

## REPORT REVIEW

### Al Rajhi Bank

### Allocation and Impact Report

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Allocation and Impact Report Al Rajhi Bank  
5 April 2024

## VERIFICATION PARAMETERS

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### Type(s) of reporting

- Allocation and Impact Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), updated June 2023, as administered by the International Capital Market Association (ICMA)
- Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2023, administered by the International Capital Market Association (ICMA)
- Al Rajhi Bank's Allocation and Impact Report 2024 (as of April 2, 2024)
- Al Rajhi Bank's Sustainable Finance Framework (as of February 16, 2022)

### Scope of verification

- Sukuk identification: XS2607535684 / April 5, 2028 (USD 1,000 million); Commodity Murabaha Facility identification: Tranche A, FIGI: BBG019RJB997, Tranche B, FIGI: BBG019RJB9G9 / September 15, 2025 (USD 1,265 million); Syndicated Loan Facility identification: Tranche A, FIGI: BBG01J63N2Y7, Tranche B, FIGI: BBG01J63N2Z6 / August 25, 2026 (USD 1,430 million)

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Allocation and Impact Report (as of April 2, 2024)

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## SCOPE OF WORK

Al Rajhi Bank (“the Issuer”, “the Bank” or “Al Rajhi”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Allocation and Impact Report by assessing:

1. The alignment of the Al Rajhi Bank’s Allocation and Impact Report 2024 with the commitments set forth in Al Rajhi Bank Sustainable Finance Framework (as of February 16, 2022)<sup>2</sup>.
2. Al Rajhi Bank’s Allocation and Impact Report - benchmarked against Harmonised Framework for Impact Reporting (HFIR), updated June 2023, and Harmonised Framework for Impact Reporting for Social Bonds, updated June 2022, as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators – whether the impact metrics align with best market practices and are relevant to the Sustainable Financing Instruments issued.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Al Rajhi Bank’s Allocation and Impact Report 2024. A review of the use of proceeds’ allocation and impact reporting is solely conducted against ICMA’s Standards (Green Bond Principles, Green Loan Principles, Sustainable Bond Guidelines) core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green Bond Principles, Social Bond Principles, and Sustainable Bond Guidelines, as of February 16, 2022.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part 1</b></p> <p><b>Alignment with the Issuer's commitments set forth in the Framework</b></p>	<p>The Al Rajhi Bank's Allocation and Impact Report 2024 meets the Issuer's commitments set forth in the Sustainable Finance Framework. The proceeds have been used to (re)finance Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, and Affordable Housing, in accordance with the eligibility criteria defined in the Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part 2</b></p> <p><b>Alignment with the (HFIR) and (HFIRSB)</b></p>	<p>The Allocation and Impact Report is in line with ICMA's HFIR and HFIRSB. The Issuer follows core principles, except for reporting the Use of Proceeds allocation for the Commodity Murabaha Facility which occurred after one year and six months, and where applicable key recommendations.</p>	<p><b>Aligned except for reporting on an annual basis<sup>3</sup></b></p>
<p><b>Part 3</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the sukuk's and loans' proceeds has been disclosed, with a detailed breakdown across different eligible projects as proposed in the Framework.</p> <p>The Al Rajhi Bank's Allocation and Impact Report 2024 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies, and granularity reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The Issuer has reported 18 months after issuing the Commodity Murabaha Facility.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCE FRAMEWORK

The following table evaluates the Allocation and Impact Report 2024 against the commitments set forth in Al Rajhi Bank’s Framework, which are based on the core requirements of the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) as well as best market practices.

GBP, SBP, SBG	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>1. Use of Proceeds</b></p>	<p>Al Rajhi Bank confirms to follow the Use of Proceeds’ description provided by Al Rajhi Bank’s Sustainable Finance Framework. The report is in line with the initial commitments set in the Al Rajhi Bank’s Sustainable Finance Framework, the proceeds have been used to (re)finance projects in the following green and social categories: Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management, and Affordable Housing.</p> <p>The Issuer’s green and social categories align with the project categories and are in accordance with the eligibility criteria set in the Al Rajhi Bank’s Sustainable Finance Framework. Environmental and social benefits at the category level are described and quantified.</p> <p>The Issuer provides an exclusion list of harmful project categories, in line with best market practices.</p>	<p>✓</p>
<p><b>2. Process for Project Evaluation and Selection</b></p>	<p>Al Rajhi Bank confirms to follow the Process for Project Evaluation and Selection description provided by Al Rajhi Bank’s Sustainable Finance Framework. The report is in line with the initial commitments set in the Al Rajhi Bank’s Sustainable Finance Framework: A Sustainable Finance Working Group ensures the respect of the Framework and oversees the evaluation and selection process, and the management of the proceeds. Representatives of the following departments are on the working group: Finance,</p>	<p>✓</p>

	<p>Corporate Social Responsibility, Treasury, Risk, Corporate, and Retail.</p> <p>The projects selected are defined and structured in a congruous manner. The Issuer ensures compliance with the Eligibility Criteria. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>In the context of the project selection and evaluation, Al Rajhi Bank defines and confirms the responsibilities and the various stakeholders involved in the process.</p>	
<p><b>3. Management of Proceeds</b></p>	<p>Al Rajhi Bank confirms to follow the Process for Management of Proceeds description provided by Al Rajhi Bank’s Sustainable Finance Framework. The report is in line with the initial commitments set in the Al Rajhi Bank’s Sustainable Finance Framework: the proceeds are deposited in general funding accounts and managed through the Sustainable Finance Register.</p> <p>The proceeds allocated to eligible projects represent 100% of the amount collected, with no exceptions. The proceeds are tracked in an appropriate manner and attested in a formal internal process. Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p>	<p>✓</p>
<p><b>4. Reporting</b></p>	<p>The Al Rajhi Bank Allocation and Impact Report 2024 is coherent with the Reporting description provided by Al Rajhi Bank’s Sustainable Finance Framework. The report is in line with the initial commitments set in the Al Rajhi Bank’s Sustainable Finance Framework.</p> <p>The sections “Allocation reporting” and “Impact Reporting” of the Allocation and Impact Report comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	<p>✓</p>
<p><b>5. Verification</b></p>	<p>The Al Rajhi Bank’s Sustainable Finance Framework has received a Second Party Opinion (SPO).</p>	

## PART II: ASSESSMENT AGAINST THE ICMA HARMONIZED FRAMEWORK FOR IMPACT REPORTING (HFIR) AND HARMONIZED FRAMEWORK

### FOR GREEN BONDS

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual report. Green bond Issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts at least on an annual basis until full allocation or maturity of the bond. The Harmonized Framework for Impact Reporting (HFIR) has been chosen as a benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Al Rajhi Bank's Allocation and Impact Report against ICMA HFIR.

CORE PRINCIPLES		
ICMA HFIR	ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	100% of the proceeds have been allocated, out of which 16% (USD 580 million) were allocated to Green Assets. The report will be available on Al Rajhi Bank's website.	
	For Commodity Murabaha Facility (FIGI: BBG019RJB997, FIGI: BBG019RJB9G9, USD 1,265 million), the use of proceeds allocation reporting occurred after one year and six months from the issuance.	○
	For Sukuk (ISIN: XS2607535684, USD 1000 million) and Syndicated Loan Facility, (FIGI: BBG01J63N2Y7, FIGI: BBG01J63N2Z6, USD 1,430 million), the use of proceeds allocation reporting occurred within one year from the issuance.	✓
Illustrating the environmental impacts or outcomes	<p>The assessment and measurement of the impacts generated by Al Rajhi Sustainable Finance Instruments linked with the green activities covered the following areas:</p> <p>Renewable Energy</p> <ul style="list-style-type: none"> <li>▪ Attributable capacity (MW)</li> <li>▪ Annual Production (MWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul>	✓

	<ul style="list-style-type: none"> <li>▪ Attributable Electric Capacity (MWe)</li> <li>▪ Annual Energy Savings (MWh)</li> </ul> <p>Energy Efficiency</p> <ul style="list-style-type: none"> <li>▪ Annual Energy Savings (kWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul> <p>Sustainable Water Management</p> <ul style="list-style-type: none"> <li>▪ Annual Water Collected (m<sup>3</sup>)</li> <li>▪ Annual Water Treated (m<sup>3</sup>)</li> <li>▪ Annual Absolute Energy Reduction (MWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul>	
ESG Risk Management	Al Rajhi’s project categories were reviewed in an internal process of environmental risk assessment as part of its Credit Assessment. The Bank has respected its ESG risk management process in line with its framework.	✓
Allocation of proceeds - Transparency on the currency	Allocated proceeds have been reported in a single currency (USD). <sup>4</sup>	✓

**RECOMMENDATIONS**

ICMA HFIR	SUSTAINABLE FINANCE REPORT	ASSESSMENT
Define and disclose period and process for Project Evaluation and Selection	<p>16% of the proceeds has been allocated to Green Assets. No modification (removal or additional projects) of the portfolio is planned.</p> <p>The Issuer followed a transparent process for the selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Sustainable Financing Instruments issued under the Sustainable Finance Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	✓

<sup>4</sup> For the calculation of the impacts reported for the social categories, the Issuer has used SAR to determine the average loan amount.



Disclose total amount of proceeds allocated to eligible disbursements	A total of USD 3,695 million has been raised through the Issuer's Sustainable Financing Instruments. 16% (USD 580 million) of the proceeds have been allocated to Green Assets.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	The Issuer followed a transparent process for the allocation of proceeds, as defined in its Sustainable Finance Framework.	✓
Report at project or portfolio level	The Allocation and Impact Report includes the total amount of proceeds allocated per eligible project category.	✓
Describe the approach to impact reporting	The Issuer identifies the project categories and clearly defines the total amount of proceeds allocated at the project category level.	✓
Report the estimated lifetime results and/or project economic life (in years)	There is no reporting on the estimated lifetime impacts and project economic life in years.	-
Ex-post verification of specific projects	The Issuer currently does not have ex-post verifications for its projects.	-
Report on at least a limited number of sector-specific core indicators	<p>Al Rajhi reports on the following indicators:</p> <p>Renewable Energy</p> <ul style="list-style-type: none"> <li>▪ Attributable capacity (MW)</li> <li>▪ Annual Production (MWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> <li>▪ Attributable Electric Capacity (MWe)</li> <li>▪ Annual Energy Savings (MWh)</li> </ul> <p>Energy Efficiency</p> <ul style="list-style-type: none"> <li>▪ Annual Energy Savings (kWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul>	✓

	<p>Sustainable Water Management</p> <ul style="list-style-type: none"> <li>▪ Annual Water Collected (m<sup>3</sup>)</li> <li>▪ Annual Water Treated (m<sup>3</sup>)</li> </ul>	
If there is no single commonly-used standard, Issuers may follow and disclose their own calculation methodologies	For those indicators where there is no single commonly used standard, the Issuer has elected reasonable and easy-to-quantify measurement units and methodologies. The methodology used to calculate the impact indicators is available on the Issuer’s website.	✓
Disclosure on the conversion approach (if applicable)	The Issuer elects to convert units reported for individual projects based on a standard conversion factor and includes appropriate disclosure of the conversion approach in the report.	✓
Projects with partial eligibility	All projects are 100% eligible for financing.	✓
When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach	The impact of Al Rajhi’s projects is reported separately per category and subcategory on an aggregated basis.	✓

OPINION

*Al Rajhi follows ICMA’s Harmonized Framework for Impact Reporting (HFIR)’s core principles and key recommendations, with an exception as the Use of Proceeds allocation reporting for the Commodity Murabaha Facility (FIGI: BBG019RJB997, FIGI: BBG019RJB9G9) occurred after one year and six months. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best practices. The Issuer has disclosed the amount of proceeds allocated, sector-specific core indicators, and calculation methodology in line with the recommendations of the HFIR.*

FOR SOCIAL BONDS

Reporting is a core component of the SBP, and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Social bond Issuers are required to report on both the use of social bond proceeds, as well as the social impacts at least on an annual basis until full allocation. The Harmonised Framework for Impact Reporting for Social Bonds (HFIRSB) has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Al Rajhi Bank Allocation and Impact Report against ICMA HFIRS.

CORE PRINCIPLES		
ICMA HFIRSB	ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	100% of the proceeds have been allocated, out of which 84% (USD 3115 million) were allocated to Social Assets. The report will be available on Al Rajhi Bank’s website.	
	For Commodity Murabaha Facility, (FIGI: BBG019RJB997, FIGI: BBG019RJB9G9, USD 1265 million) use of proceeds allocation reporting occurred after one year and six months).	○
	For Sukuk (ISIN: XS2607535684, USD 1000 million) and Syndicated Loan Facility, (FIGI: BBG01J63N2Y7, FIGI: BBG01J63N2Z6, USD 1430 million), the use of proceeds allocation reporting occurred within one year from the issuance.	✓
Formal internal process to track proceeds	The Al Rajhi Bank confirms project selection and management of proceeds are in line with the criteria set forth in the underlying Framework.	✓
Allocation of the proceeds to social project categories	In accordance with the criteria established within the Framework, in compliance with the Social Bond Principles issued by the ICMA, Al Rajhi Bank has allocated the net proceeds of the bond issued under this Framework to new and/or existing eligible assets within the following Affordable Housing category.	✓
Target Population(s) identified	The Issuer defined targeted populations for the project category Affordable Housing: Populations meeting the criteria for government-supported affordable housing mortgage financing schemes.	✓

Output, outcome and/or impact of projects at project or portfolio level	<p>The Issuer referred to existing indicator lists and catalogs from Annex III of the HFIRSB.</p> <p>A detailed analysis of impact indicators is available in Part III of this report.</p>	✓
Illustrating of the social impacts	<p>The assessment and measurement of the impacts generated by Al Rajhi’s financing instruments covered the following areas:</p> <ul style="list-style-type: none"> <li>Affordable Housing: Number of Housing Units Constructed and number of individuals benefiting from affordable housing</li> </ul>	✓
Pro-rated share of the overall impact results of the projects or portfolio of projects	<p>The Issuer reports the pro-rated share of the overall impact results of the projects or portfolio of projects.</p>	✓

**RECOMMENDATIONS**

ICMA HFIRSB	ALLOCATION AND IMPACT REPORT	ASSESSMENT
<p>Disclose the methodology and the assumptions used for the calculation of impact indicators</p>	<p>The Issuer reports on actual absolute output indicators and quantitative impact indicators.</p>	✓
<p>When the expected impacts of different project components may not be reported separately, Issuers may use (and disclose) the attribution approach</p>	<p>The Impact report illustrates the expected social impact on a project category level at a portfolio level.</p>	✓
<p>Disclose the methodology used to determine the share of eligible project financing being applied to impact calculation</p>	<p>The Issuer determines the share of eligible project financing being applied to output calculation, meaning the share of the total project cost that is financed by the Issuer resulting in a pro-rated share of overall results of the project categories.</p>	✓

Collaborating with experts if reporting on the estimated lifetime impacts and/or project economic life in years	There is no reporting available on the estimated lifetime impacts and project economic life in years.	✓
Assumptions and ex-post verification	The Issuer reports the assumptions used to calculate the impacts.	✓
Report Period	84% of the proceeds have been allocated to Social Assets. No modification (removal or additional projects) of the portfolio is planned.	✓
Disbursement reporting	The proceeds from the Sustainable Financing Instruments linked with social activities were used to finance projects in the Affordable Housing category. The Issuer reports on the amounts allocated by December 2023 at the portfolio level.	✓
Projects with partial eligibility	All projects are 100% eligible for financing.	✓

OPINION

*Al Rajhi follows ICMA's Harmonized Framework for Impact Reporting for Social Bonds' core principles and key recommendations with an exception as the Use of Proceeds allocation reporting for the Commodity Murabaha Facility (FIGI: BBG019RJB997, FIGI: BBG019RJB9G9) occurred after one year and six months. The Issuer provides transparency on the level of expected reporting as well as on the frequency, scope, and duration, aligned with best market practices. Al Rajhi illustrates the social impacts transparently and has a formal internal process in place to track the proceeds ensuring the allocation to eligible project categories. Furthermore, The Issuer has disclosed the amount of proceeds allocated, target population, and social impact in line with the recommendations of the HFIRSB.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds' categories.

The Use of Proceeds allocation reporting occurred within one year from the issuance of the Senior Unsecured Sustainable Sukuk (April 2023) and Senior Secured Syndicated Loan Facility (August 2023). Furthermore, for the Senior Secured Commodity Murabaha Facility (September 2022), the reporting occurred after one year and six months. In total, USD 3,695 million were issued, and the proceeds have been fully allocated.

### Proceeds allocated to eligible projects/assets

The proceeds allocation is broken down at the project category level. The Issuer has provided details about the type of projects included in the portfolio. Furthermore, the Issuer provided the percentage allocated to the different project categories.

The allocation report section of the Allocation and Impact Report of Al Rajhi Bank aligns with best-market practices by providing information on:

- The total amount of proceeds in million USD allocated per project category at a portfolio level.
- The percentage of green and social assets at a portfolio level.

### Impact Reporting Indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome, and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicators chosen by the Issuer for the sukuk and loans are the following:</p> <p>Renewable Energy (Solar PV and Biodiesel)</p> <ul style="list-style-type: none"> <li>▪ Attributable capacity (MW)</li> <li>▪ Annual Production (MWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul> <p>Renewable Energy (Battery Storage)</p> <ul style="list-style-type: none"> <li>▪ Attributable Electric Capacity (MWe)</li> <li>▪ Annual Energy Savings (MWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul> <p>Energy Efficiency</p> <ul style="list-style-type: none"> <li>▪ Annual Energy Savings (kWh)</li> <li>▪ Annual Avoided Emissions (tCO<sub>2</sub>e)</li> </ul> <p>Sustainable Water Management</p> <ul style="list-style-type: none"> <li>▪ Annual Water Collected (m<sup>3</sup>)</li> <li>▪ Annual Water Treated (m<sup>3</sup>)</li> </ul> <p>Affordable Housing</p> <ul style="list-style-type: none"> <li>▪ Number of Housing Units Constructed</li> <li>▪ Number of Individuals Benefitting from Affordable Housing</li> </ul> <p>These indicators are qualitative and material to the Use of Proceeds categories financed through this bond and in line with the Suggested Impact Reporting metrics for the ICMA Harmonized Framework for Impact Report for Environmental and Social Bonds. This aligns with best market practices.</p> <p>Furthermore, for the category “Sustainable Water Management”, the Issuer has chosen to report on additional indicators; Annual</p>

	Absolute Energy Reduction (MWh) and Annual Avoided Emissions (tCO <sub>2</sub> e).
<b>Data sourcing and methodologies of quantitative assessment</b>	<p>For its impact indicator(s), the Issuer engaged the Carbon Trust to assess and estimate the impacts of its Allocated Eligible Sustainable Asset Portfolio, which includes assets classified as Renewable Energy, Energy Efficiency, Sustainable Water Management, and Affordable Housing under its Sustainable Finance Framework.<sup>5</sup></p> <p>The Issuer has provided the calculation methodology for the applicable indicators.</p>
<b>Baseline selection</b>	<p>Some reporting indicators have been benchmarked against specific baselines. For instance, the calculation of avoided emissions (tCO<sub>2</sub>e) for Energy Storage Facilities is based on a grid stability services counterfactual baseline. Additionally, to calculate the baseline for district cooling systems, the energy consumption needed to produce the equivalent refrigeration amount for a conventional air conditioning unit was multiplied by the consolidated country-specific Emission Factor (EF). Other impact indicators are based on actual measurements.</p>
<b>Scale and granularity</b>	<p>The impact data is presented at the Use of Proceed category level for the indicator(s).</p>





### High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Sustainable Finance Report, the impact indicator(s) adopted by Al Rajhi Bank for its Sustainable Financing Instruments can be mapped to the following SDGs. ISS ESG SDG Solutions (SDGA) is a proprietary methodology designed to assess the impact of an Issuer’s product or services on the UN SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Renewable Energy</b></p> <ul style="list-style-type: none"> <li>▪ <b>Attributable capacity (MW)</b></li> <li>▪ <b>Annual Production (MWh)</b></li> </ul>	

<sup>5</sup> The document with the methodology for the impact calculation provided by Carbon Trust will be available on Al Rajhi’s website.



<ul style="list-style-type: none"> <li>▪ <b>Annual Avoided Emissions (tCO<sub>2</sub>e)</b></li> <li>▪ <b>Attributable Electric Capacity (MWe)</b></li> <li>▪ <b>Annual Energy Savings (MWh)</b></li> </ul>	
<p><b>Energy Efficiency</b></p> <ul style="list-style-type: none"> <li>▪ <b>Annual Energy Savings (kWh)</b></li> <li>▪ <b>Annual Avoided Emissions (tCO<sub>2</sub>e)</b></li> </ul>	
<p><b>Sustainable Water Management</b></p> <ul style="list-style-type: none"> <li>▪ <b>Annual Water Collected (m<sup>3</sup>)</b></li> <li>▪ <b>Annual Water Treated (m<sup>3</sup>)</b></li> <li>▪ <b>Annual Absolute Energy Reduction (MWh)</b></li> <li>▪ <b>Annual Avoided Emissions (tCO<sub>2</sub>e)</b></li> </ul>	
<p><b>Affordable Housing</b></p> <ul style="list-style-type: none"> <li>▪ <b>Number of Housing Units Constructed</b></li> <li>▪ <b>Number of Individuals Benefitting from Affordable Housing</b></li> </ul>	

**OPINION**

*The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as proposed in the Framework and the Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies, and granularity reflecting best market practices. Besides, the impact indicators used align with best market practices using ICMA's recommended metrics, either in the HFIR or the HFIRSB.*

## DISCLAIMER

1. Validity of the External Review (“External Review”): Valid as long as the cited Framework remains unchanged.
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## ANNEX 1: Methodology

### Review of the post-issuance Reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate proprietary methodology.

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social, and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent to which the Issuers reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Allocation and Impact Report
- Sustainable Finance Framework
- Proceeds Allocation
- Reporting Impact Indicators
- Methodologies, and assumptions for data gathering and calculation
- ESG Risk Management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Al Rajhi Bank took place from February to April 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess the alignment of the Issuer's report with external principles (e.g., ICMA Green / Social Bond Principles, ICMA Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyze the alignment of the Issuer's Report against the commitments in the respective Framework, and analyze the disclosure of proceeds allocation, the data source, and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well as informed as possible about the proceeds allocation and the impact of the sustainability finance instrument(s).

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on Report Review services, contact: [SPOsales@isscorporatesolutions.com](mailto:SPOsales@isscorporatesolutions.com)

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