topics.

Sustainable1’s materiality assessment approach is anchored in the SASB standard, supplemented by an overlay with GRI standards and topics reported by peers. This approach enables Saudi Exim to assess both the business impact and broader economic, environmental, and societal impacts perceived by stakeholders when determining the materiality of an ESG topic.



# Appendix II - Descriptions of ESG Material Topics

#	Material Topics	Includes	Brief Description
1	GHG Emissions		The category addresses Scope 1, 2 and 3 greenhouse gas (GHG) emissions that a company generates through its operations and its plans to manage and/or reduce emissions.
2	Physical Impacts of Climate Change		A company's ability to manage risks and opportunities from direct exposure of its assets and operations to actual or potential physical impacts of climate change.
3	Data Security		The management of risks related to collection, retention, and use of sensitive, confidential, and/or proprietary customer or user data.
4	Access & Affordability	Financial Inclusion	A company's ability to ensure broad access to its products and services, specifically in the context of underserved markets (such as MSMEs) and/or population groups.
5	Selling Practices & Product Labeling	Transparent Information & Fair Advice for Customers	Addresses social issues that may arise from a failure to manage the transparency, accuracy, and comprehensibility of marketing statements, advertising, and labeling of products and services.
6	Employee Health & Safety		A company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness.
7	Employee Engagement, Diversity & Inclusion		A company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base.
8	ESG Considerations in Products & Services	Incorporation of ESG Factors in credit analysis / investment management, Sustainable Finance  Financed Emissions	Incorporation of environmental, social, and governance (ESG) considerations in characteristics of products and services provided or sold by the company.  Financed emissions serve as an indicator of an entity's exposure to climate-related risks and opportunities, influencing how it may need to adapt its financial activities over time.
9	Business Ethics		A company's approach to managing risks and opportunities surrounding the ethical conduct of business includes addressing issues such as fraud, corruption, bribery, facilitation payments, fiduciary responsibilities, and other behaviors with ethical implications.
10	Systemic Risk Management	Market risks, business continuity	This relates to business continuity risks that can disrupt a company's operations, e.g., disruptions or collapse of financial systems, technological systems.
11	Economic Performance		A company's ability to deliver long-term economic, financial growth, and value to stakeholders.





## Appendix III - ESG Index

No.	Material ESG Topics	SASB	GRI	Page No.
1	GHG Emissions		3-3, 305-1, 305-2, 305-3, 305-4, 305-5	
2	Physical Impacts of Climate Change	FN-IN-450a.1, FN-IN-450a.2, FN-IN-450a.3		
3	Data Security	FN-CB-230a.1, FN-CB-230a.2		
4	Access & Affordability	FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-240a.4		
5	Selling Practices & Product Labeling	FN-IN-000.A, FN-IN-270a.1, FN-IN-270a.2, FN-IN-270a.3, FN-IN-270a.4	417-1, 417-2, 417-3	
6	Employee Health & Safety		403-1, 403-2, 403-3, 403-4, 403-8, 403-6, 403-7, 403-9, 403-10	
7	Employee Engagement, Diversity & Inclusion		401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405 -1, 405-2, 406-1	
8	ESG Considerations in Products & Services	FN-CB-410a.2, FN-IN-410a.2, FN-IN-410a.2, FN-IN-410b.1, FN-IN-410b.2, FN-CB-410b.1, FN-IN-410c.1, FN-CB-410b.2, FN-IN-410c.2, FN-CB-410b.3, FN-IN-410c.3, FN-CB-410b.4, FN-IN-410c.4		
9	Business Ethics	FN-CB-510a.2, FN-CB-510a.1	205-1, 205-3, 205-2	
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11	Economic Performance		201 -1, 201-2, 201-3, 201-4	

## Appendix IV - Glossary

Term	Definition
ESG	(Environmental, Social, and Governance) a framework used by organizations to evaluate their performance in sustainability and ethical impact. Which involves environmental responsibility, social equity, and corporate governance.
GHG Emissions	Greenhouse Gas Emissions, which are gases that trap heat in the atmosphere, contributing to global warming and climate change.
Scope 1 emissions	Direct GHG emissions from sources owned or controlled by the organization, such as emissions from company vehicles and generators.
Scope 2 emissions	Indirect GHG emissions from the consumption of purchased electricity, steam, heating, and cooling.
SASB	(Sustainability Accounting Standards Board) an organization that provides standards for reporting on sustainability metrics that are financially material to investors.
GRI	(Global Reporting Initiative) An international independent organization that helps businesses , governments, and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption.
Materiality Assessment	A process to identify and prioritize the ESG issues that are most significant to a company and its stakeholders.
Net Zero	A state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. This can be achieved through a combination of emission reduction and offsetting measures.
Saudi Vision 2030	A strategic framework to reduce the Kingdom’s dependance on oil, diversify its economy, and develop public service sectors.
Sustainable Finance	Financial services integrating ESG criteria into business or investment decisions, providing more sustainable outcomes.
DEI	(Diversity, Equity, and Inclusion) Policies and programs designed to promote the representation and participation of both genders in the workforce.
SME Development	Efforts to support and grow small and medium-sized enterprises which are crucial for economic diversification and job creation.
Saudization	A policy aimed at increasing the employment of Saudi nationals in the private sector.
DEFRA	The UK’s Department of Environment, Food, and Rural Affairs, which provides emissions factors used for calculating GHG emissions.
IEA	(International Energy Agency) An autonomous organization that works to ensure reliable, affordable, and clean energy for its member countries and beyond. It provides policy advice, data, and analysis on energy.







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sending an email to: **[info@Saudi Exim.gov.sa](mailto:info@SaudiExim.gov.sa)**



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