



Sustainable Finance Framework

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ALINMA'S APPROACH TO SUSTAINABILITY

alinma (“alinma”, “the Bank”, “we”, “our”) proudly stands as a leading provider of dynamic, innovative, and Shariah-compliant financial services in Saudi Arabia. We are committed to empowering individuals, businesses, and institutions with tailored banking solutions that adapt to their evolving needs and aspirations. Since our establishment in 2006 by royal decree, we have played a pivotal role in strengthening the national economy through a comprehensive banking framework built on global best practices and supervised by the Saudi Central Bank.

In 2023, we launched our 2023-2025 Sustainability Strategy rooted in our purpose to serve our community and designed to deliver impact and contribute to Saudi Vision 2030. alinma’s Sustainability Strategy is built on a strong foundation of sustainability management and recognizes our role as a central node in the Saudi financial market. Our 2026-2030 Sustainability Strategy is currently under development and will build on our current progress.

In lieu of this responsibility as a prominent financial institution in the KSA, alinma’s Sustainability Strategy places a central focus on sustainable finance products among the six pillars of the strategy, as follows:

Accelerating sustainable finance	We are committed to integrating ESG analysis into financing considerations as well as launch sustainable finance products to realize the ambitions of the Saudi Vision 2030.
Fostering environmental stewardship and enabling a circular carbon economy	We support KSA’s journey to transition to a circular carbon economy which will serve as a mechanism to accelerate the achievement of environmental stewardship together with economic security.
Empowering our customers	We aim to be recognized and celebrated as the fastest and most convenient bank in KSA and be the number one in Net Promoter Score (NPS) across the KSA banks.
Building a thriving workplace	Our people are the most important resources available to the Bank to ensure business continuity and the provision of exceptional products, services, and offerings. We aim to continue providing a thriving workplace with healthy and happy people.
Strengthening our communities and contributing to greater financial inclusion	Our CSR program reflects the role we play in the communities in which we operate and enhances the engagement and professionalism of employees. As the Bank is an integral part of Saudi society, we place a great deal of emphasis towards the communities we serve.
Implementing robust and responsible operations	We adopt sophisticated standards of corporate governance, business ethics and compliance, in line with our regulator - The Saudi Central Bank (SAMA). We promote openness, transparency, and integrity. Our Corporate Governance framework acts as essential supporting structure of rules and practices which support the Bank to operate without compromise.

alinma is committed to achieving net zero carbon emissions by 2050, in support of the Kingdom's 2060 net zero target and carbon priorities. We developed our Net Zero Strategy in 2023, which covers both direct (Scope 1) and indirect (Scope 2 and 3) emissions with actionable steps.

alinma's Net Zero Strategy supports the Bank's strategy by allowing us to take advantage of climate finance opportunities while minimizing climate risk. Through this public commitment, we attract environmentally conscious customers and employees, ensure compliance with legislation and achieve a competitive advantage as a responsible bank.

The strategy encompasses three pillars and six objectives that are further internalized through various strategic actions:

Climate ambition: Align to National Vision commitment on net zero carbon emissions



Sustainable finance involves directing capital toward investments that generate positive environmental and social outcomes alongside financial returns. It integrates environmental, social, and governance (ESG) considerations into financing decisions to support sustainable development and advance the transition to a low-carbon economy. Through a range of financial instruments, sustainable finance channels capital toward projects and companies that promote responsible practices, renewable energy, climate change mitigation, and social progress.

At alinma, we recognize that our responsibility extends beyond financial performance to the broader impact of our products on society and the environment. As a key participant in the Saudi financial system, we are committed to developing innovative financial solutions that channel capital toward the ambitions of Saudi Vision 2030 and contribute to the Kingdom's net-zero objectives. In this context, Alinma is developing a Sustainable Finance and Investment Program that supports the classification of financing and investment products as sustainable, in alignment with ICMA principles and international market practices. The launch of alinma's sustainable finance offerings underscores the Bank's commitment to driving positive change, supporting inclusive growth, and fostering sustainable

development across the Kingdom.

ALINMA'S SUSTAINABLE FINANCE FRAMEWORK

alinma's Sustainable Finance Framework ("the Framework") 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 Finances ("Sustainable Financing Instruments") with Shariah-compliant financial solutions.

This 2025 update to the Framework has been drafted in accordance with:

- (i) The Green Bond Principles (GBP)¹, the Social Bond Principles (SBP)², and the Sustainability Bond Guidelines (SBG)³ issued by the International Capital Market Association (ICMA)
- (ii) The Green Loan Principles (GLP)⁴ and the Social Loan Principles (SLP)⁵ issued by the LSTA, Loan Market Association and the Asia-Pacific Loan Market Association
- (iii) The Guidelines for Issuing Green, Social, Sustainability and Sustainability-Linked Debt Instruments issued by the Saudi Capital Market Authority ⁶

The Framework will also be updated as necessary to reflect any future revisions to these standards, as well as any new or updated regulations or taxonomies issued by the Saudi Capital Market Authority.

In aligning with the above principles and guidelines, the Bank's Sustainable Finance Framework is presented through the four core components of the ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, as well as their recommendation for external review:

- a) Use of Proceeds
- b) Process for Project Evaluation and Selection
- c) Management of Proceeds
- d) Reporting

Such Sustainable Financing Instruments issued under the Framework will be standard recourse-to-the-issuer obligations, and investors will not bear the credit risk of the underlying allocated eligible asset exposures.

¹ Green Bond Principles (GBP) 2025 <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf>

² Social Bond Principles (SBP) 2025: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Social-Bond-Principles-SBP-June-2025.pdf>

³ Sustainability Bond Guidelines (SBG) 2021: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁴ Green Loan Principles (GLP) 2025: <https://www.lsta.org/content/green-loan-principles/#>

⁵ Social Loan (SLP) 2025: <https://www.lsta.org/content/social-loan-principles-slp/>

⁶ Saudi Capital Market Authority guidelines (2025): [The Guidelines for Issuing Green, Social, Sustainability, and Sustainability-Linked Debt Instruments](#)

Use of Proceeds

alinma 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 “Eligibility Criteria” section found in Appendix 1 and 2 of this Framework.

The Bank has analyzed the criteria for eligible assets including the EU Taxonomy for sustainable activities (EU 2020/852) issued by the European Commission⁷, and the criteria published by the Climate Bonds Initiative⁸. The criteria published in this Framework reflect market practices globally, and in the KSA with respect to investments in projects with potential for positive environmental and social impact.

We will allocate an amount at least equivalent to the net proceeds of the Sustainable Financing Instruments issued under this Framework to finance and/or re-finance, in whole or in part new or existing eligible assets that contribute to environmental objectives and/or deliver positive social impact to society.

Financing eligible assets may also include general corporate purpose financing of borrowers that derive at least 90% of their revenue from sources that meet the eligibility criteria set out in Appendix 1 and 2.

A maximum 3-year look-back period would apply for refinanced projects and alinma expects each issuance under this framework to be fully allocated within 2 years from the date of issuance. The Bank will, where possible, disclose to investors the expected share of financing versus refinancing for any Sustainable Financing Instrument.

Exclusion list

As a Shariah-compliant bank, alinma prohibits financing activities deemed unethical or harmful to society, including gambling, tobacco, alcohol, vaping, or involvement with political organizations. The Bank also excludes financing for military purposes such as weapons, weapon components, and munitions.

In addition to these Shariah-based exclusions, the Sustainable Finance Framework further restricts the use of proceeds from any Sustainable Financing Instruments to ensure that financing is not directed toward activities inconsistent with its environmental or social objectives, such as fossil fuel or nuclear power generation.

Process for Project Evaluation and Selection

alinma applies a structured approach to project evaluation and selection to ensure that only projects aligned with the Sustainable Finance Framework are financed. This process integrates ESG due diligence, automated risk assessment, and a strengthened governance structure.

ESG Due Diligence Toolkit

alinma has developed and now automated its ESG Due Diligence Toolkit (“the Toolkit”) to help identify and evaluate transactions with clear environmental and social benefits, while also capturing ESG risks associated with the projects. The Toolkit is a key step in our decision-making process and is relied upon by stakeholders to understand the ESG risks of any transaction or obligor, identify transactions with

⁷ EU Taxonomy for sustainable finance activities: https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

⁸ Climate Bonds Initiative Standard version 4.2: <https://www.climatebonds.net/data-insights/publications/climate-bonds-standard>

⁹ Alinma ESG Risk Framework: <https://alinma.com/en/About-the-Bank/-/media/4DC2644E8F494156A733D7A7641CFE18.ashx>

potential for positive environmental and social impact, and quantify the overall ESG risk profile of the transaction or obligor. The results are embedded into alinma's credit and risk review process through the Credit Limit Origination System (eCLO), ensuring ESG factors are considered alongside traditional financial and operational risk assessments. The Toolkit also classifies transactions into High, Medium, or Low ESG risk, in line with alinma's ESG Risk Framework⁹, enabling the Bank to prioritize risk management and mitigation where required. Once financed, projects are monitored on a quarterly basis until proceeds are fully allocated. Controversies or allegations associated with eligible assets are screened on a monthly basis.

The Toolkit assesses a range of key performance indicators in the environmental, social, and governance dimensions customized by sectors, enabling us to proactively minimize risks and identify opportunities related to projects and clients financed. The Toolkit is adherent to the EBRD (European Bank for Reconstruction and Development) Risk Classification Criteria and the Equator Principles. The Sustainability Department is the custodian of the ESG Due Diligence toolkit.

This approach enables alinma to proactively minimize risks, identify opportunities, and ensure that eligible projects continue to meet the requirements of the Framework.

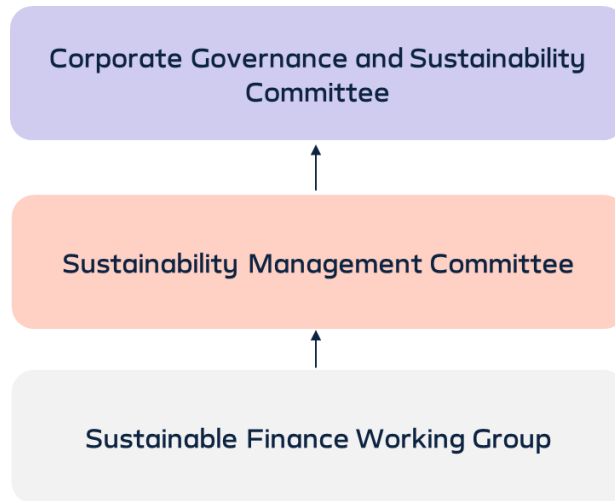
Governance

To reinforce governance, alinma has established a Sustainable Finance Working Group (SFWG). The Sustainable Finance Working Group serves as the governance and oversight body for alinma's Sustainable Finance agenda. The SFWG is responsible for steering the Bank's sustainable finance initiatives in alignment with applicable national and international standards and for supporting decision-making through technical review and oversight. The Working Group comprises representatives from key functions, including Treasury, Finance, Risk, Sustainability, Retail Banking, Corporate Banking, and Credit, and is chaired by the Chief Financial Officer (CFO). The Working Group meets on a quarterly basis.

Key responsibilities of the SFWG include:

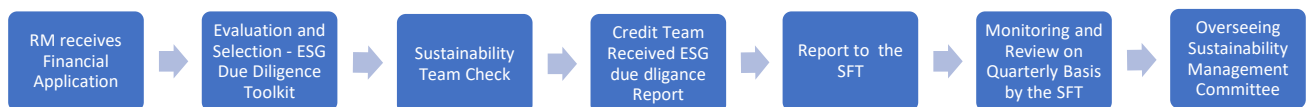
- Reviewing the project list and assessing eligibility based on pre-determined criteria.
- Overseeing the use of proceeds to ensure alignment with the framework and GBP/SBP/SBG/GLP/SLP.
- Monitoring the allocation of proceeds throughout the lifetime of the sukuk or finance(s).
- Replacing ineligible projects on a best-effort basis.
- Ensuring the preparation of periodic reports on sukuk performance.
- Addressing environmental or social controversies and removing affected projects from the eligible list.
- Reviewing and updating the Sustainable Finance Framework as needed.

The SFWG reports its outcomes and recommendations to the Sustainability Management Committee, which retains oversight and provides final approval.



The overall process begins with Relationship Managers (“RMs”) identifying potential eligible assets upon receiving the financing/investing application where the ESG Due Diligence Toolkit is applied and classification occurs as green or social. The proposed cases for allocation are then reviewed by the Sustainable Finance Working Group on a quartile basis, who validate eligibility with the Framework. If eligible, these assets are selected for allocation in the Sustainable Asset Register. The Sustainability Management Committee provides oversight and final approval on a periodic basis, ensuring that financings are consistent with alinma’s sustainability strategy. Eligible assets are subsequently monitored on a quarterly basis by the Working Group, with reallocation or corrective actions initiated as needed.

- At ESG Due Diligence Stage:



- At Allocation Stage



Management of Proceeds

Funds raised through Sustainable Financing Instruments are managed in a transparent and disciplined manner. The net proceeds are placed in alinma’s general funding accounts and ring-fenced for allocation to eligible projects in line with the Sustainable Finance Framework. The net proceeds of any issuances received by alinma under the Framework will be fully utilized within two years of the issuance. All allocations are tracked through the Sustainable Asset Register, which records detailed information on each Sustainable Financing Instrument, including pricing date, maturity date, principal amount, ISIN

number, and allocation of proceeds. The register also includes the list of eligible projects, their category, description, location, total cost, and the amount allocated, as well as any unallocated balances.

Where sustainable financing under this Framework takes the form of one or more tranches of a financing facility, only the tranche(s) that meet the eligibility criteria and align with the four core components of the relevant ICMA or LMA principles will be labelled as Green, Social, or Sustainability, as applicable.

A financing facility that includes both eligible and non-eligible tranches will not be labelled as a Green, Social, or Sustainability facility as a whole; the relevant label applies only to the eligible tranche(s).

The net proceeds, or an amount equivalent to the net proceeds, of eligible tranche(s) will be separately tracked through the Bank's internal systems, including the Sustainable Finance Register, to ensure transparent allocation and reporting in line with this Framework.

Reviews of the Sustainable Asset Register are conducted on a quarterly basis to ensure that an adequate balance of eligible assets is maintained to match outstanding issuance amounts at all times. If an asset no longer meets the eligibility criteria, the Sustainable Finance Working Group will recommend its removal, and the Sustainability Management Committee will approve corrective actions, including reallocating proceeds to other eligible assets.

The Sustainable Finance Working Group is responsible for tracking and reporting of allocations under the Framework, while the Sustainability Management Committee retains oversight and ensures that all proceeds are allocated correctly and responsibly. Any unallocated proceeds will be temporarily invested in short-term, Shariah-compliant instruments in accordance with our local liquidity management guidelines.

Reporting

Annually, we will release a report with details on allocation of net proceeds from any issuances under this Framework and the environmental and social impact of eligible assets. The first report will be issued one year from the date of issuance, with subsequent annual updates until full allocation of net proceeds from issuances under the Framework, or until such Sustainable Financing Instrument is no longer outstanding. The report will consist of two key parts as described below:

Allocation Reporting

Allocation reporting will be published annually and will include the following:

- The total amount of proceeds allocated to the eligible green and/or social projects
- Breakdown of allocation by eligible Green and Social category
- Breakdown of allocation by project location, where possible
- Refinancing versus new financing of projects
- The balance of unallocated proceeds at the end of the reporting period

Impact Reporting

We will also report on the environmental and/or social impacts of the eligible assets. Based on data availability and confidentiality, our impact reporting might encompass the qualitative and quantitative

impact metrics mentioned below, and where feasible, take reference from the relevant indicators recommended in the ICMA Harmonized Framework for Impact Reporting⁹.

The following information may be disclosed:

- A brief description of the project's expected environmental and/or social impact
- Expected impacts such as quantitative KPIs or qualitative performance measures
- Case studies on eligible projects
- Where feasible, alinma will also disclose the methodologies and assumptions used to calculate these performance metrics within its reporting.

Appendix 3 and 4 of this Framework includes an illustrative list of qualitative and quantitative KPIs that may be selected for use in the allocation and impact report.

External Review

Second Party Opinion

We have appointed S&P Global Ratings to provide a Second-Party Opinion on alinma's Sustainable Finance Framework and confirm its alignment with the ICMA Principles. This Second Party Opinion document will be made available on our website.

Post-issuance - External Assurance

Our annual allocation reporting will also be subject to external verification by an external third-party assurance provider. The external auditor will verify the following:

- The compliance of assets financed by the proceeds with eligibility criteria defined in Appendix 1 and 2 (Eligible Environmental/Social Categories) of this Framework
- The allocated amount related to the eligible assets financed by the proceeds
- The management of proceeds and unallocated proceeds amount

The report of the external auditor will be made available on alinma's website at: <https://www.alinma.com/en/about-the-bank/sustainability-reports>

Amendments to this Framework

Regular reviews will be conducted to ensure the alignment with amendments to the guiding principles and regulations mentioned in this Framework, with an aim to adhere to the best market practices. Such reviews may lead to updates and amendments in this Framework. Significant updates will require prior approval from both alinma and the SPO provider. Any revised version of the Sustainable Finance Framework will maintain or enhance the current standards of transparency and reporting disclosures, including an external review. The Framework, and any updated thereto, will be published on alinma's website in accordance with the Bank's governance and disclosure practices.

⁹ Harmonized Framework for Impact Reporting (2024):
<https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

Appendix

Appendix – 1: Eligible Environmental Categories

Category	Eligibility Criteria	Environmental Objectives	Exclusions	Alignment with UN SDGs
Renewable energy	<ul style="list-style-type: none"> • Production of electricity from renewable sources, including: <ul style="list-style-type: none"> - Solar: Photovoltaic (PV), Concentrated Solar Power (CSP) - Solar Thermal Energy (STE): At least 85% of electricity generated must be from solar energy resources - Wind Power: Onshore and offshore - Green Hydrogen: Produced from the electrolysis of water powered by renewable sources - Green Ammonia: Produced by isolating green hydrogen via electrolysis - Geothermal power: where direct emissions remain below 100gCO₂ per kWh - Hydropower - Bioenergy: Biofuel, biomass, or biogas using non-food-based agriculture waste sources - Hydroelectric facilities which are run-of-the-river plants with no artificial reservoir 	<ul style="list-style-type: none"> • Climate change mitigation through the generation of low-carbon energy and the reduction of greenhouse gas emissions 	<ul style="list-style-type: none"> • Projects dedicated to supplying power to hard-to-abate sectors • Hydropower projects with life cycle emissions > 100 gCO₂e/kWh • Construction of large-scale hydropower projects (>25MWp) • Biofuel facilities relying on majority non-certified feedstock or peat 	SDG 7 SDG 9 SDG 13
	<ul style="list-style-type: none"> • Infrastructure to support renewable energy, including: <ul style="list-style-type: none"> - Manufacture of renewable energy technologies such as wind turbines, solar panels, and other generation components - Energy storage solutions, including battery technologies and hydrogen fuel cells - Transmission and distribution (T&D) assets that connect at least 90% electricity from 		<ul style="list-style-type: none"> • New T&D infrastructure dedicated to connecting fossil fuels or nuclear power 	

	<p>renewable energy facilities to the grid</p>			
	<ul style="list-style-type: none"> • Procurement of renewable energy through certificates: <ul style="list-style-type: none"> - Power Purchase Agreements (PPAs) - Virtual PPAs (VPPAs) - Bundled Renewable Energy Certificates (RECs) 			
Energy efficiency	<ul style="list-style-type: none"> • Deployment of technologies that reduce energy consumption in buildings, industry, and infrastructure, such as: <ul style="list-style-type: none"> - Efficient lighting (LEDs), HVAC, insulation, green roofs, and smart grids/meters • Implementation of energy management systems, including building and energy management systems, smart thermostat systems • District cooling and heating solutions that rely on low-global warming potential refrigerants and incorporate renewable, waste heat, or cogenerated energy sources • Renewable-powered cogeneration plants • Electrification or use of low carbon alternative fuels for machinery and agricultural processes • Development of eco-efficient data centres meeting recognized international energy efficiency standards, integrating energy management systems and efficient cooling technologies, and industry-aligned PUE benchmarks (PUE ≤1.3 for new facilities, or equivalent best-in-class performance). Eligible projects must also demonstrate secured low-carbon electricity sourcing 	<ul style="list-style-type: none"> • Climate change mitigation through reduction of energy consumption and associated GHG emissions 	<ul style="list-style-type: none"> • Products or technology that improve the energy efficiency of fossil fuel production • Products or technology that have an energy efficiency improvement of < 30% • Projects that rely on high levels of freshwater abstraction without mitigation measures 	<p>SDG 7</p> <p>SDG 9</p> <p>SDG 11</p>

	through on-site renewable energy generation or long-term renewable power purchase agreements (PPAs) ensuring physical renewable electricity supply. Facilities structurally reliant on high-carbon grid electricity without secured renewable sourcing will not be eligible under this category.			
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Research, development, construction, purchase, and upgrades / maintenance of: <ul style="list-style-type: none"> - Water desalination plants powered by renewable or low-carbon energy sources - Wastewater and sewage treatment plants and systems - Water treatment and distribution networks - Infrastructure aimed at reducing water leakage and improving efficiency - Sustainable Urban Drainage Systems (SUDS), river training and other forms of flooding mitigation 	<ul style="list-style-type: none"> • Sustainable water resource management , pollution prevention, and climate resilience 	<ul style="list-style-type: none"> • Products, technology and processes that associate directly with fossil fuel production and / or distribution 	SDG 9
Pollution prevention and control	<ul style="list-style-type: none"> • Financing and investments related to: <ul style="list-style-type: none"> - Soil remediation (land remediation of contaminated urban sites) - Recycling facilities where the secondary raw materials (such as steel, aluminium, glass, plastics) cease to be waste and are sold to be used as secondary raw materials - Facilities where compost is produced from recycled waste - Landfill gas capture using a closed or decommissioned waste facility - Research and development initiatives focused on Direct Air Carbon Capture (DACC) 	<ul style="list-style-type: none"> • Reduction of environmental pollution, waste minimization, and circular resource use 	<ul style="list-style-type: none"> • Landfill gas capture for flaring 	SDG 11 SDG 12

<p>Clean transportation</p>	<ul style="list-style-type: none"> • Projects that promote a shift towards less polluting and more energy efficient modes of transport, including: <ul style="list-style-type: none"> - Low energy or low emission transportation assets (<50gCO₂/km) - Zero tailpipe emission transport: Electric, hydrogen and fuel cell vehicles, aircraft, personal mobility devices - Zero direct emissions transport: Bus, metro, subway, rail, light rail transit - Zero direct emissions vessels: Electric, green hydrogen or hydrogen-derived synthetic fuels (e.g., green ammonia), wind, solar or a combination of the above - Low-carbon-fuel ships powered by battery or alternative fuels such as biofuel or hydrogen (including vessels designed to run on green hydrogen, ammonia, methanol, wind or solar) - Bunkering and powering facilities for ships that run on the above fuels • Supporting infrastructure such as: <ul style="list-style-type: none"> - Electric vehicle charging points and hydrogen fueling stations - Automated port and logistics technologies - Urban planning measures: Public walking pathways and bicycle lanes 	<ul style="list-style-type: none"> • Climate change mitigation through the transition to low- and zero-emission transport systems 	<ul style="list-style-type: none"> • Assets dedicated to transportation or storage of fossil fuels 	<p>SDG 7</p> <p>SDG 9</p> <p>SDG 11</p> <p>SDG 13</p>
<p>Green buildings</p>	<ul style="list-style-type: none"> • Acquisition, construction, operation and / or renovation of new and existing buildings that meet (or are expected to receive) one of the following certification standards: <ul style="list-style-type: none"> - LEED “Gold” or above - Mostadam “Gold” or above - BREEAM: Excellent or above - Estidama: 3 Pearls or above - Other equivalent internationally recognized Green Building certifications 	<ul style="list-style-type: none"> • Climate change mitigation and resource efficiency in the built environment 		<p>SDG 6</p> <p>SDG 9</p> <p>SDG 11</p>

	<ul style="list-style-type: none"> - Buildings belonging to top 15% based on emission intensity in the region, as determined by a third-party assessment. This criterion applies exclusively to existing buildings. 			
Climate change adaptation	<ul style="list-style-type: none"> • Activities that increase the resilience of ecosystems, including: <ul style="list-style-type: none"> - Climate observation and early warning systems - Flood defenses - Infrastructure to combat anticipated wind speeds, heavy rains and increased temperatures 	<ul style="list-style-type: none"> • Enhancing resilience to physical climate risks 		SDG 13
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	<p>Projects that promote resource efficiency, waste minimization, and recycling, including:</p> <ul style="list-style-type: none"> • Sustainable packaging solutions: Adoption of reusable or returnable packaging systems • Waste-to-energy technologies: Utilization of biogas and Refuse Derived Fuel (RDF) generated from biogenic waste or sludge • Product lifecycle extension: Establishment of remanufacturing and refurbishment facilities or research and development aimed at creating products with longer lifespans and modular repair options (e.g., home appliance repair services) • Eco-certified products: Goods certified under internationally recognized sustainability standards such as Cradle-to-Cradle, Blue Angel, or equivalent independent verifications 	<ul style="list-style-type: none"> • Resource efficiency, waste reduction, and sustainable production patterns 		SDG 12
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> • Sustainable agriculture: Practices such as biological crop protection, erosion prevention and measures to improve soil health • Biodiversity and landscape conservation: Projects that protect, restore, or enhance biodiversity and preserve natural habitats 	<ul style="list-style-type: none"> • Protection and restoration of ecosystems and carbon sequestration 	<ul style="list-style-type: none"> • Use of inorganic or synthetic fertilizers 	SDG 13

	<ul style="list-style-type: none"> Sustainable forestry: Afforestation, reforestation, and land rehabilitation activities certified under credible sustainability standards <p>Relevant certifications may include, but are not limited to:</p> <ul style="list-style-type: none"> Aquaculture Stewardship Council (ASC) and AquaGAP standard Fisheries accredited by the Marine Stewardship Council (MSC) Forest Stewardship Council (FSC) Programme for the Endorsement of Forest Certification (PEFC), Rainforest Alliance, or Sustainable Forestry Initiative (SFI) <p>In cases where certification is not available, Alinma will evaluate the scope, practices, and expected impacts of the investment against recognized market best practices to determine eligibility.</p>			
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> Conservation, rehabilitation, and protection of sensitive ecosystems such as wetlands, mangroves, and coral reefs Projects that safeguard natural habitats and landscapes, including forests and watershed environments Initiatives to establish, expand, or maintain protected areas on land and in marine environments 	<ul style="list-style-type: none"> Protection, restoration, and sustainable management of terrestrial and aquatic ecosystems 		<p>SDG 14</p> <p>SDG 15</p>

Appendix – 2: Eligible Social Categories

Category	Eligibility Criteria	Social Objectives	Exclusions	Alignment with UNSDGs
Affordable basic infrastructure	<ul style="list-style-type: none"> Construction, development, operation, renovation and/or maintenance of facilities, services, systems or equipment for the target population: - Development of infrastructure related to transport, water and energy: E.g., delivery of potable water through distribution pipelines, local piping networks, sewage collection networks, expansion of T&D networks to provide 	<ul style="list-style-type: none"> Improved access to essential infrastructure services for underserved populations 		<p>SDG 6</p> <p>SDG 7</p> <p>SDG 9</p> <p>SDG 11</p>

	<p>reliable electricity where established access is weak or does not exist</p> <ul style="list-style-type: none"> - Development of sanitation infrastructure to enable proper disposal of wastewater - Development of telecommunication infrastructure (internet coverage, speed, and / or mobile phone coverage) to extend access to areas that fall below the national average for the above <p>Target population: Rural communities that lack access to these services</p>			
Access to essential services: education	<ul style="list-style-type: none"> • Facilities, equipment, and activities that enhance access to public, not-for-profit, free, or subsidized education including: <ul style="list-style-type: none"> - Construction of public schools, universities and university campuses - Activities such as retrofitting infrastructure, school transportation service, mobilizing skilled resources for remote education, to expand access to primary, secondary, university, and vocational education - Activities to promote entrepreneurship and innovation among secondary and university students including financing hackathons and FinTech competitions <p>Target population: General population, including those who lack quality access to essential education services, students</p>	<ul style="list-style-type: none"> • Improved access to quality education and human capital development 	<ul style="list-style-type: none"> • Funding of private for-profit institutions which are not accessible by the general population 	<p>SDG 4</p> <p>SDG 10</p>
Access to essential services: healthcare	<ul style="list-style-type: none"> • Facilities, projects, and equipment that enhance access to healthcare services through affiliations with government health programs, or are more broadly accessible to the whole public through government spending, subsidies, or social security, including: <ul style="list-style-type: none"> - Development, expansion, or acquisition of buildings, facilities, and equipment relating to hospitals, laboratories, clinics, healthcare, and hospices - Funding of children’s paediatric care or maternal and reproductive healthcare products and services for women - Activities that support the funding of health-related R&D programs such as new medicines, treatments, vaccinations, or health equipment - Investments that strengthen the provision of early warning, risk reduction and management of health crises 	<ul style="list-style-type: none"> • Improved access to healthcare services and public health resilience 	<ul style="list-style-type: none"> • Funding of private for-profit institutions which are not accessible by the general population 	<p>SDG 3</p>

	<ul style="list-style-type: none"> - Vocational and professional training programs for healthcare workers, emergency responders, and public health professionals - Establishment or enhancement of diagnostic services, including testing and imaging centres <p>Target population: General population, including those who lack quality access to essential healthcare</p>			
Employment generation	<ul style="list-style-type: none"> • Providing finances to MSMEs as defined by SAMA¹⁰ or under alinma's program-based lending initiative for MSMEs, with a focus on supporting local entrepreneurs and promoting financial inclusion of local MSMEs <p>Target population: MSMEs</p>	<ul style="list-style-type: none"> • Job creation and economic empowerment of MSMEs 		<p>SDG 8</p> <p>SDG 9</p>
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Development and support for initiatives of women to improve economic opportunities through business interventions, including: - Financing for women-led companies where at least one of the following conditions is met: At least 51% of the shareholding is owned by women or at least 51% of top management are women <p>Target population: Women</p>	<ul style="list-style-type: none"> • Gender equality and economic empowerment of women 		<p>SDG:1</p> <p>SDG 4</p> <p>SDG 5</p> <p>SDG 8</p>
Sustainable food systems and nutrition security	<ul style="list-style-type: none"> • Food security and sustainable food systems that support small-scale producers, with a focus on ensuring physical, social, and economic access to safe, nutritious, and sufficient food. Activities in this category promote resilient agricultural practices, the reduction of food loss and waste, and improvements in the productivity and livelihoods of producers, including: - Adoption of modern and sustainable farming technologies, such as hydroponic systems and organic cultivation methods 	<ul style="list-style-type: none"> • Food security and livelihood resilience for vulnerable populations 		<p>SDG 2</p>

¹⁰ The Bank defines MSMEs as micro, small, and medium enterprises in line with the Saudi Central Bank (SAMA)'s classification of revenues and the Small and Medium Enterprise Bank (SME Bank)'s definition. The SME Bank defines MSMEs as enterprises with revenues not exceeding SR 200 million (less than USD 53 million equivalent). SME Bank, "Definition of small and medium enterprises", at: <https://smebank.gov.sa/>

	<ul style="list-style-type: none"> - Food security and livelihood programs designed to safeguard access to food and protect household incomes during and after emergencies - Initiatives that strengthen food systems by promoting climate-smart agriculture, supporting green employment opportunities, and building resilience through improved rural and urban production, entrepreneurship, and income generation <p>Target population: Small-scale producers</p>			
Affordable Housing	<ul style="list-style-type: none"> • Financing or refinancing of government-backed or government-subsidized mortgages provided in partnership with national housing programs, with the aim of expanding access to affordable housing. • Financing for projects related to the development and construction of residential properties that are supported through such government initiatives.¹¹ <p>Target population: Populations eligible for government-supported mortgage financing schemes targeting affordable housing</p>	<ul style="list-style-type: none"> • Improved access to affordable housing for eligible populations 		SDG 11

Appendix – 3: Environmental Impact Reporting – Illustrative list

Category	Impact Indicators
Renewable energy	<ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided (tCO₂e) • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Energy efficiency	<ul style="list-style-type: none"> • Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) • Annual GHG emissions reduced/avoided (tCO₂e) • Number of people who benefitted
Sustainable water and wastewater management	<ul style="list-style-type: none"> • Annual absolute (gross) water use before and after the project in m³/a, reduction in water use in % • Number of people with access to clean drinking water (or annual volume of clean drinking water in m³/a supplied for human consumption) through infrastructure supporting sustainable and efficient water use • Number of people with access to improved sanitation facilities under the project

¹¹ <https://portal.redf.gov.sa/en/LoanProcedures/Pages/brief.aspx>

Programs under the Real Estate Development Fund and Ministry of Housing (MOH) would provide a monthly subsidy up to SAR 500,000 that covers funding profits at a minimum rate of 35% and a maximum rate of 100% based on income thresholds. Eligibility criteria include first time home buyers and the program also guarantees borrowers with salaries under SAR 5,000 and segments including About to Retire customers to ensure affordability

Pollution prevention and control	<ul style="list-style-type: none"> Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. Number of people or % of population with access to waste collection under the project Absolute or % reduction in local pollutants
Clean transportation	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided (tCO₂e) p.a. Number of clean vehicles deployed (e.g. electric) Estimated reduction in fuel consumption
Green buildings	<ul style="list-style-type: none"> Annual GHG emissions reduced/avoided (tCO₂e) vs local baseline/baseline certification level Certification standard, if available (type of scheme, certification level and m² GBA)
Climate change adaptation	<ul style="list-style-type: none"> Increase in grid resilience, energy generation, transmission/distribution and storage in MWh Reduction in repair costs due to storms (to all kinds of infrastructure and assets) Reduction in the number of customers/employees suffering loss of power/transport services Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ Reduction in land-loss from coastal erosion in km²
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	<ul style="list-style-type: none"> Percentage increase in materials, components, or products that are reusable, recyclable, or compostable Share of single-use products replaced by products designed and manufactured for reuse
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> Reduction in greenhouse gas intensity (e.g., tCO₂e per unit of output) or energy use intensity (e.g., GJ per unit of output) Hectares of farmland under certified organic or sustainable agriculture Share of farmland covered by soil or biomass certification schemes Avoided or reduced GHG emissions from agricultural practices Percentage increase in certified sustainable aquaculture Number of trees planted, or hectares reforested
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> Annual greenhouse gas emissions avoided or reduced (in tCO₂e) Area of land or marine environment restored, conserved, or protected (in km² or as % of total managed area) Increase in area designated as protected natural habitat

Appendix – 4: Social Impact Reporting – Illustrative list

Category	Impact Indicators
Affordable basic infrastructure	<ul style="list-style-type: none"> Number of new household power connections Number of first-time internet connections Number of residents benefitting from basic infrastructure new/upgraded which is otherwise not accessible (i.e. rail transportation, development road)
Access to essential services: healthcare and education	<ul style="list-style-type: none"> Number of hospitals and other healthcare facilities financed New or improved service provided by number of beds Number of children vaccinated Number of educational institutions funded by type Number of students served

Employment generation	<ul style="list-style-type: none"> • Number of MSMEs financed • Number of jobs created
Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Amount of financing approved for women-led SMEs • Number of jobs created
Sustainable food systems and nutrition security	<ul style="list-style-type: none"> • Number of people provided with access to safe, nutritious, and sufficient food • Number of beneficiaries supported through agricultural projects and improved farming practices
Affordable housing	<ul style="list-style-type: none"> • Number of beneficiaries • Location of the projects • Number of individuals/ families benefiting from subsidized housing