

focus

on growth...

The sustainable financial partner of choice...

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البنك السعودي للاستثمار
The Saudi Investment Bank





King Abdullah bin Abdul Aziz Al-Saud
Custodian of the Two Holy Mosques



Prince Salman Bin Abdulaziz Al Saud
Crown Prince and Minister of Defense
of Saudi Arabia



focus
on growth...

The sustainable financial partner of choice...



Sustainable Growth

We consider it our ambition,
and our moral obligation to
add value to the world
around us.

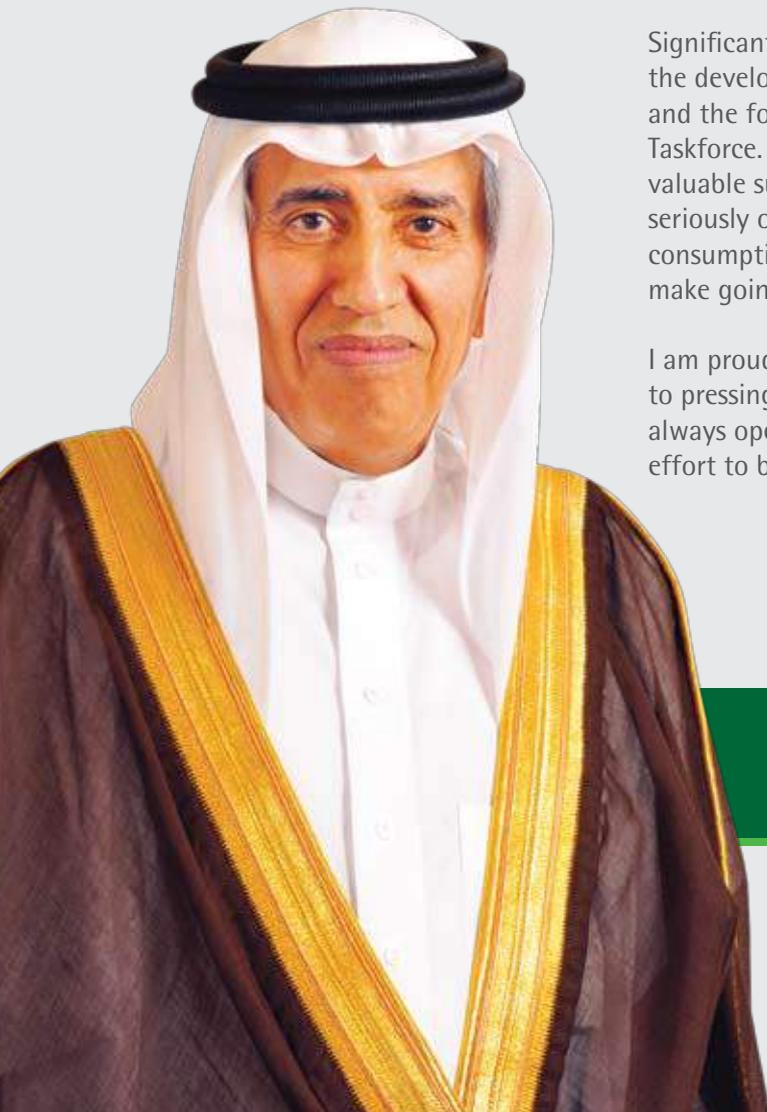
Message from the Chairman

It is with great pleasure that I present the 2012 sustainability performance for The Saudi Investment Bank. Today, the Bank is a recognized leader in the Saudi market with a promising future and an ability to assist in the long-term growth of the Kingdom of Saudi Arabia. Growth for the Bank does not only mean improved economic performance, but also an increased capacity to contribute to social and environmental goals. We consider it our ambition, and our moral obligation to add value to the world around us.

As a financial service provider, we strive to be a better bank contributing to a better world. To do so, we have developed an integrated Corporate Sustainability strategy, fully embedding our culture and operational processes. Our Corporate Sustainability strategy is designed to strengthen social fairness and environmental sustainability, and to have a positive impact on the overall performance and long term competitiveness of the Bank. This includes customer satisfaction, employee commitment, transparency and strong governance.

Significant sustainability achievements for the year include the development of our Corporate Sustainability strategy and the formation of the Sustainability Committee and Taskforce. This gave an important impulse in realizing some valuable sustainable milestones. In addition, we have taken seriously our ability to reduce our natural resource consumption in 2012 – an effort that we will continue to make going forward.

I am proud of the steps we took in 2012 and look forward to pressing on with our efforts in the years ahead. We are always open to your feedback and ideas related to our effort to be an even more sustainable bank.



Dr. Abdulaziz O'Hali
Chairman

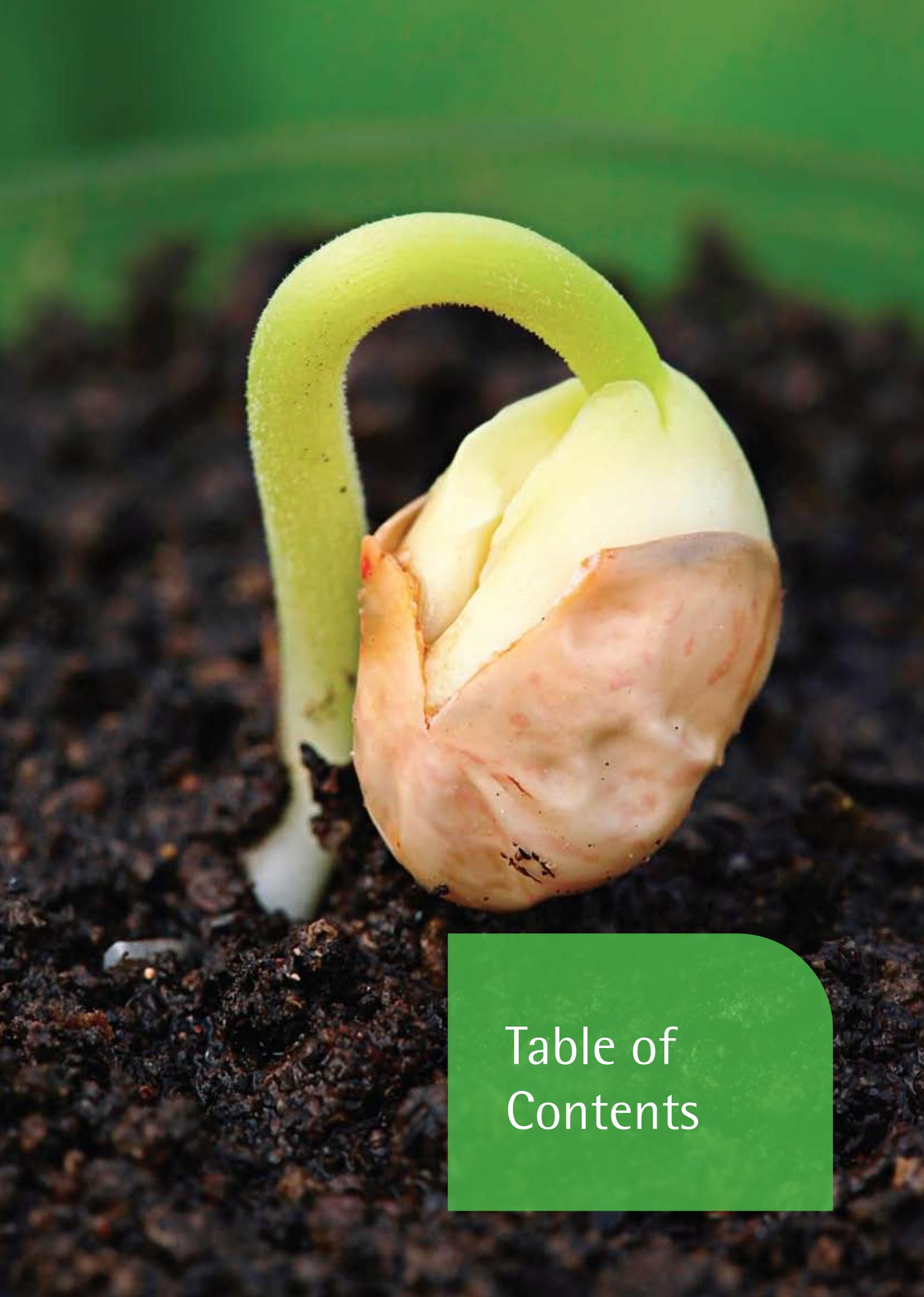


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Message from the CEO

Banking **On** Values

Our way of banking is about economics and values rather than simple and blind moneymaking.



Our vision at SAIB is to be the leading sustainable financial partner and employer of choice in the Kingdom of Saudi Arabia. Within our ever-fast changing world, a leading role means to encourage new ways of thinking and internalize new best practice and performance measures. We are proud that, this year again, we continued to invest in our capacity to do so.

Our focus on Corporate Sustainability enables us to take another look at what we do everyday and to rethink our impact on the world as a financial institution. As a bank, we have an important role to play within the lives of the Saudi people. We provide financial services to our customers and we believe that in today's world, a new kind of banking is necessary.

At SAIB, we believe in a banking philosophy that favors long-term financial relationships with the community over short-term transactions with clients only. Our way of banking is about economics and values rather than simple and blind moneymaking. A system that is built on trust and sustainable relationships and not just signed contracts. We developed a set of principles on banking on values - principles that promote environmental protection, social fairness and financial profitability at the same time. These principles are the foundation of SAIB's style of banking: Value Banking. With Value Banking, in which Shariah Compliant Banking principles are strategically combined with sustainability thinking, we continue to invest in leadership amidst a dynamic and globalizing world.

I am proud to share our sustainability achievements and results of 2012 with you.

Musaed Mohammad Al Mineefi
Chief Executive Officer





A leaking tap consumes

75

liters per day

Corporate Sustainability

A Focus on Growth

It is our vision that SAIB will be recognized as the sustainable financial partner of choice by growing businesses and affluent individuals with 48 branches and 11 ladies sections in the Kingdom - an engaged network of high valued customers.

As a financial services provider, SAIB has an important role to play in different domains within the lives of the Saudi people. The Saudi Investment Bank therefore recognizes Corporate Sustainability as a valuable and important concept to integrate within its strategy, culture and operational processes. Because finance and commerce are processes that attach the world's resource base to production and consumption, we believe the financial sector has an opportunity to bring back the balance between the three. Our Corporate Sustainability efforts have the ultimate goal to foster the growth of our country and the world at large, and to ignite our people while helping us grow as a bank within the Kingdom in the years to come.



SAIB's Commitment to Corporate Sustainability

The year 2012 has brought us much when it comes to Corporate Sustainability. It is the year in which we refined and presented our Corporate Sustainability vision and mission by introducing the concept of Banking on Values – a concept in which we embedded Corporate Sustainability within our governance structures by introducing the Sustainability Taskforce and in which we launched the Green Campaign – an environmental awareness raising campaign for employees on waste, water and energy.

As a testimony towards our efforts and dedication in the field of Corporate Social Responsibility, SAIB was presented with the CSR Award for being one of the best banks in the Kingdom of Saudi Arabia in Corporate Social Responsibility for 2012. The award was presented by the Arabic Organization for Social Responsibility in collaboration with Tatweej Academy.



The Saudi Investment Bank
“Excellence Award”
for Social Responsibility
in the Kingdom of Saudi Arabia 2012



المنظمة العربية للمسؤولية الاجتماعية
Arab Organization for Social Responsibility
منظمة عربية مستقلة تعمل في نطاق الدول الأعضاء في جامعة الدول العربية



“Estedama”? Sustainability? Long-term qualitative growth!

We recognize sustainability as an important concept to integrate within the Bank's strategy, culture and operational processes. Not only because it strengthens social fairness and environmental sustainability, but also as it contributes to customer and shareholder satisfaction, employee motivation, transparency and good governance.

Corporate Sustainability goes far beyond philanthropy. It supports the overall strategy of the Bank, while adding value to the world around it. It will not operate on the periphery of the organization, but will have an impact on the overall performance and long-term competitiveness of the bank from within.

This Report

This 2012 Corporate Sustainability report gives a progress update on the priorities set out in our strategy for sustainability and builds on our 2011 Sustainability Report. It contains data and information on different aspects of our business and operations and reflects our intention, efforts and accomplishments.

In addition, this report aims to service the information needs of our stakeholders. It is specifically based on expectations expressed by our customers, employees and investors. The centralized data processing team at SAIB is assisted by an independent agency that helps to validate and process the large amount of data gathered from SAIB's facilities. We have developed a basic reporting protocol and defined the requests for specific data in our collection tool to align the understanding of what data is required from our operations.

The content of this report was guided by the Sustainability Reporting Guidelines (G3.1) and the Financial Sector Supplement of the Global Reporting Initiative.

Reporting period	January 1st 2012 December 31st 2012
Earlier report	Sustainability Report 2011
GRI reporting level	Level B
Defining contents	Materiality, Sustainability context, Performance figures, Strategic outlook





Lighting alone accounts for

19%

of global
electricity use

1. The Saudi Investment Bank

@ a Glance

The Saudi Investment Bank is a Saudi Arabian Joint stock company established by Royal Decree in 1976, with its head quarters in Riyadh. The Bank operates forty-eight branches and eleven ladies sections located throughout the Kingdom of Saudi Arabia.

SAIB offers a wide range of conventional and Shariah Compliant Personal Banking products and services for individuals and commercial businesses comprising small and medium size enterprises through the Bank's head office and a network of branches throughout the Kingdom.





Business Segments

The Bank is managed on a line-of-business basis. Transactions between business segments are conducted on normal commercial terms and conditions through the use of funds transfer pricing and allocation methodologies. The Bank's activities are organized into three major business segments:

1. Personal Banking
2. Corporate Banking
3. Treasury

IT Strategy

In order to meet the strong demands of business growth, the Bank has put in place an ambitious five year IT transformation strategy. The strategy focuses on supporting the Bank's personal banking and corporate growth, in addition to building strong linkages between the Bank's business units. The strategy is supported by comprehensive project charters, standardized project execution, and project governance. Status tracking and monitoring is also controlled by a central project management function. In addition, an IT Governance structure has been implemented and oversight is controlled by an IT steering committee comprised of senior management.

Risk Management

The complexity of today's financial sector, including business operations and diversity of geographical locations, requires identification, measurement, aggregation, effective management of risks and the efficient allocation of capital to derive an optimal risk and return ratio. The Bank manages its risks in a structured, systemic, and transparent manner through a broad risk policy that incorporates comprehensive risk management into the organizational structure, and the risk measurement and monitoring processes.

Corporate Governance

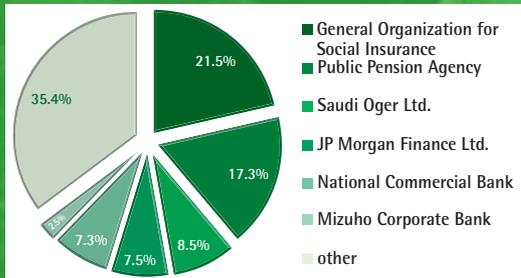
The Bank substantially complies with the corporate governance guidelines issued by SAMA in 2012, and the guidelines included in the Rules Governing the Companies in the Kingdom of Saudi Arabia issued by the Capital Market Authority. A detailed plan was established by the management to be fully compliant in 2013. In addition, the Bank follows the Accounting Standards for Financial Institutions promulgated by SAMA and International Financial Reporting Standards (IFRS).

Laws & Regulations

The Bank is subject to all laws and regulations of the Kingdom of Saudi Arabia and is regulated by the Saudi Arabian Monetary Agency (SAMA). The Bank also follows the regulations issued by the Ministry of Commerce and Industry and the Capital Market Authority (CMA).

The Bank's major shareholders include:

1. General Organization for Social Insurance 21.5%
2. Public Pension Agency 17.3%
3. Saudi Oger Ltd 8.5%
4. JP Morgan Finance Ltd. 7.5%
5. National Commercial Bank 7.3%
6. Mizuho Corporate Bank 2.5%



Strategic Planning Department

Over the last three years, the Bank has experienced a successful strategic transformation. Corporate Sustainability is of course an important part of this strategic orientation, which has as an end-result, long-term competitiveness including sustainable growth. We are very proud to have been involved in incorporating such sustainable key performance indicators in our managements' balance scorecards this year as this is one of the best ways to successfully integrate such practices into our daily operations.

[Where Sustainability Meets Governance...]



Part of the reuse, reduce, recycle campaign is placement of dedicated paper bins throughout the Bank

YES!
Together...
we can make a difference



2. Our Corporate Sustainability Strategy

With sustainability on our minds, we asked ourselves: how can the financial skills and know how of our Bank contribute to achieving sustainability goals? How can our funds be used most effectively to foster social and environmental sustainability? How can we integrate the considerations of ecological limits, social equity and economic justice in all our activities? What type of world do we want to serve and how can we as a Bank help shape our collective future?

In short: what is our Corporate Sustainability ambition?

Corporate Sustainability

For us, Corporate Sustainability is the reason to take another look at what we do every day and to rethink our impact on the world as a financial institute. Corporate Sustainability proves to be the management tool that gives us the ability to shape our own way of banking. Our thoughts on the role of banking in society, and our ideas on the added value of financial institutes, resulted in a framework of banking on values - a set of principles on banking that promotes environmental protection, social fairness and financial profitability at the same time. These principles are the foundation of the SAIB way of banking: Value Banking.

2.1 Value Banking

To truly integrate sustainability within our business' DNA, in 2012 we introduced the concept of Value Banking. By doing so, we are one of the first Banks in the Kingdom to integrate Corporate Sustainability in its core values, its operational processes and in the long-term strategy. We stand for a new way of banking in which Shariah Compliant Banking principles are strategically combined with sustainability thinking, along with the ability to constantly adapt to socio-economic developments in a dynamic and globalizing world.

Value Banking Guiding Principles

- Promote innovation and leadership through dialogue to best serve society
- Embrace the values and opportunities of Shariah Compliant Banking to encourage ethical banking
- Fair & just business for open and trustful relationships
- Sharing our financial expertise with customers and the community at large leading to sustainable financial leadership



Our Ambition

Introducing the concept of Value Banking in the Kingdom gives us the opportunity to take leadership on Corporate Sustainability within the financial sector. It is our ambition that by 2015:

We are recognized as the sustainable financial partner of choice, by our vision on banking in the 21st century and our integrated Corporate Sustainability program. We are a sustainability best practice in the region, celebrated by our strong leadership

and various unique activities in the community.

We are considered as the sustainable employer of choice by our current and future employees. Our Corporate Sustainability vision and activities contribute to being a 'Great Place to Work'.

Corporate Sustainability resulted in measurable top line value creation and bottom line costs savings.

2.2 Materiality & Stakeholder Engagement

To ensure that our Corporate Sustainability strategy reflects and is aligned with our societal, environmental and business reality, through the year we keep a close eye on the most material issues and are in continuous dialogue with our key stakeholders. In the development phase of our Corporate Sustainability strategy, we followed a four-fold approach in identifying the key material issues. During the Materiality Analysis the following stakeholders have been considered and consulted: internal and external stakeholders, sector peers, GRI guidelines and the Saudi Competitiveness Index. The Materiality Analysis shows us strategic relevance of sustainability issues and sustainability Key Performance Indicators (KPI's). We have taken up the most material strategic KPI's in our Sustainability strategy. In addition, our sustainability activities take into account a set of hygienic KPI's.

In addition, our sustainability activities take into account a set of hygienic KPI's.

HYGIENIC KPI'S	STRATEGIC KPI'S
Economic performance and indirect economic impacts Good governance and sustainability reporting	Local community program Societal impact assessment
Employees employment training & education of employees diversity & equal opportunities	Natural resource management: water waste energy
Occupational health & safety	Enhancement of financial literacy (of customers and society at large)
Customer privacy and security	Leadership in sustainability

2.3 Corporate Sustainability Program

Three main business domains that are affected by and give shape to Value Banking are 1) Human Resource Management, 2) Business Operations & Facility Management, and 3) Product Development & Marketing. As

such, our Corporate Sustainability strategy is translated into three programs:

1. Talent Program
2. Operational Excellence Program
3. Shared Value Program

2.4 Embedding Corporate Sustainability in our Organization

Corporate Sustainability is for everyone working at the Bank. To help us manifest our policies and to create an enabling environment for every employee, we developed a Corporate Sustainability Taskforce which aims to facilitate and integrate sustainability practices into our daily operations. This Taskforce functions under the supervision of the CEO whereby the various sustainability Key Performance Indicators are incorporated into the targets of the relevant employees.

Sustainability Taskforce

The three-headed Taskforce is responsible for:

1. Developing and implementing the long term Corporate Sustainability strategy
2. Coordinating and monitoring the implementation of the sustainability activities by the involved employees
3. Organizing and launching the internal Environmental Awareness Campaign on Waste, Water & Energy

Corporate Sustainability Governance is all about engagement

"There are no one-size-fits-all methods to integrate Corporate Sustainability within an organization. Sustainability has many faces and has a different meaning for everyone. Therefore, to make sure our people support our sustainability efforts, we need to make sure they understand what the broad and complex concept is about, and how they can make their own contribution to it. We believe that employee awareness, for

example, by launching a Green Campaign and enabling them to participate in different sustainability activities is the only way to successfully integrate Corporate Sustainability within the bank. Only then can we foster sustainable growth."

2.5 Ethics, Anti-bribery & Corruption

The Bank attaches great importance to ethical business operations, including a zero-tolerance policy towards bribery and corruption. Every form of bribery, corruption and fraud is prohibited. Our bribery and anti-corruption policy is the vehicle through which we comply with laws and regulations in this area. The policy applies to every part of the bank. Failure to comply with the anti-corruption policy naturally has consequences: measures may be taken under industrial law or internally, or the relationship with the client or supplier may be terminated.

[Corporate Sustainability Taskforce]

Whistle Blowing

The Whistle Blowing Policy at the Saudi Investment Bank (SAIB) is intended to make it easier for employees to be able to report irregularities in good faith, without fear that their action may have adverse personal consequences. The Whistle Blowing Policy is a key element for safeguarding the Bank's integrity. It is aimed at enhancing the Bank's transparency and underpinning its system for combating practices that might damage its performance and reputation.

Fraud Prevention and Detection

SAIB created the Fraud Prevention and Detection Department in 2009, as an independent department, to help safeguard the Bank from fraudulent crimes. Its main objective is to monitor transactions and seek to identify fraudulent transactions as early as possible, in order to limit losses and keep fraudulent activities to a minimum.



Did you know...?

Every single employee of SAIB has signed the employee Code of Conduct.



The water we drink
at our HQ has to travel

400
km

before it reaches Riyadh

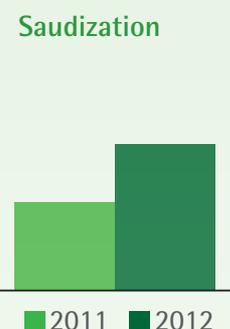
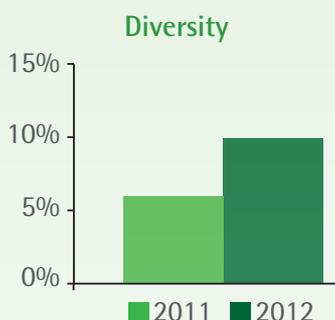
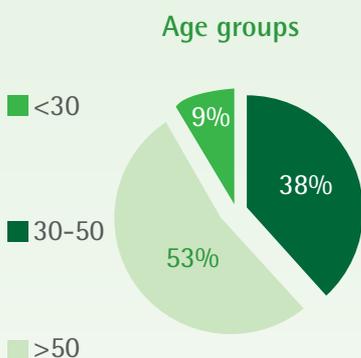
3. Employees & Society

At SAIB, we recognize our employees as our most valuable asset. SAIB is what it is today because of its people. Therefore, Employee Engagement & Development has a central place within our Corporate Sustainability program. In turn, an inspired and talented workforce is also a workforce that wishes to contribute to its society.

3.1 For Employees

We want to invest in our employees' well-being and offer them an enabling working environment. In 2012, we invested in being a 'Great Place to Work' for every employee. In the first place, we take employee benefits such as occupational health & safety measurements very seriously. We are a female friendly company (with a 10% female workforce) and we offer our employees numerous training and development opportunities. In addition, we conduct an extensive Employee Satisfaction Survey every two years.

Our workforce in numbers



Workforce 2012	Male	Female	Total
Under 30	324	97	421
Between 30-50	537	41	578
Over 50	97	0	97

Senior Management	102	2	104
Middle Management	378	33	411
Lower Management	478	103	581

Absentee days	Male	Female	Total
Under 30	646	313	959
Between 30-50	1388	213	1601
Over 50	93	0	93
Absentee Rate (AR)	1.1%	2.4%	3.5%

Saudization	2012	2011
Saudi Nationals in Workforce	78%	77%
Employment of Saudi graduates	9	3





Improving Employee Satisfaction HR Training & Development

We take our employees' happiness very seriously. That is why every two years, we conduct an Employee Satisfaction Survey to gauge our staff's feedback on how we can make SAIB a better place to work. Based on the results of the 2011 survey, we reviewed and improved the Medical Insurance policy, made it possible to apply for grants, introduced departmental dinners and further improved and created access to benefits such as loans, business travel and education assistance. In addition, we added online facilities in our Human Resource Management System, improved staff communication through our Internal Intranet portal through the publishing of our HR Policy and Code of Conduct. These important measures, which were carried out throughout 2012 have helped us become an even greater place to work.



A Saudi Workforce

The total number of employees working for the Bank is 1,096 FTE's. As a result of the Bank's continuing Saudization efforts, the percentage of Saudi nationals to total staff as of December 31, 2012 remains strong at 78%, reflecting the Bank's ongoing commitment to Saudization. A great example is the Graduation Program for young Saudi's which has employed a total of 9 new graduates.

Way Forward: Training & Development HR Training & Development

"During 2012, we provided a total of 1379 separate training courses that were attended by 646 Saudi employees. In 2013, with the opening of our very own onsite training center, even more focus will be placed on Training and Development of employees. Examples are the mandatory trainings on Corporate Sustainability and on Code of Conduct. In addition, next to our popular Graduates Program, in 2013 we will launch a Young Hires Program exclusively for young Saudis. We do this together with the government's Human Resource Development Fund and the Institute of banking (IOB). After a rigorous yet comprehensive training program, 100 young Saudis will get the chance to find exciting job opportunities in the financial sector."



Way Forward: Employee Appreciation Program

Quality Assurance Department

The Employee Recognition Program is an initiative of the Quality Assurance (QA) Group along with its stakeholders, which aims at rewarding the bank's employees who have made outstanding efforts and achievements outside their current role and responsibilities. This initiative will cover all the Bank's regions, groups, departments, and units. Employees can be nominated by their department head and will be eligible to receive a Gold, Silver, and Bronze medal and a gift voucher between the amount of SAR 500 - 2000. With the Employee Appreciation Program, the Bank encourages all its employees to lead by example. Special medals will be reserved for employees that make an outstanding contribution to sustainable innovation at the bank.



**OUTSTANDING
EMPLOYEE**

Yes!

**WE
APPRECIATE
ALL YOU DO!**



3.2 By Employees

It has always been our ambition to motivate our employees to develop their own talents and invest their time and knowledge in meaningful community projects. To do so, we developed the SAIB Employee Volunteering program, which was launched on the International Volunteer Day 2012. A team of volunteers was formed as part of SAIB's effort to consolidate the concept of volunteer work in line with the Bank's new Corporate Sustainability strategy. As a result, employees can now be involved in numerous societal initiatives taking place within our community.



SAIB Sponsor Policy

To make sure our community projects and activities relate to our core business and our employees' expertise, we formulated three project based focus areas. Every community project we support, whether in kind, financially or via our employees, caters the following requirements:

1. Thematic requirements: focus on financial education, career development or environmental protection.
2. Geographic requirements: all activities take place within The Kingdom of Saudi Arabia.
3. Process requirements: the social impact of the project must be measurable and long term.

Our Top 5 Social Initiatives

Food Box Initiative:

During the Holy month of Ramadan 2012, SAIB staff distributed food baskets to a large number of less fortunate families across the Kingdom.

Clothing Initiative:

During the Holy month of Ramadan 2012, SAIB staff organized an initiative for greeting needy families by providing them with prepaid clothing vouchers distributed to a large number of families in need.

International Day for the Elderly:

SAIB female staff volunteered to visit a nursing home for the elderly for the purpose of honoring elders and providing care and moral support.

Career Day for Orphans:

Voluntary training for Female Orphans on the Banking sector to encourage interest and employment in the field.

Kidzania:

Signed agreement with Kidzania whereby SAIB will feature a branch replica for children used for financial educational purposes.





Did you know...?

- In the field of sports, SAIB was a proud sponsor of the 2012 soccer match between the Saudi National team and the National team of Argentina.
- SAIB established an Employee Volunteer Program on International Volunteer Day aimed at empowering its employees in providing meaningful support for new and upcoming community initiatives.



A R G E N T I N A V S S A U D I A R A B I A

Highlight: SAIB Sponsor Policy

We find ourselves very privileged to receive numerous sponsor requests from societal organizations and NGOs from all over the country every week. To make sure we support exactly those initiatives that relate to the Bank's Corporate Sustainability vision and goals, this year we have developed a Sponsor Policy. We can support initiatives that focus on financial education, career development or environmental protection, and that take place within the Kingdom. In addition, we find it important that our employees are actively involved in the social initiatives we are engaged in.

The Sponsor Policy helps us identify those initiatives that fit the profile through clear criterions, which help to exclude non-qualifiers at an early stage. The Sponsor Policy adds great value to the growth of our Sustainability profile.

[Corporate Sustainability Taskforce]

3.3 Sustainability Capacity & Awareness

To realize our Sustainability ambitions, our employees must be our ultimate Sustainability ambassadors. To make them aware of what Sustainability means to SAIB, to engage them within the program, and to build their capacity when it comes to sustainability, we started to develop a Sustainability Awareness Campaign with and for employees this year: an internal awareness & attitude campaign on the Big 3: Waste, Water and Energy.



معاً..
نصنع الفرق

Together..we can make a difference



We started with a replacement scheme for LED lighting throughout the Bank



4. Operational Excellence

With ambitions to contribute to a better world, you have to begin with yourself. We want to ensure our operations are sustainable, and reduce our impact on the environment. Sustainable quick wins with considerable environmental impact can be found within the domain of facility management and business operations. In 2012, we achieved a 11.2% reduction in our carbon footprint per FTE compared to 2011.

4.1 Facility & Real Estate Management

We can significantly reduce our environmental footprint through efficient and sustainable internal business operations. Our motto is "reduce consumption, reuse smartly and recycle where possible". This helped us to achieve a 10.7% reduction in our energy consumption per FTE compared to 2011 - a significant progress in reducing our footprint.

Energy

The main type of energy we use is electricity. We mainly use electricity for powering our lighting, electric devices and climate systems. The environmental impact of our energy use is indirectly caused by the energy plant that generates the electricity and thereby emits carbon emissions. Pursuing our motto, we achieved a 10.7% reduction in our energy consumption per FTE compared to 2011 - a significant progress in reducing our carbon footprint. Our electricity use causes 19,411 tons of carbon emissions. Increased awareness about energy conservation and the implementation and use of smart technologies will pave the way for a more sustainable SAIB.



Paper

Paper use contributes to our environmental impact as its production requires both energy and land (forests). As information and communication technologies enable digital ways of communicating with our personnel and clients, our paper use follows a (global) declining trend. The paper use throughout the Bank has decreased with 19.8 % from 10.7 kg per employee in 2011 to 8.6 kg per employee in 2012. Both our internal campaign Print Less Initiative and the use of Internal Reusable Envelopes have contributed to greater paper efficiency and made the first steps towards a paperless office.



Water

Water scarcity is increasingly becoming a global issue, which is why we aim to optimize our water consumption. Our water use has been reduced significantly i.e. from 373 m³/FTE in 2011 to 59 m³/FTE in 2012. This reduction is brought about by increased awareness among our employees and the use of water efficient appliances, such as placing sensors on our taps.



Waste

Our waste is the byproduct of some of our operations. One can think of materials such as paper, plastics and other office supplies used by our employees in our offices and affiliates. Reducing our waste production corresponds with optimizing our procurement policy.



Did you know...?

In 2012, our executive staff had started using Director Desk software for Committee meetings to reduce the use of paper. Presentations are now being viewed by this software through tablet pc's.

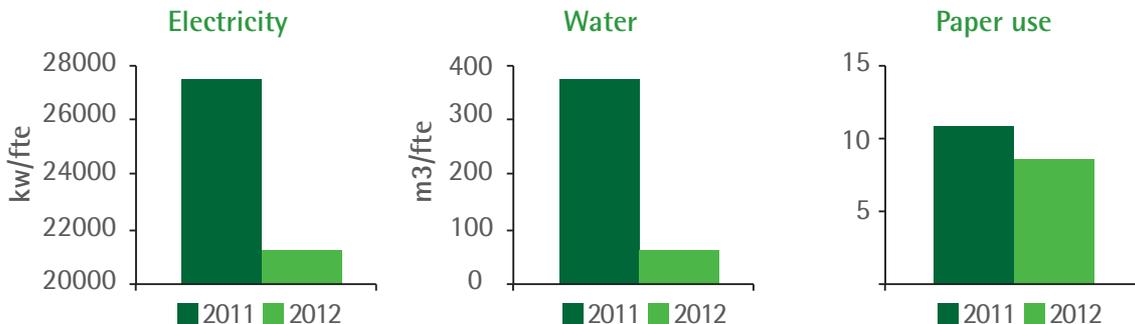


Director Desk software

Mobility

As a bank, we maintain continuous contacts with our customers. Cars and flights enable the necessary travel movements for our personnel and transport around our offices. As these modes of transport rely on fuel consumption, they obviously cause an

impact to our carbon footprint, which is why we strive to optimize the use of our transportation. The carbon emissions caused by transportation in 2012 amounted to 267.8 t CO₂.



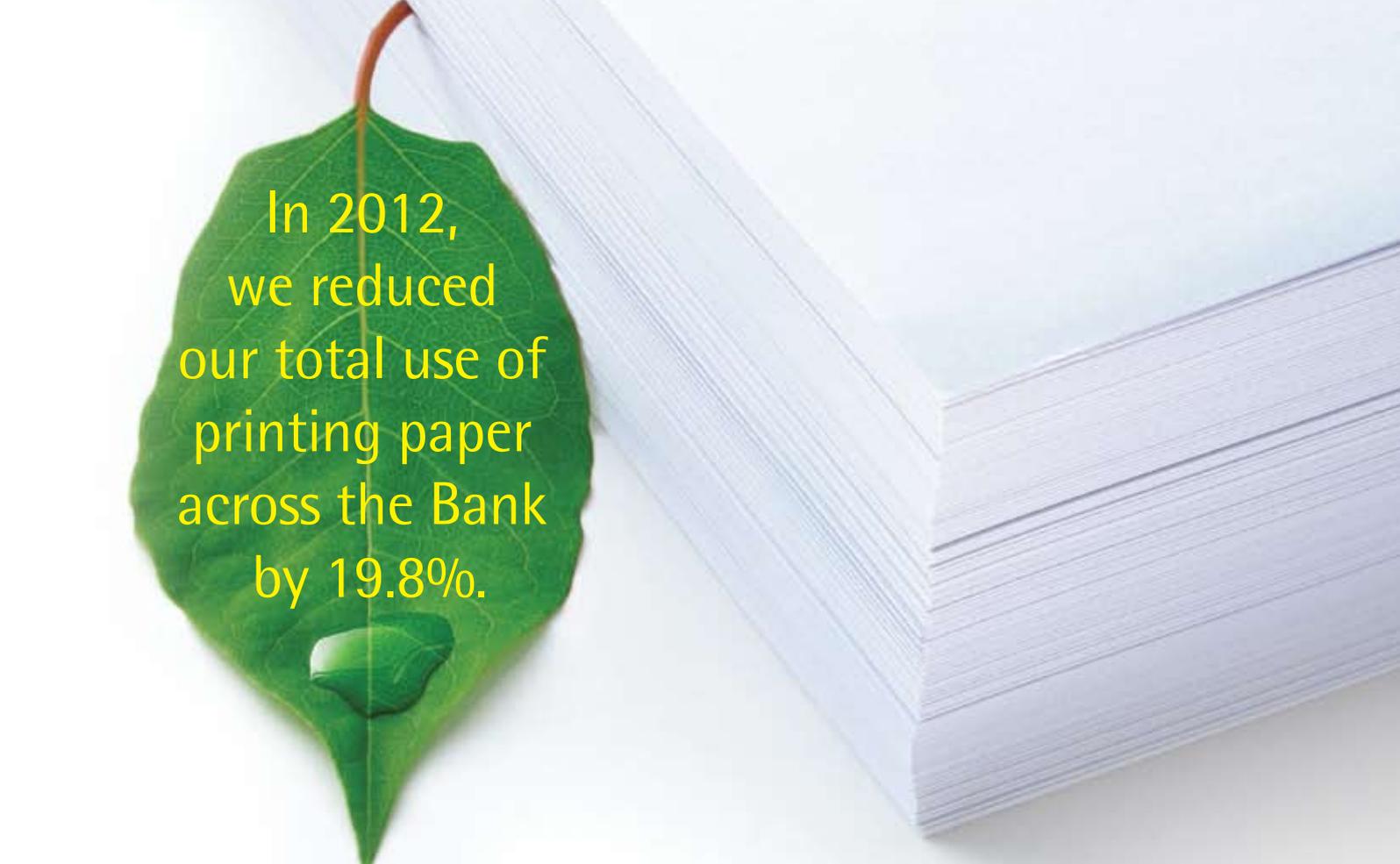
Green Campaign

Sustainable improvements within the domains of facility management and business operations are considerably easy to implement. The biggest challenge however, is to change the behavior of our employees.

The success of the program depends on their awareness of the Sustainability possibilities and their commitment to contribute to Sustainability within their daily operations. Launching the Employee Sustainability Awareness campaign on Water, Waste and Energy gives employees practical tools, which they can use outside the office walls, to contribute themselves.

[Sustainability Taskforce]





In 2012,
we reduced
our total use of
printing paper
across the Bank
by 19.8%.

Way Forward: e-statements and paper reduction

"With an approximate of 50,000 e-statements instead of paper statements sent to customers every month, we are stepping up our efforts to further implement our digital way of working.

This has our attention for the year to come. Together with other actions such as the Print Less Initiative, the Internal Reusable Envelopes and the use of Director Desk software replacing paper based presenting and reporting, we target a reduction of 25% on paper use over 2013."

[Support Services]

Our Top 5 Environmental Initiatives 2012

1. Water conservation through sensors.
2. LED lightning at HQ.
3. Internal Print Less Initiative campaign.
4. Launch Internal Reusable Envelopes.
5. Celebration of World Environment Day by Cleaning up Tabuk Beaches.

Way Forward: Sustainability leading the way

Administration department

"2012 was just the beginning of our smart energy adventure, which will continue in the years to come. In 2013, we will continue with replacing conventional lightning with LED lightning. We are talking about more than 300 lights per branch. At the same time, we will replace our monthly paper statement with the far more environmentally friendly e-statements. This not only significantly reduces the amount of waste we produce, it also saves us time and money."



Smart Energy

Administration department

As part of our commitment and stewardship towards the environment, this year we made great effort to enhance awareness on simple conservation methods that can help reduce our environmental footprint. In addition, we focused on implementing some smart energy efficiency interventions; at our headquarters, we have decreased the standard temperature level of the air conditioning and began installing LED lighting to reduce energy consumption. We placed sensors on the water taps and started a paper recycling program.



4.2 Sustainability Awareness

Reducing our ecological footprint is a key objective for SAIB. Getting the hardware (energy efficiency tools) in place is one thing, but making sure our staff adopts the new behavior is another. Our Green Campaign has helped us this year to raise awareness on Corporate Sustainability amongst our employees. This year, we successfully moved forward with the Print Less Initiative that we initiated in 2011, and celebrated World Environmental Day. We will kick off next year's Green Campaign with the launch of a Paper Recycling program.



Did you know...?

The Carbon Footprint of SAIB's operations is 19,693 tCO₂ for 2012. This is an improvement of 11.2% compared to 2011.

Did you know...?

With the introduction of reusable interoffice envelopes we have reduced our average envelop usage from 50,000 envelopes per quarter to 30,000. A 40% drop in total envelopes used!

Way Forward: Procurement & Compliance

"We believe that our responsibility in the field of sustainability extends beyond our own internal business operations. Therefore, from next year we will scrutinize our partners and suppliers within our purchasing policy, assessing them on the transparency and sustainability of their own operations. Entering and maintaining long-term dialogue with our suppliers is of utmost important and is taken very seriously by our Administration department."

[Administration department]

We started replacing paper coffee cups with the use of personalized solid cups





5. Creating Shared Value

The Bank operates through its three regional offices and its Personal Banking branch network in the Kingdom, providing conventional and Shariah compliant banking services and products to individuals, small and medium size enterprises, corporate and public sector entities. Our products range from Trade finance to Personal Banking and from Hedging Solutions to Treasury Services.

enable us to have another look at our products and the external positioning. And at the same time, it makes sustainability and sustainability thinking part of our core business. Last year, this was reflected in three core areas: Customer Service & Dialogue, Responsible Marketing and Product Development.

From a Corporate Sustainability perspective, our guiding principles of Value Banking

Focus on Value Banking

"The most interesting element within the Banking on Values philosophy is the process of building long term relationships with our most important stakeholders. Every successful financial institution depends on this, and should treasure long lasting relationships with its customers. For us, this so-called Relationship Banking also lies at the foundations of Shariah Compliant Banking, and vice versa."

[Product Development Department]



5.1 Customer Service & Dialogue

We are a bank. We provide financial services to our customers. This is our reason of existence. This is also why we want to ensure that our customer experiences this as valuable and meaningful. The focus of our Quality Assurance team is mainly on Customer Data Safety, complaints reduction

and Customer Satisfaction Surveys. Overall Health and Safety procedures at the branches are on top of our minds, which is why the focus is on making our branches easily accessible by the physically disabled. Furthermore, in 2012 we launched a Fraud Awareness Campaign to communicate safety awareness measures for our customer base.

Did you know ?

The Bank conducted training courses through E-learning for all Bank staff in the areas of anti-money laundering and compliance, where 97.3% and 96.3% respectively had successfully participated. Customer service and dialogue are key in maintaining long-term relationships and trust with our key stakeholders.



The Voice of our Customer

"2012 has been a challenging yet rewarding year for the Quality Assurance team. A first challenge for our Customer Complaint Unit was to implement and apply for the ISO 9001:2008 within the scope of Customers Complaints Handling & Processing, which was successfully awarded to us in August 2012. Next to this, we are very proud to have launched the Voice of Customer (VOC) unit in

July. The three-headed unit is responsible for getting the customer's feedback on four different scales: Accounts, Loans, POS & Complaints. With Voice of Customer, we targeted 92% of all on-boarding customers. A great achievement for the unit."

[Quality Assurance Department]

5.2 Responsible Marketing

For the Bank, marketing means entering into a long-term dialogue with the world around us, the community we work in, our current and future customers, and other societal stakeholders. To do so, we set up different meaningful marketing activities last year. In 2012 we started communicating externally on sustainability and sustainability initiatives. Not only to spread awareness on the subject, but also to inspire our partners and consumers with our success stories. In 2012, we were rewarded with a total of seven Awards and Achievements.

AWARDS 2012



The Saudi Investment Bank
“Excellence Award”
 for Social Responsibility
 in the Kingdom of Saudi Arabia 2012



The Saudi Investment Bank
“Elite Award”
 J. P. Morgan Recognition Award for 2012

ACHIEVEMENTS 2012



The Saudi Investment Bank
“Best Domestic Retail Islamic Bank”
 in the Middle East for 2012



The Saudi Investment Bank
“Best New Retail Finance Product”
 Banker Middle East Product Awards 2012



خدمة الهاتف المصرفي "آلو بنك" بمعايير
 شهادة الجودة العالمية أيزو 9001:2008
 SAIB "ALLO Banking" is ISO 9001:2008 certified



The Saudi Investment Bank
“Best Commercial Bank”
 for 2012 in the Kingdom of Saudi Arabia



التميز بالأداء لمعالجة شكاوي العملاء
 شهادة الجودة العالمية أيزو 9001:2008
“Customer Complaints Quality Assurance”
 ISO 9001:2008 certified

5.3 Product Development

Last year's focus within the sustainable product innovation domain was on developing E-banking products, accompanied by an E-banking awareness campaign. Through these actions, E-banking usage penetration reached 25.76% in 2012. Anticipating a growing customer demand, the Bank will continue to pursue a further digitalization of our services.

Special attention continues to go to our ALASALAH Shariah Banking Brand. The Bank provides Shariah Compliant products and services under the ALASALAH Shariah Banking brand. These products were given special attention to

ensure their compliance with Shariah principles and their suitability to the local market in recognition of the increasing demand for Shariah Compliant products and services, and the significance of Shariah Compliant Banking as a strategic direction for banks operating in the Kingdom and the region. The Bank now operates forty-four Shariah compliant branches.

Shariah Banking is at the heart of the Value Banking sustainability strategy of the Bank. As a result, all of our Shariah Compliant Product portfolio has been handled and approved by the Shariah Board in addition to new products to be introduced for Corporate Banking customers.

Did you know...?

Next year, SAIB will celebrate the launch of its first Credit Card made possible by working in close collaboration with Visa and Mastercard. This will form a great contribution to our Personal Banking product offering.

SHARIAH COMPLIANT BANKING PRODUCT LIST 2012

Personal Banking	Corporate Banking
Shariah Current Account (ALASALAH)	Murabaha
Salary Account	Istisna'a
Murabaha Deposit	Ijara
Commodities Finance Product "Arzaq"	
Loan Buy Outs	Treasury
Auto Finance Product "Irad"	Murabaha Commodity Deposit
Shares Murabaha	Murabaha Commodity Loans
Al Asalah Home Finance	
Ijara	

Did you know...?

In 2012, SAIB was awarded for being one of the best banks in the Kingdom of Saudi Arabia in Corporate Social Responsibility by the Arabic Organization for Social Responsibility in collaboration with Tatweej Academy.

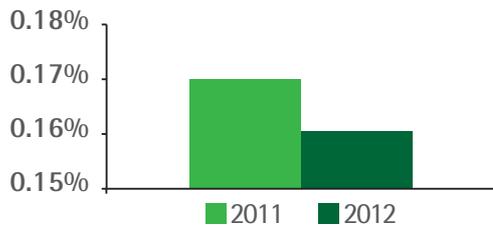


5.4 Customer Satisfaction

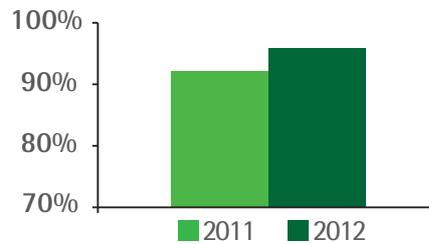
Key to the Bank's success is its customer preference. Handling customer data accurately and with full integrity together with a permanent service mentality in case

of customer complaints are strong drivers of the Bank's good performance. SAIB is proud to present a continuous improvement on both measures.

Customer complaints



Integrity & accuracy of customer data



Did you know...?

Overall customer satisfaction is at

92%

A close-up photograph of several water droplets of various sizes on a textured blue surface. The droplets are in sharp focus, showing their spherical shape and the way they reflect light. The background is a soft, out-of-focus blue. A dark green rounded rectangle is overlaid on the right side of the image, containing yellow text.

In 2012, we installed an estimated 200 water pressure sensors across the bank to reduce our water footprint

Appendix II Global Reporting Initiatives

This report is compliant with the internationally recognized guidelines of the Global Reporting Initiative (GRI) G3.1. For 2012, we have reported at GRI's level B (self-declared).

For additional disclosure of our GRI indicators please see our website <http://www.saib.com.sa/en/main-section/corporate-social-responsibility/GRI>

We appreciate your feedback and suggestions to help us better understand how our activities impact the business and society. To send feedback on this report, please contact us at info@saib.com.sa.

GRI Index

GRI Disclosures

STANDARD DISCLOSURES PART 1: Profile Disclosures			
1. STRATEGY & ANALYSIS			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization on its strategy	Fully	Message from Chairman (see page 5), message from CEO (see page 9)
1.2	Description of key impact, risks and opportunities	Partially	Corporate sustainability strategy (see page 19)
2. ORGANIZATIONAL PROFILE			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
2.1	Name of the organization	Fully	The Saudi Investment Bank
2.2	Primary brands, products and/or services	Fully	Annual report 2012
2.3	Operational structure	Fully	Annual report 2012
2.4	Location of HQ	Fully	Riyadh, Kingdom of Saudi Arabia
2.5	Countries located	Fully	Kingdom of Saudi Arabia
2.6	Nature of ownership and legal form	Fully	Shareholders (page 17). Further disclosed in Annual report
2.7	Markets served	Fully	Annual report 2012
2.8	Scale of the organization	Fully	Annual report 2012
2.9	Significant changes during the reporting period	Fully	Annual report 2012
2.10	Awards received in the reporting period	Fully	Awards & Achievements (see page 37)
3. REPORT PARAMETERS			
PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
3.1	Reporting period	Fully	January 1st 2012 – December 31st 2012
3.2	Most recent previous report	Fully	Sustainability Report 2011
3.3	Reporting cycle	Fully	Annual Report 2012
3.4	Contact details	Fully	Contact page (page 41)
3.5	Process of defining report content	Partially	This Report (page 13); Materiality & Stakeholder Engagement (page 20)
3.6	Boundary of the report	Fully	This report (see page 13)
3.7	Limitations on the scope or boundary of the report	Not	NA
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities outsources operations, and other entities	Not	NA
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Partially	This report (see page 13)
3.10	Re-statements of information provided in earlier reports	Not	NA

3.11	Significant changes from previous reporting periods	Not	NA
3.12	Standard Disclosure Table	Fully	GRI Disclosure Table (page 43-55)
3.13	Description of key impacts, risks and opportunities.	Not	NA

4. GOVERNANCE, COMMITMENTS & ENGAGEMENT

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
4.1	Governance structure	Fully	Annual report 2012
4.2	Chair of highest governance body	Fully	Chairman of the Board (page 5)
4.3	Members of the highest governance body	Fully	Annual report 2012
4.4	Mechanisms for shareholders and employees to provide recommendations to the highest governance body	Partially	Sustainability Task Force coordinates recommendations on sustainability policy (page 21).
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organizations performance.	Partially	Balanced score card in place on sustainability KPI's throughout the organizations responsibility domains; P/I
4.6	Process in place for the highest governance body to ensure conflicts of interests are avoided.	Not	NA
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Not	NA
4.8	Internally developed statement of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	Corporate sustainability strategy (page 19-21)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Partially	Sustainability Task Force falls under direct responsibility of the CEO.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Partially	Management and governance; Annual report 2012 (page 25)
4.11	Explanation of whether and how the precautionary approach or principles is assessed by the organization.	Partially	Training and development (see page 24-25).
4.12	Externally developed economic, environmental, and social charters, principles or other initiatives to which the organization subscribes or endorses.	Fully	No endorsements
4.13	Memberships in association	Fully	Annual report 2012
4.14	List of stakeholder groups engaged by the organization	Fully	Materiality & stakeholder engagement. (see page 20)
4.15	Basis for identification and selection of stakeholders	Not	NA
4.16	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Partially	Materiality & stakeholder engagement. (see page 20)
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Partially	Corporate sustainability strategy (page 19-20)

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

DMA PS Disclosure on Management Approach PS

G3.1	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
Aspects	Product Portfolio		Annual report 2012. For product development: page 38
FS 1	Policies with specific environmental and social components applied to business lines	Partially	Embedding Corporate Sustainability in our Organization; Ethics, Anti-bribery & Corruption (page 21)
FS 2	Procedures for assessing and screening environmental and social risks in business lines	Partially	Risk Management (page 16)
FS 3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Partially	Way Forward: Procurement & Compliance (page 33)
FS 4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Partially	Whistle Blowing (page 21)
FS 5	Interactions with clients/investees/ business partners regarding environmental and social risks and opportunities	Partially	Customer Service & Dialogue (page 36); Responsible Marketing (page 37)
	Audits	Not	Not Reported
	Active Ownership	Fully	Business Segments (Page 16-17)

DMA EC Disclosure on Management Approach EC

Aspects	Economic Performance	Fully	Annual report 2012 (page 15)
	Market Presence	Fully	Annual report 2012 (page 18)
	Indirect economic impacts	Not	NA

Disclosure on Management Approach EN

Aspects	Materials	Partially	Paper; Waste (page 30); Way Forward (page 32)
	Energy	Fully	Facility & Real Estate Management; Energy (page 29); Smart Energy (page 33)
	Water	Partially	Water (page 30)
	Biodiversity	Not	NA
	Emissions, effluents and waste	Fully	Operational excellence (page 29-33)
	Products and services	Partially	Product Development (page 38)
	Compliance	Partially	Annual report 2012 (page 25)
	Transport	Partially	Mobility (page 31)
	Overall	Partially	Operational Excellence (page 29-33)

Disclosure on Management Approach LA

Aspects	Employment	Fully	Employees & Society (page 23-27)
	Labor/management relations	Fully	Annual report 2012 (page 21-22)
	Occupational health and safety	Partially	Employees & Society (page 23-27)
	Training & Education	Fully	Training & Development (page 25); Sustainability Capacity & Awareness (page 27)
	Diversity & Equal Opportunity	Partially	Employees & Society (page 23-27)
	Equal remuneration for women and men.	Fully	Annual report 2012 (page 21) SAIB's remuneration solely depends on the employee's position and role

Disclosure on Management Approach HR			
Aspects	Investment and procurement practices	Fully	Way Forward: Procurement & Compliance (page 33)
	Non-discrimination	Fully	For Employees (page 23)
	Freedom of association and collective bargaining	Fully	For Employees (page 23-24); Annual report 2012 (page 21)
	Child labor	Fully	There are no incidents regarding Child Labor
	Forced and compulsory labor	Fully	There are no incidents regarding compulsory labor
	Security Practices	Not	NA
	Indigenous rights	Not	NA
	Assessment	Not	NA
	Remediation	Not	NA
Disclosure on Management Approach SO			
Aspects	Community	Fully	By Employees (page 26-27)
	Corruption	Fully	Ethics, Anti-Bribery and Corruption (page 21)
	Public Policy	Not	NA
	Anti-competitive behavior	Fully	Annual report 2012 (page 25)
	Compliance	Fully	Annual report 2012 (page 25)
Disclosure on Management Approach PR			
Aspects	Customer health and safety	Not	NA
	Customer health and safety not applicable product and service labeling	Not	NA
FS 15	Policies for the fair design and sales of financial products and services	Partially	Creating shared value (page 35-39)
Aspects	Marketing communications	Partially	Creating shared value (page 35-39)
	Customer privacy	Partially	Responsible Marketing (page 37)
	Compliance	Fully	Annual report 2012 (page 25)
STANDARD DISCLOSURES PART III: Performance Indicators			
Product and Service Impact: Product Portfolio			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
FS 6	Percentage of the portfolio for business lines by specific region, size (e.g.micro/SME/large) and by sector	Partially	Annual report 2012 (page 15)
FS 7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Not	NA
FS 8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Not	NA
Product and Service Impact: Audit			
FS 9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessments procedures	Not	NA
Product and Service Impact: Active Ownership			
FS 10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Not	NA

FS 11	Percentage of assets subject to positive and negative environmental or social screening	Not	NA
FS 12	Voting policy (ies) applied to environmental or social issues for shares over which the reporting organization hold the right to vote shares or advises on voting	Not	NA

Economic: Economic Performance

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
EC 1	Direct economic value generated and distributed	Partially	Top 5 social initiatives (page 26); Annual report 2012 (page 15).
EC 2	Financial implications and other risks and opportunities and for the organization's activities due to climate change.	Not	NA
EC 3	Coverage of the organization's defined benefit plan obligations.	Fully	Employee & society (page 23); Annual report 2012
EC 4	Significant financial assistance received from government.	Fully	SAIB does not receive assistance from the government

Economic: Market Presence

EC 5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operations.	Partially	Annual report 2012 (page 21-22)
EC 6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operations.	Not	NA
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations.	Fully	Saudization (see page 23-24)

Economic: Indirect Economic Impacts

EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Sponsor activity in 2012 for public benefit amounted to SAR 2,058,600 (see page 26-27)
EC 9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not	NA

Environmental: Materials

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
EN 1	Materials used by weight or volume	Not	NA
EN 2	Percentage of materials used that are recycled input materials.	Not	NA

Environmental: Energy

EN 3	Direct energy consumption by primary energy source.	Fully	25813506 kWh (see page 29-31)
EN 4	Indirect energy consumption by primary source	Partially	Energy (page 29)
EN 5	Energy saved due to conservation and efficiency improvements.	Partially	Energy efficiency measures. (see page 32-33)
EN 6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	Energy efficiency measures. (see page 32-33)

EN 7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	Energy efficiency measures. (see page 32-33)
Environmental: Water			
EN 8	Total water withdrawal by source.	Fully	Total water usage in 2012 amounts to 64,597 m ³ , 59 m ³ /FTE. (see page 30-31)
EN 9	Water sources significantly affected by withdrawal of water	Partially	Water sourced from desalination.
EN 10	Percentage and total volume of water recycled and reused.	Partially	Water conservation interventions. (see page 33)
Environmental: Biodiversity			
EN 11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	NA
EN 12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	NA
EN 13	Habitat protected or restored.	Not	NA
EN 14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	NA
EN 15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risks.	Not	NA
Environmental: Emissions, Effluents and Waste			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
EN 16	Total direct and indirect greenhouse gas emissions by weight	Fully	19,693 tCO ₂ equivalent. (see page 33)
EN 17	Other relevant indirect greenhouse gas emissions by weight.	Not	NA
EN 18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Partially	Environmental initiatives. (page 29-33)
EN 19	Emissions of ozone-depleting substances by weight.	Not	NA
EN 20	NO, SO, and other significant air emissions by type and weight.	Not	NA
EN 21	Total water discharge by quality and destination	Partially	Total water usage in 2012 amounts to 64,597 m ³ , 59 m ³ /FTE. (see page 30)
EN 22	Total weight of waste by type and disposal method.	Not	NA
EN 23	Total number and volume of significant spills	Not	NA
EN 24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of Basel Convention Annex I, II, III, and VII, and percentage of transported waste shipped internationally.	Not	NA
EN 25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	NA

Environmental: Products & Services			
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partially	Green campaign, Smart energy, Way forward (see page 31-33)
EN 27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	NA
Environmental: Compliance			
EN 28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	There are no fines or sanctions for non-compliance with environmental laws and regulations.
Environmental: Transport			
EN 29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	Transport accounted for 267.8 tCO2 equivalent in 2012 (see page 31).
Environmental: Overall			
EN 30	Total environmental protection expenditures and investment by type.	Not	NA
Social: Labor Practices and Decent Work – Employment			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
LA 1	Total workforce by employment type, employment contract, and region.	Partially	Employee & society, composition of our workforce (see page 23).
LA 2	Total number and rate of employee turnover by age group, gender, and region.	Partially	Employee & society, composition of our workforce (see page 23).
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not	NA
Social: Labor Practices and Decent Work – Labor/Management Relations			
LA 4	Percentage of employees covered by collective bargaining agreements.	Not	NA
LA 5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Not	NA
Social: Labor Practices and Decent Work – Occupational Health & Safety			
LA 6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	NA
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Employee & society (see page 23). Overall Absentee Rate of 1.2%.
LA 8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	Training and development (see page 24-25).
LA 9	Health and safety topics covered in formal agreements with trade unions.	Not	NA
Social: Labor Practices and Decent Work – Training & Education			
LA 10	Average hours of training per year per employee by employee category.	Not	NA

LA 11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	Training and development (see page 24–25).
LA 12	Percentage of employees receiving regular performance and career development reviews.	Partially	Saudization of 78% and career opportunities for Saudi graduates (see page 23).
Social: Labor Practices and Decent Work – Diversity and Equal Opportunity			
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	Workforce composition (see page 23). Board structure and governance see Annual report 2012.
LA 14	Ratio of basic salary of men to women by employee category.	Fully	There is no distinction between man and women salary.
LA 15	Return to work and retention rates after parental leave, by gender	Not	NA
Social: Human Rights – Diversity and Equal Opportunity			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
HR 1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Not	NA
HR 2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Not	NA
HR 3	Total hours of employees training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	NA
Social: Human Rights – Non-discrimination			
HR 4	Total number of incidents of discrimination and actions taken.	Fully	There are no incidents of discrimination reported.
Social: Human Rights – Freedom of Association and Collective Bargaining			
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Not	NA
Social: Human Rights – Child Labor			
HR 6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Fully	There are no operations identified as having risk for incidents of child labor.
Social: Human Rights – Forced and Compulsory Labor			
HR 7	Operations identified as having significant risk for incidents of forced labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Fully	There are no operations identified as having risk for incidents of forced or compulsory labor.
Social: Human Rights – Security Practices			
HR 8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Not	NA

Social: Human Rights – Indigenous Rights			
HR 9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	There are no incidents reported.
Social: Human Rights – Assessment			
HR 10	Percentage and total number of operations that have been subject to human rights reviews and / or impact assessments	Not	NA
Social: Human Rights – Remediation			
HR 11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Not	NA
Social: Society – Community			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
SO 1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Partially	SAIB engaged in 10 community projects in 2012. (see page 26-27)
Social: Society – Corruption			
SO 2	Percentage and total number of business units analyzed for risks related to corruption.	Partially	Risk and Control Self-Assessment (RCSA) trainings are conducted at all branches.
SO 3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	97% of employees have been trained in anti-money laundering policies and procedures.
SO 4	Actions taken in response to incidents of corruption.	Fully	There is a whistle blowing policy in place (page 21)
Social: Society – Public Policy			
SO 5	Public policy positions and participation in public policy development and lobbying.	Fully	SAIB does not engage in public policy development.
SO 6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	SAIB does not contribute to any political party.
Social: Society – Anti-Competitive Behavior			
SO 7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	There are no incidents of non-compliance.
Social: Society – Compliance			
SO 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	There are no incidents of non-compliance.
Social: Product Responsibility – Customer Health and Safety			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	CROSS-REFERENCE/DIRECT ANSWER
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	NA
PR 2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Fully	There are no incidents of non-compliance.

Social: Product Responsibility – Product & Service Labeling			
PR 3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirement.	Partially	In addition to standard regulation, SAIB offers 14 Shariah Compliant banking products. (see page 38).
PR 4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	There are no incidents of non-compliance.
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	Customer satisfaction surveys are conducted on a continuous basis. Overall score of 2012 is 92%. (see page 39).
FS 16	Initiatives to enhance financial literacy by type of beneficiary	Fully	Social Events (page 38-39). Learning & Development at SAIB (page 46-48); Education & Training (page 40-41)
Social: Product Responsibility – Marketing Communication			
PR 6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Partially	Sponsor Policy in place since December 2012. (see page 27)
PR 7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Fully	There are no incidents of non-compliance.
Social: Product Responsibility – Customer Privacy			
PR 8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	There are no substantiated complaints.
Social: Product Responsibility – Compliance			
PR 9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	There are no sanctions.



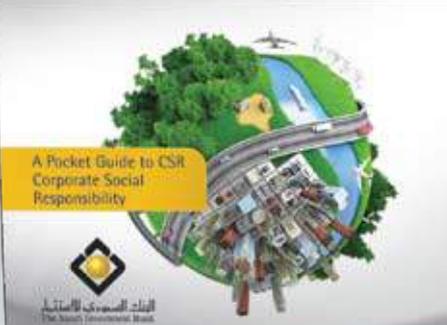
The sustainable financial partner of choice...

We are conscious of our responsibilities.
We strive to leave a better world behind for next generations.
Our corporate vision leads our way towards
meeting these responsibilities.



A Pocket Guide to CSR Corporate Social Responsibility

A Pocket Guide to CSR Corporate Social Responsibility



البنك السعودي للاستثمار
The Saudi Investment Bank

Corporate Social Responsibility

“...promote culture of social responsibility”
“the time has come to make social responsibility a reality”
“social responsibility should not be restricted only to the elite class but should also engage every member of society from the public and private sectors”

King Abdullah bin Abdul Aziz Al-Saud
Custodian of the Two Holy Mosques

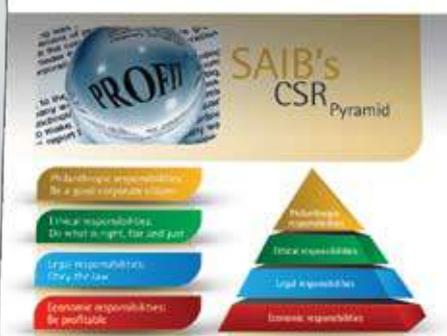
What is Corporate Social Responsibility (CSR)?

CSR considers the impact of the company's actions on society.

CSR requires decision makers to take actions that protect and improve the welfare of society along with their own business interests.

CSR encompasses the **ethical, economic, legal** and **philanthropic** expectations that **society** has of businesses.

SAIB's CSR Pyramid



- Philanthropic responsibilities: Be a good corporate citizen
- Ethical responsibilities: Do what is right, fair and just
- Legal responsibilities: Obey the law
- Economic responsibilities: Be profitable

SAIB's CSR Objectives

- To follow Islamic principles for socially responsible business and investment practices
- By continuing to donate through Zakat to the more unfortunate in society
- By providing job opportunities to reduce unemployment and improve education in society through training and vocational programmes
- By raising the awareness of good health in society and contributing through positive actions
- By encouraging SAIB members of staff to contribute to social programmes and voluntary work
- Building a corporate culture that respects individuals

The benefits of CSR policies for SAIB

The impact of CSR policies is seen as very positive by all of the stakeholders involved and not only has the full support of the Board of Directors and Executive Management but also by everyone employed by the Bank.

Within SAIB, stakeholders are not just seen as employees and customers but also include all members of society, shareholders, the market and, of course, the environment.

What is important is that the value of SAIB's CSR policies are communicated to all relevant stakeholders and that society benefits from the considerable resources, expertise, and activities that SAIB invests in CSR.

SAIB Contributing to the sustainable development of Society



- Economic:** Growth, Innovation and Productivity
- Social:** Security and Well-being
- Environmental:** Security and Sustainability
- Governance:** Corporate culture that respects individuals

Solid Management structure at SAIB
Through good Corporate Governance, Compliance, Internal Audit, Risk Management, Human Resources, Learning & Development, etc.

CSR and Customers/ Stakeholders



- Customers:** Building strong relationships
- SAIB Employees:** Motivating staff through an effective reward system
- Business Partners:** Building good relationships based on mutual trust and open communication
- Local Communities:** Building partnerships based on SAIB's vision

The sustainable financial partner of choice...

Where should big corporations be spending their CSR resources?

Values	Purpose	Impact	Benefits
CSR as value creation	Innovation and operations delivers business value	Functional Strategic and operational impact	<ul style="list-style-type: none"> Wider of other initiatives - initiatives and programmes Provides a sustainable business model Integrates factors into the strategy Develop Human Capital Plan to developing workforce Transparency into the Business Strategy
CSR as risk management	Resilience	Reduce or high or mitigate and operational impact	<ul style="list-style-type: none"> Minimizes operational impact Mitigates operational risk Supports operational resilience
CSR as low profile activities	Providing funding for jobs	Job skills and operational impact	<ul style="list-style-type: none"> Contributes to technology and innovation Wider social benefits - social innovation Local level available Impact of CSR is linked to budget is influenced by many priorities Eliminate competition and other business needs that fully utilized Workplaces practice business and social responsibility, strategies and benefits Build an involved people and business impact on social programmes

SAIB's business model is centred on CSR policy

Business Excellence, Sustainable Development, Stakeholder Value, Stronger Branding, Regulation Enhancement, Good CSR Policies

SAIB caring for the environment

Participates in *Challenging our Future, Resolving the World Environment Day 2014*

CSR and Corporate Governance

Stakeholders

- Customers
- Economic Partners
- Local Community
- Global Community
- Employees

Key Areas:

- Economic Ethics: Optimal Products and Services, Sustainable Profits, Eminent Practice Decisions
- Environmental Ethics: Green Products, Environmental Protection, Waste reduction, Environmental Accounting
- Social Ethics: Customer Satisfaction, Quality Improvement, Learning in Development, Health and Safety, Shareholder Value, Fair Trade, Social Contribution
- Corporate Governance: Report, Compliance, Risk Management, Information Disclosure, Transparency, Accountability, Audit

This pocket guide was prepared by SAIB HR Learning and Development on behalf of the SAIB Board of Directors.

It is designed to act as both a refresher tool and to enhance your understanding of the basic principles of Corporate Social Responsibility - CSR.

If you would like any further information on SAIB HR L&D or this pocket guide, please contact Chris Konstan Ext. 1024

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The Saudi Investment Bank  Sustainability Report 2012

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رؤيتنا Vision

الشريك المالي الأمثل لأصحاب الأعمال والأفراد الذين يتطلعون إلى النجاح.
The financial partner of choice for aspiring businesses and individuals.



رؤيتنا Vision

رؤيتنا Vision

رسالتنا Mission



رسالتنا Mission

بناء Build

بناء علاقات طويلة الأمد مع الشركات والمؤسسات الواعدة والأفراد الناجحين.
Build lasting relationships with growing businesses, and with today and tomorrow's affluent individuals.



رسالتنا Mission

رسالتنا Mission

التركيز Focus

التركيز على نخبة من المنتجات التي تلبى كافة احتياجات عملائنا وتقديمها بكفاءة عالية وخدمة تميزنا عن الآخرين.
Focus on a core product set with clear offerings for each client segment that differentiates us through efficiency and service quality.

رسالتنا Mission



رسالتنا Mission

تطوير Develop

تطوير بيئة عمل تشجع الانتماء والتعاون والعناية بخدمة العملاء والكفاءة في الإنجاز.
Develop a culture that fosters ownership, collaboration, customer focus and operational excellence.



رسالتنا Mission

رسالتنا Mission

تعزير Strengthen

تعزير ولاء الموظفين عبر تطوير بيئة تكافؤ المتميزين في الأداء.

Further strengthen staff loyalty through the introduction of a performance driven environment.



