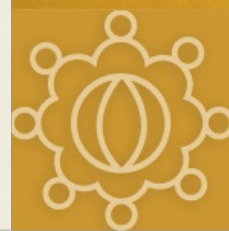


# Responsible Competitiveness Award



جائزة الملك خالد  
King Khalid Award



2017

Sample Scorecard for Company X  
Please note that all findings and graphs are illustrative

Responsible Competitiveness is about making sustainable development count in global and local markets. It exists in markets that reward business practices which deliver improved social, environmental and economic outcomes. It means economic success for nations that encourage such business practices through public policies, societal norms and citizen actions.

At the heart of the analytical process is the Responsible Competitiveness Framework and the globally recognized methodology developed by the King Khalid Foundation in partnership with AccountAbility. The framework builds on extensive research and consultation with some of the world's largest companies, management scholars and investors. The framework measures the five core areas of good performance, each selected with a clear rationale, strong business case and tailored specifically for the Kingdom of Saudi Arabia.



AccountAbility



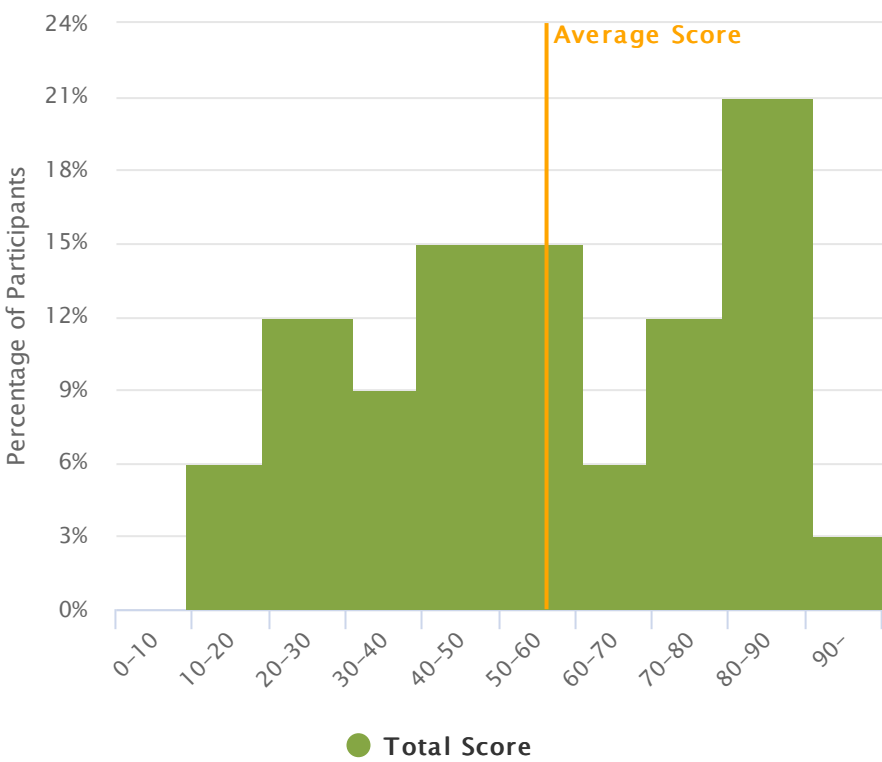
Summary Of RC And Participant Organizations

Average Overall Score 56.3%

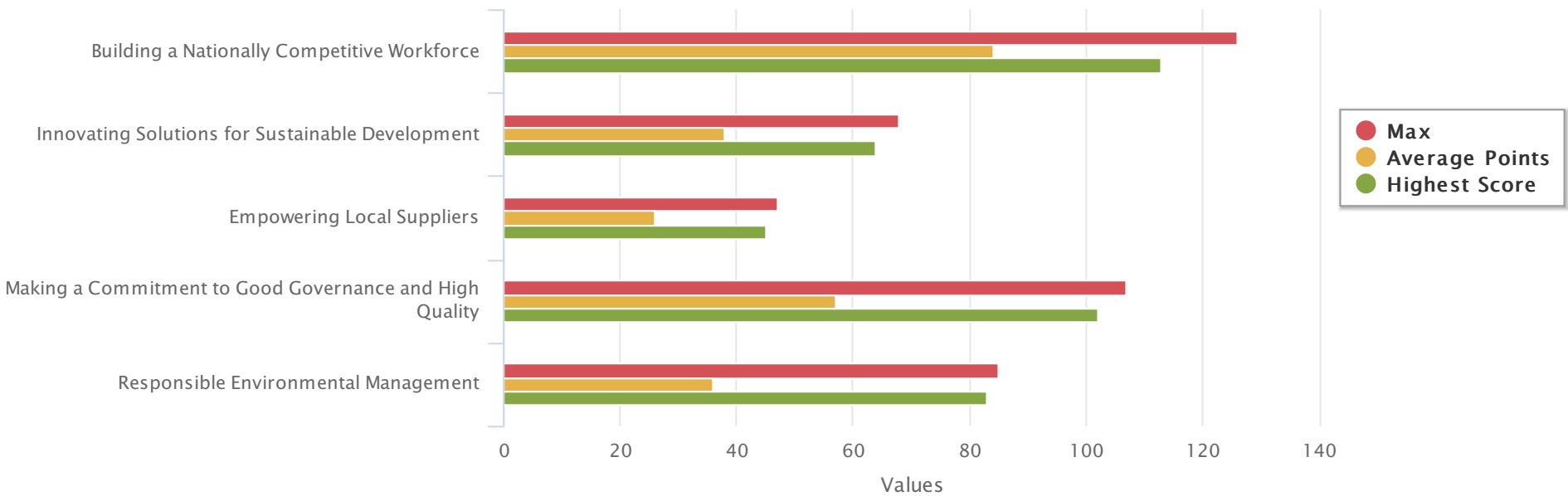
The Responsible Competitiveness Award recognizes the work of companies that are excelling in building a nationally competitive workforce, innovative solutions for social development, empowering local suppliers, good governance & quality management, and responsible environmental management.

The applicant pool for 2017 was highly diverse and included both international companies with operations in Saudi and Saudi-based companies. There was a balanced distribution between business-to-business and consumer facing companies, and good representation from small, medium-sized and large companies. More than 30 different industries were represented, and categorized into 4 sector groups.

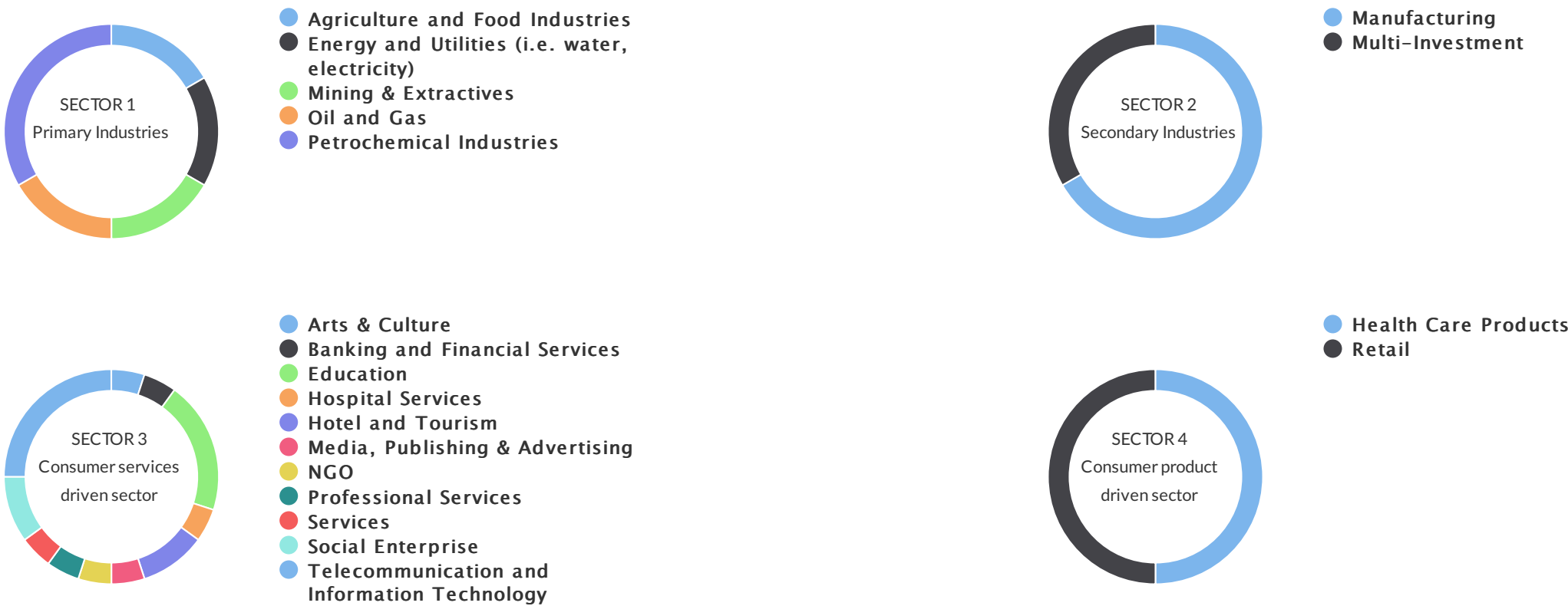
Score Distribution



Performance By Core Area - All Participants



Participants By Industry







Top Recommendations To Improve RC Performance

1

Core Area :    Innovating Solutions For Sustainable Development

Subsection :    Innovation

Company X can benefit from tracking and measuring the financial and non-financial impacts of its innovation initiatives. For example, financial impact can be tracked through new or improved sales, while non-financial impacts could be measured in the form of increased productivity, reduced use of resources, etc. Measuring and tracking the impact of Company X efforts can help the organization identify new business risks and opportunities, and even market its products and services better to serve all stakeholders.

Business Case:

Measuring the financial and non-financial impact of investments in Innovation and R&D is important for organizations and their stakeholders to track contributions to organizational performance against set objectives. Some of the world’s leading organizations have realised that investments in Innovation and R&D have the potential to impact their finances, activities, their products or services, their stakeholders, society, the environment and the economy.

Resources:

McKinsey, Brightening the black box of R&D  
<https://www.mckinsey.com/business-functions/operations/our-insights/brightening-the-black-box-of-r-and-d>

PwC, Measuring and Managing Total Impact  
<https://www.pwc.com/gx/en/sustainability/publications/total-impact-measurement-management/assets/pwc-timm-report.pdf>

2

Core Area :    Making A Commitment To Good Governance And High Quality

Subsection :    Commitment To Good Governance

Company X could benefit from formalizing its stakeholder engagement process, starting with identifying and mapping its stakeholders. In order to yield the maximum benefits from this approach, it would be further recommended to link the stakeholder engagement process to the company's materiality assessment process.

Business Case:

While stakeholder engagement is not new, it is now accepted as integral to an organization's sustainability and success (AA1000SES, 2015). Stakeholder engagement is a critical aspect of global frameworks, such as the Global Reporting Initiative (GRI), the Dow Jones Sustainability Index (DJSI) and the AccountAbility AA1000SES. An effective stakeholder engagement system can improve risk and reputation management, help to determine materiality issues, increase understanding of changing external environments, and develop trust between organization and stakeholders.

Resources:

AccountAbility, AA1000 Stakeholder Engagement Standard (AA1000SES, 2015)  
<http://www.accountability.org/standards/>

International Finance Corporation (IFC) Stakeholder Engagement  
[http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC\\_StakeholderEngagement.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES)

3

Core Area :    Empowering Local Suppliers

Subsection :    Responsible Supply Chain Management

Company X could benefit from dedicated practices on Responsible Supply Chain Management, such as sourcing from suppliers with sound sustainability practices or sourcing from local women-run enterprises.

Business Case:

Most large organizations have already adopted some aspects of sustainable procurement practices, because responsible purchasing can yield multiple benefits for an organization. Responsible supply chain management is concomitant with good business. The World Bank suggests that the key business drivers for sustainable procurement include financial benefits created through reduced total operating costs by procuring more efficient and sustainable goods. It can also reduce risk from economic, social, legal, and environmental threats. Responsible purchasing at Company X can also highlight commitments to sustainability goals and values and enhance corporate image. Furthermore, it can also meet increasing stakeholders’ expectations and resultingly increase corporate image and reputation., in addition to helping identify high risk areas across a supply chain, and develop actions to reduce this exposure.

Resources:

Chartered Institute of Procurement and Supply (CIPS), Sustainable Procurement  
<https://www.cips.org/Documents/Resources/Knowledge%20Summary/Sustainable%20Procurement.pdf>

The World Bank, Sustainable Procurement  
<http://pubdocs.worldbank.org/en/788731479395390605/Sustainable-Procurement-Guidance-FINAL.pdf>

Harvard Business Review, Find the Weak Link in your Supply Chain  
<https://hbr.org/2015/06/find-the-weak-link-in-your-supply-chain>

BSR, The Business Case for Supply Chain Sustainability: A Brief for Business Leaders  
[https://www.bsr.org/reports/Beyond\\_Monitoring\\_Business\\_Case\\_Brief\\_Final.pdf](https://www.bsr.org/reports/Beyond_Monitoring_Business_Case_Brief_Final.pdf)



2017 RC Performance Overview

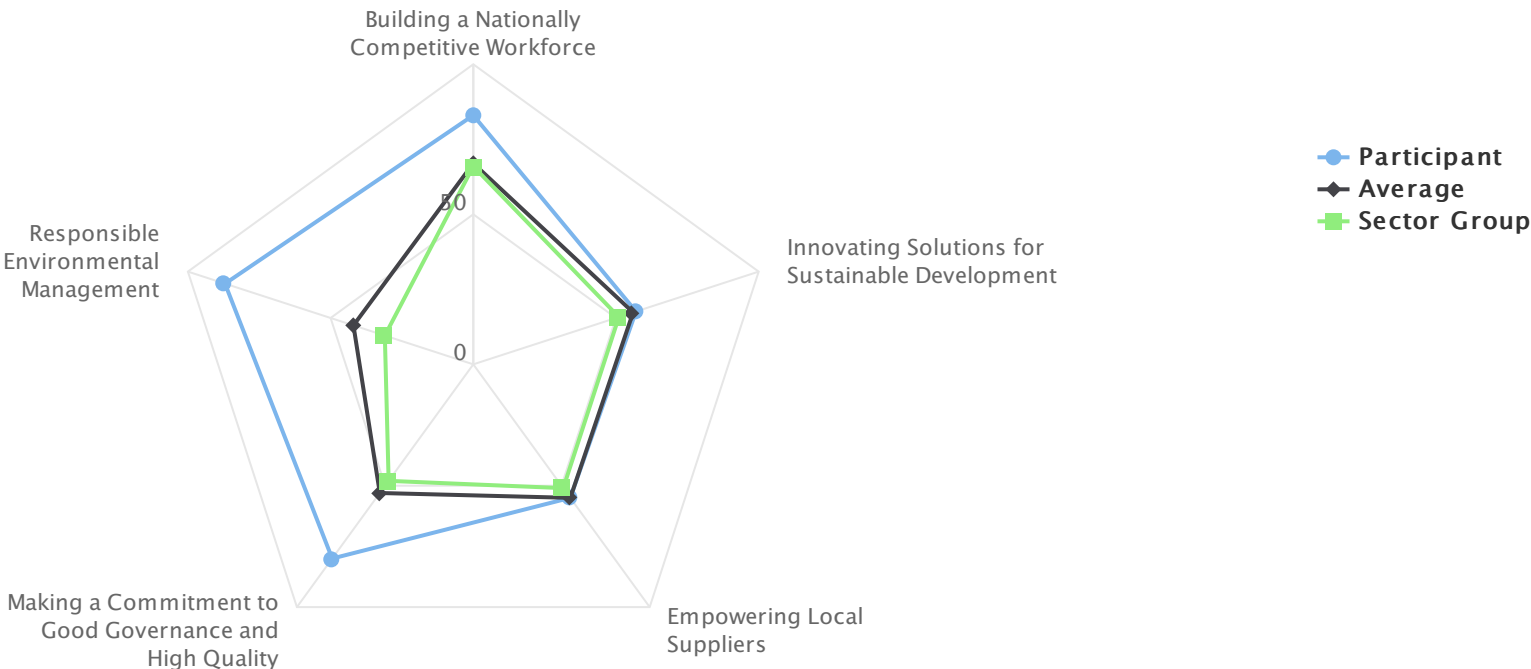
**Total Score**  
Point above average  
  
Percentile  
  
Sector Group: X Sector Group

**X%**  
X  
  
X%

Company X obtained a total score of X% and was placed at the X percentile. Company X demonstrated strong practices in Responsible Environmental Management. The organization has also performed consistently well in Building a Nationally Competitive Workforce, demonstrating innovative tools to attract and engage employees and improve collaboration across the company and its teams. Company X so provides training and development opportunities to each level of hierarchy in the organization.

Company X demonstrates sound practices and frameworks in place and exhibits remarkable potential to build on its current performance through targeted efforts and well-defined strategies. Company X is well-poised to emerge a leader in responsible business practices in future RC Award cycles.

Performance By Core Area



Strength Analysis:

Company X demonstrated a high performance in the Core Areas of Building a Nationally Competitive Workforce, Making a Commitment to Good Governance and High Quality and Responsible Environmental Management. Company X demonstrated its new XYZ methodology, used internally as a vehicle to improve engagement across the company and its teams. The XYZ methodology has brought significant benefits across the organization, including enhanced employee satisfaction and a significant increase in productivity. In addition, the organization has reported a comprehensive benefits package for employees, which includes job-protected maternity, paternity and death leave days, as well as flexible schedules and wellness programs. Company X demonstrated a strategic community investment strategy to support sustainable development in the local community under the XYZ initiatives. The company's XYZ Academy is critical educating young people and equipping them with XYZ skills, necessary to ensure future employment and career development.

Improvement Analysis:

Company X presents unique opportunities to enhance the sustainability of its local operations in Saudi Arabia. Notably, the company can take efforts to map and engage stakeholders locally which can inform its CSR strategy and provide valuable insights about business opportunities and risks that may yet be unidentified. The company can consider Saudization requirements for suppliers and take steps to procure from suppliers with strong sustainability practices, for e.g., suppliers who offer recyclable products or who source from women entrepreneurs.



Core Area Performance: Workforce

Score (Points)  
Score (% Of Max)

X  
X%

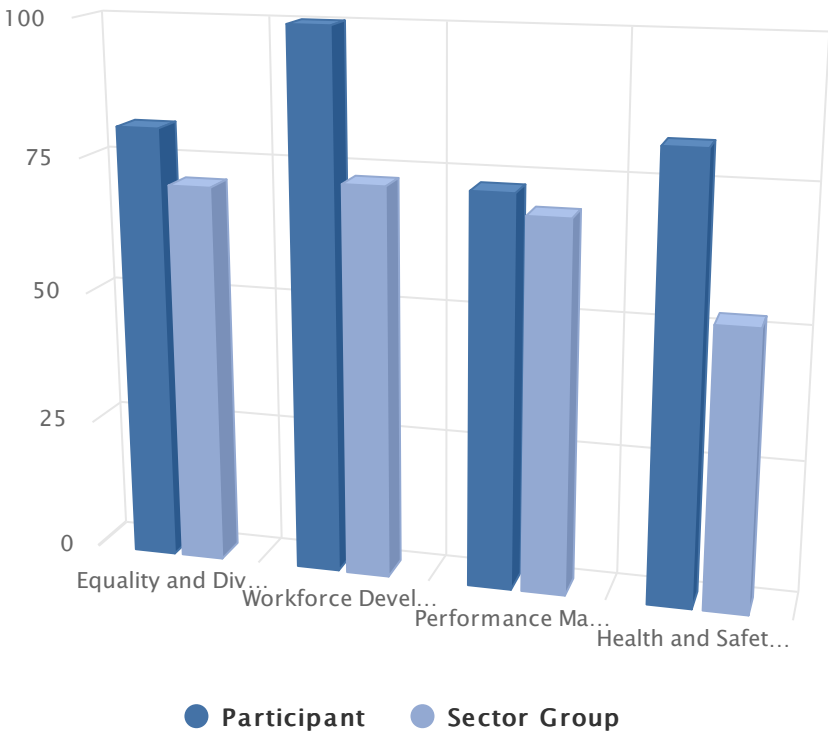
Percentile

X%

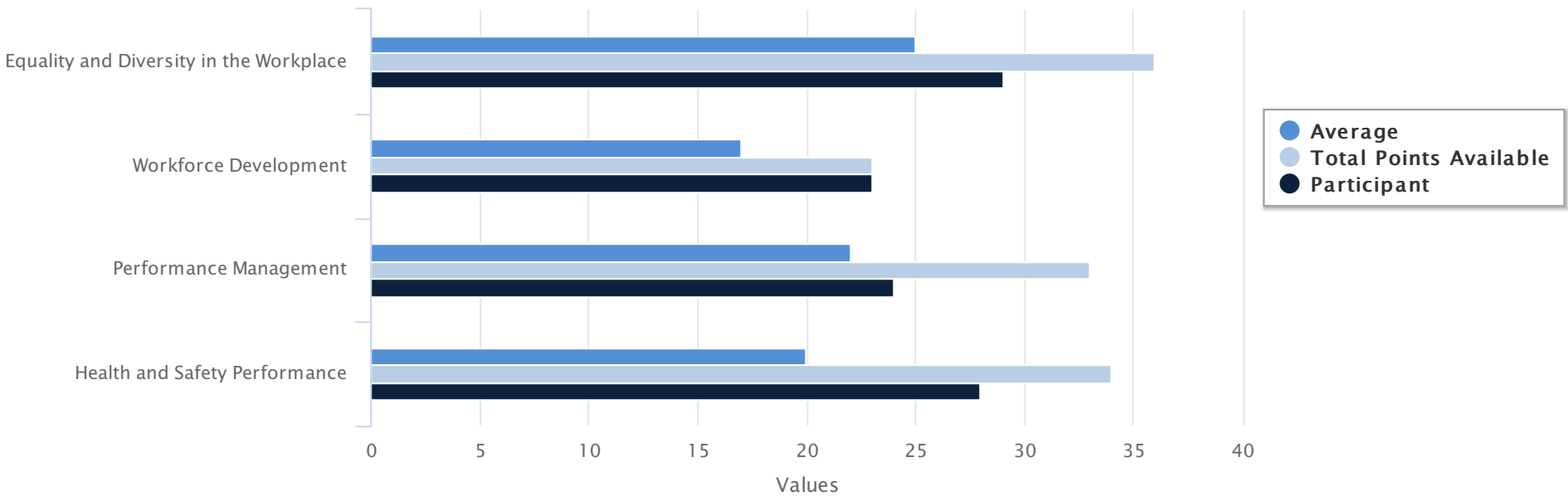
Performance Overview

Company X scored X% of the maximum points for the Workforce core area, which placed it in the X percentile. In all four subsections, Company X score exceeded the average of its sector peers.

Company X performance fell slightly in this core area when compared to its performance in the XYZ Award cycle, when it had scored Y% of the maximum points.



Performance By Subsection Compared To Average And Maximum Available Points



As the graph above demonstrates, Company X achieved the total points available for the subsection on Workforce Development. Even in the other three subsections, the organization outscored the average, with X out of the total of Y points available achieved for Equality and Diversity in the Workplace. However, in the Performance Management subsection, Company X exceeded the average only by two points, with a difference of X points to the total of Y points available indicating further room for improvement.

Core Area Performance Summary

	Participant	Average (all)	Average (sector)	Max
1. Workforce	X	X	X	126
Equality and Diversity in the Workplace	X	X	X	36
Workforce Development	X	X	X	23
Performance Management	X	X	X	33
Health and Safety Performance	X	X	X	34

Performance Highlights

Building on from the internal initiatives such as the ABC program and XYZ program to progress workforce development within the organization, Company X provides training and development opportunities to each level of hierarchy in the organization. These range from X initiatives and Y training opportunities for employees and Senior Management to shadowing and mentorship for Non-salaried staff. The organization has reported a comprehensive benefits package for employees, which includes job-protected maternity, paternity and death leave days, as well as flexible schedules and wellness programs.

Room For Improvement And Next Steps

While already a strong performer in this Core Area, Company X performance has further potential to improve in the Performance Management subsection. Company X can take steps to address increase in XYZ levels by stepping up its efforts in employee engagement. Identifying the cause for the increase in XYZ and introducing employee engagement initiatives can help Company X address this issue. Company X can consider developing performance indicators (KPIs) relevant to each hierarchy level. For instance, for managers, indicators might be related to A and B, whereas for non-managerial staff indicators can be related to X and Y.



Core Area Performance: Innovation For Development

Score (Points)

Score (% Of Max)

Percentile

X

X%

X%

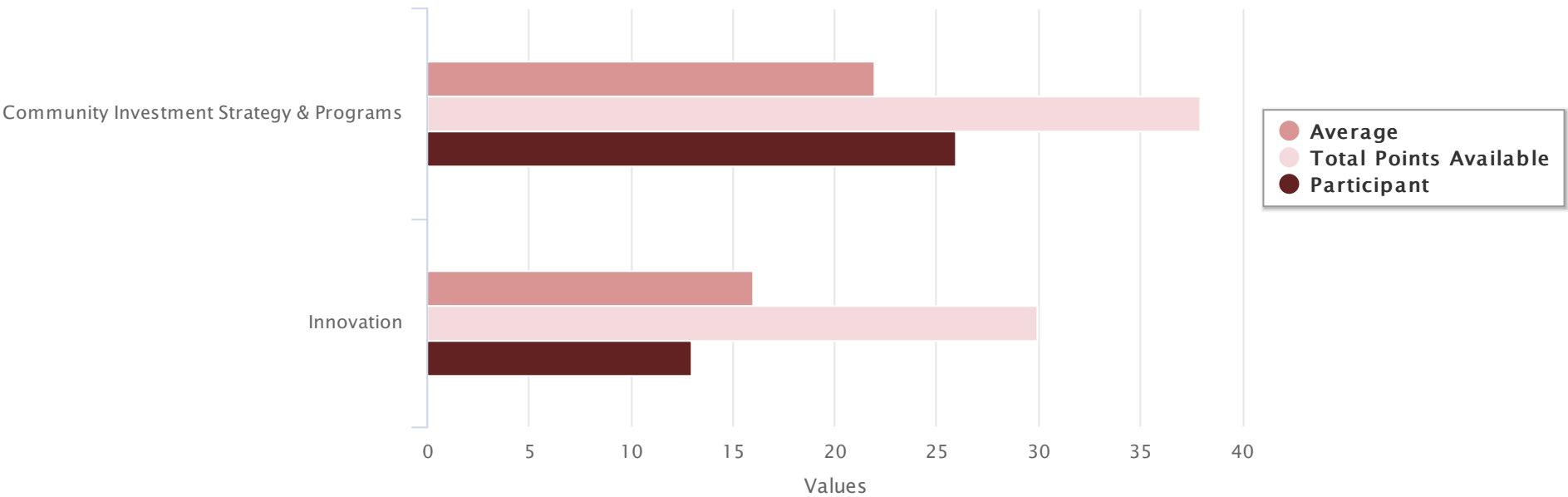
Performance Overview

Company X scored X points in the Innovation for Development core area, achieving X %of maximum points. Company X performance exceeded the average of sector peers in the Community Investment Strategy & Programs subsection, while falling below average in the subsection on Innovation.

Compared to Company X's performance in previous XY Award cycle, where Innovation for Development was its strongest performance area, the results this year showed a marked decline. It was felt that many of the initiatives communicated in previous years could have been maintained for this year's response also, to help improve the score.



Performance By Subsection Compared To Average And Maximum Available Points



The graph above illustrates performance against the overall average of participants and total points available. Company X scored well in the Community Investment Strategy & Programs subsection, performing higher than the overall average of X. The sub-section of Innovation indicated a greatest opportunity for improvement, as the company's score was lower than the overall average.

Core Area Performance Summary

	Participant	Average (all)	Average (sector)	Max
2. Innovating for Development	X	X	X	X
Community Investment Strategy & Programs	X	X	X	X
Innovation	X	X	X	X

Performance Highlights

Company X's community investment approach has a strong strategic element, as the company looks to invest in programs that make a lasting impact in the Kingdom. The company demonstrated multiple robust initiatives, such as the AB program looking to enhance AB skills of young people, the CD initiative which aims to educated Saudi women about the importance of CD, as well as the XY program targeting XY group and aiming to provide learning opportunities.

Room For Improvement And Next Steps

While Company x has well established community investment programs, it can benefit further from the use of a structured community investment strategy. Organizations similar to Company X tend to have a formal strategy and plan, and/or a Committee that deliberates on the best use of the company's resources, in areas that are strategically important and which will deliver maximum impact. With regards to the area of R&D and innovation, Company X would significantly benefit from developing simple metrics to track the outcomes and the impacts of its innovative initiatives, such as the XY product, to understand the impact of those within the business and on the community.





Core Area Performance: Local Suppliers

Score (Points)  
Score (% Of Max)

X  
X%

Percentile

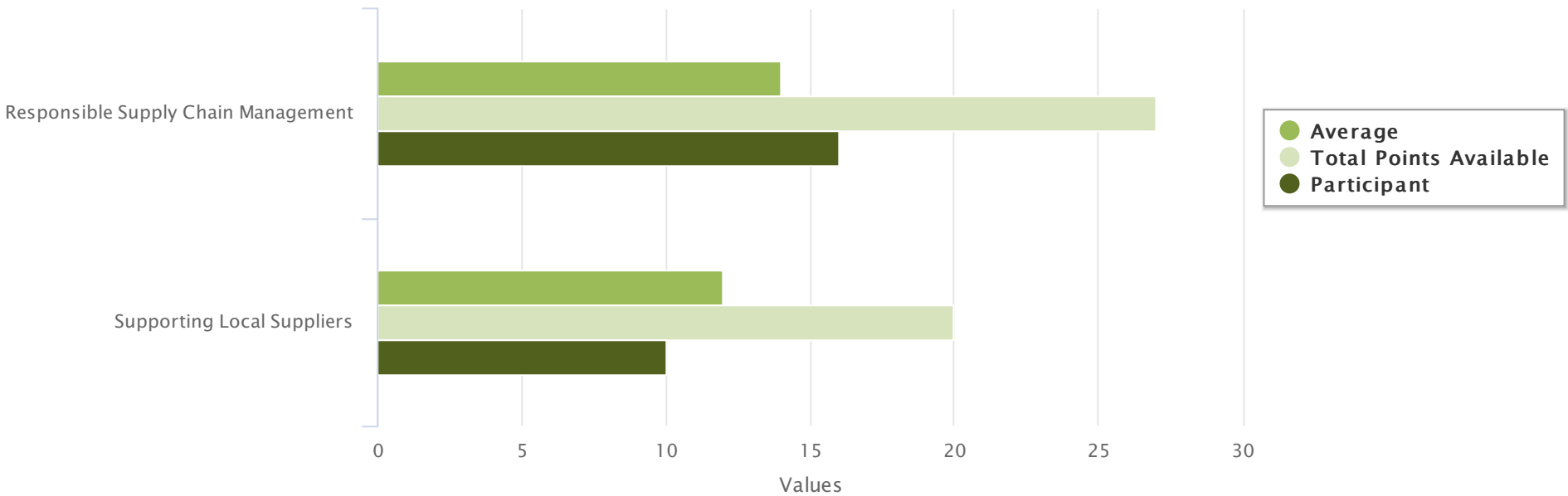
X%

Performance Overview

Company X scored X points in the Local Suppliers Core Area, achieving X% of the maximum points. The organization demonstrated a mixed performance, scoring above the average in the Responsible Supply Chain subsection, while performing below the sector average in the other subsection. In comparison to the performance in previous XY Award year, where the organisation scored X% of the maximum points, Company X demonstrated a consistent performance.



Performance By Subsection Compared To Average And Maximum Available Points



The graph above demonstrates Company's X mixed performance in this Core Area. Company X scored above the overall average in the Responsible Supply Chain subsection by X points. However, the organization's performance in the Supporting Local Suppliers subsection was below the average and remains a gap to the total points available, demonstrating ample space for improvement.

Core Area Performance Summary

	Participant	Average (all)	Average (sector)	Max
3. Local Suppliers	X	X	X	X
Responsible Supply Chain Management	X	X	X	X
Supporting Local Suppliers	X	X	X	X

Performance Highlights

Key highlights for this core area are demonstrated by the responsible purchasing policy that the organization has in place. Furthermore, Company X audits its suppliers by assessing accreditation and their compliance in accordance with Company's X supplier policies. Capacity training for local suppliers has continued from previous years with Company X using its products and services such as ABC and XYZ to advantage.

Room For Improvement And Next Steps

A formal local procurement policy would explicitly establish local supplier objectives, and it would demonstrate Company's X commitment to investing in the local economy in an accountable and measurable way. As Company X does not have any manufacturing, in terms of suppliers, it only deals with office suppliers. Company X could consider Saudization requirements for its suppliers, as well as increasing its efforts to source from suppliers with good sustainability practices - for instance, suppliers who offer recycled office products or suppliers who source from local entrepreneurs or women-run organizations.



Core Area Performance: Governance

Score (Points)  
Score (% Of Max)

X  
X%

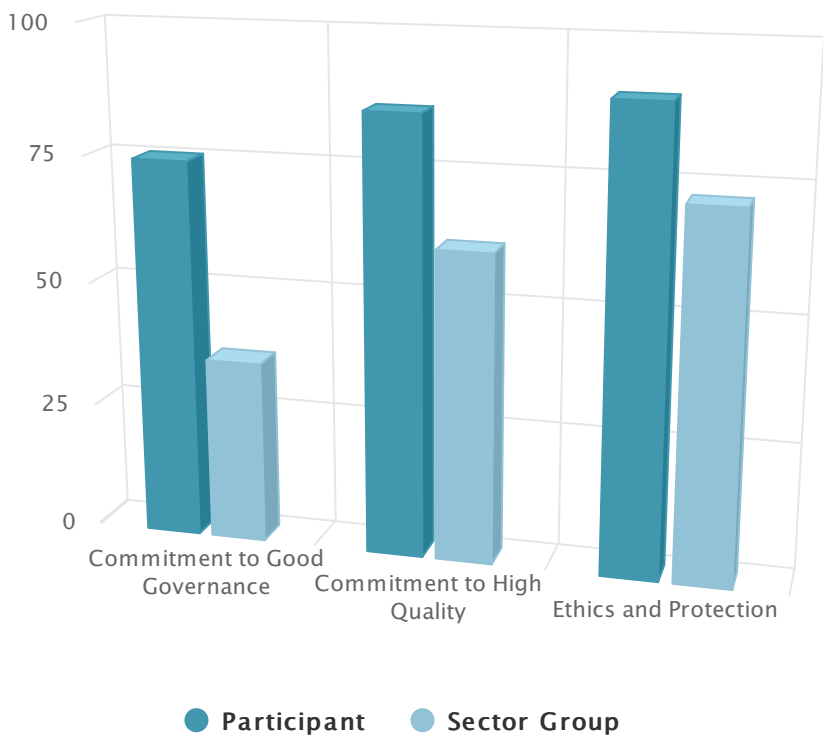
Percentile

X%

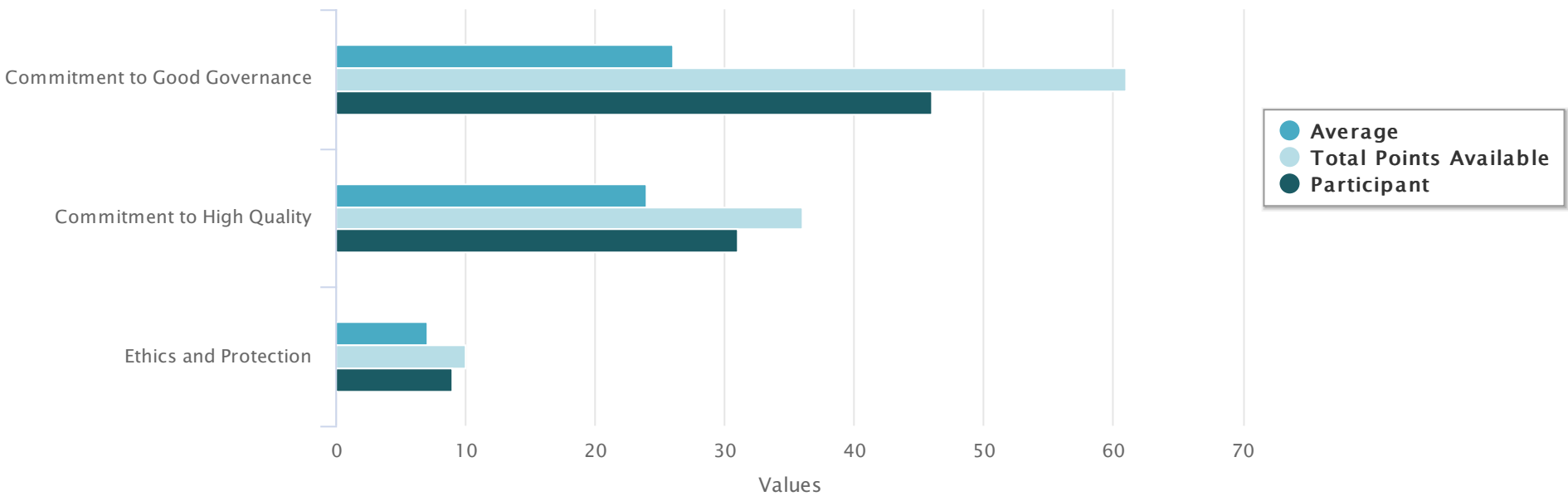
Performance Overview

Company X scored very well in the Governance Core Area, with X points accounting for X% of the maximum. The organization outperformed the sector average in all three subsections, with a percentile of X% reflective of the good performance.

However, in comparison to Company's X performance in previous RC Award cycle where it had scored X% of the maximum points, Company's X performance has declined in this RC Award cycle. The questions were updated in this section and made more challenging to the company applicants to RC.



Performance By Subsection Compared To Average And Maximum Available Points



As the graph above demonstrates, Company X achieved close to the total points available for the subsection on Ethics and Protection. While Company X also scored above average in the other two subsections, in the Commitment to Good Governance subsection, the organization score of X was a fair distance away from the Y total points available. Therefore, the difference in points available displays an area where improvement is possible.

Core Area Performance Summary

	Participant	Average (all)	Average (sector)	Max
4. Governance	X	X	X	X
Commitment to Good Governance	X	X	X	X
Ethics and Protection	X	X	X	X
Commitment to High Quality	X	X	X	X

Performance Highlights

Company X has reported that corporate social responsibility is integrated into the business strategy and functions. It is foundational to the culture and a core value by which the organization does business.

Company X has further indicated a sustainability materiality assessment, which informs the corporate social responsibility (CSR) assessment and is based on input from stakeholders, results of life-cycle assessments (LCAs), and assessments by independent consultancies.

Room For Improvement And Next Steps

Company X has disclosed that it does not have a formal process to identify key stakeholders. To extend practices in this regard, the company could introduce formal stakeholder mapping and engagement locally, to ensure that relevant material issues are raised and form a part of its materiality assessment and CSR assessment, so they can be appropriately managed.

Furthermore, setting sustainability targets could provide the organization with focus and motivation to continue to develop their responsible business actions.





Core Area Performance: Environmental Management

Score (Points)  
Score (% Of Max)

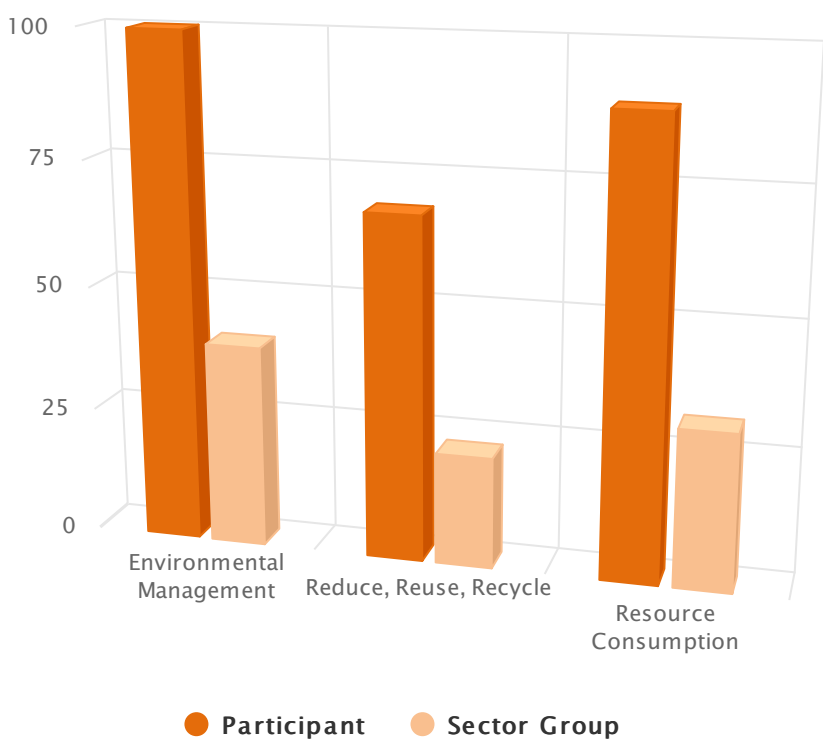
X  
X%

Percentile

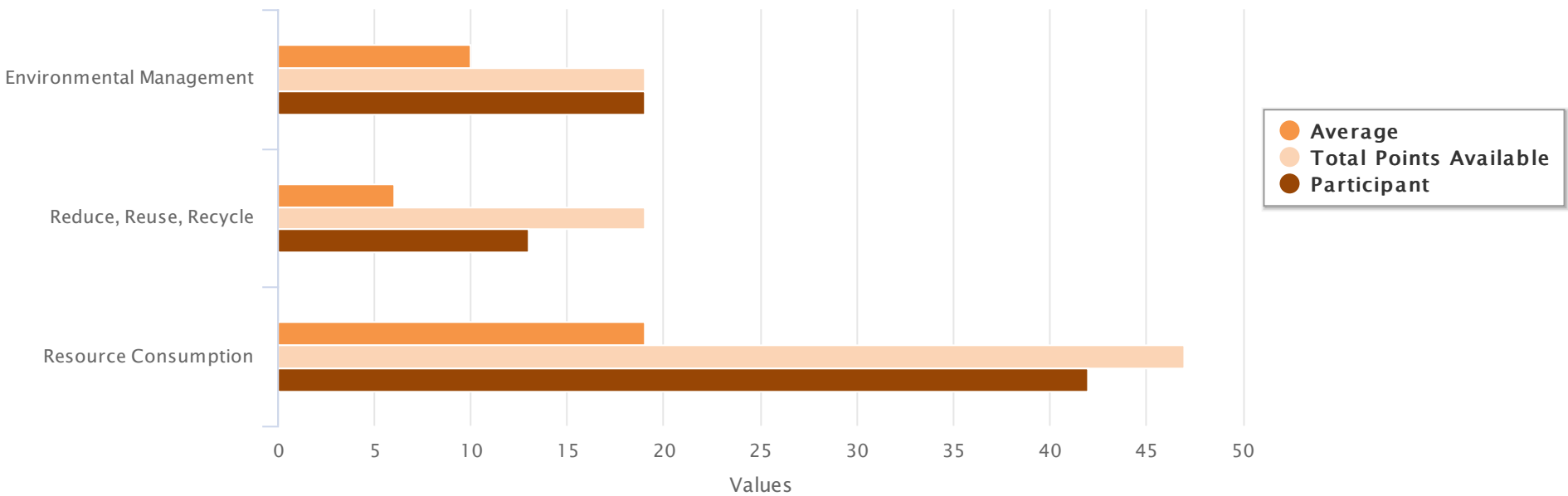
X%

**Performance Overview**  
Company X performed very well in the Environmental Management Core Area. Achieving X points accounting for X% of the maximum, the organization's scores exceeded the sector average in all the subsections.

Company X exceeded its performance compared to previous XY RC Award cycle, where it had scored X% of the maximum points.



Performance By Subsection Compared To Average And Maximum Available Points



Company X's performance exceeded the overall average of RC participants in all three Subsections. Company X's efforts in Environmental Management are particularly laudable, achieving 100% of total points available. In the other two subsections, Resource Consumption (where the organization scored X out of Y) and Reduce, Reuse, Recycle (where X out of Y points were scored), Company X achieved more than double the average, displaying good performance.

Core Area Performance Summary

	Participant	Average (all)	Average (sector)	Max
5. Environmental Management	X	X	X	X
Environmental Management	X	X	X	X
Resource Consumption	X	X	X	X
Reduce, Reuse, Recycle	X	X	X	X

**Performance Highlights**  
Company X can be seen to have an environmental policy in place to guide the organization's practices. The organization showed an improvement compared to previous RC cycle's performance by using an external management standard to certify its Environmental Management System. Along with measuring the organization's energy and water consumption, and the impact of water saved, Company X has implemented a recycling system across the business.

**Room For Improvement And Next Steps**  
To further improve on its performance in this Core Area, Company X could focus attention on extending energy measurements across a higher percentage of the business, and set energy targets for 2018, which could serve as a goal to work towards. Similarly, the business could measure the Greenhouse Gas (GHG) emissions associated with its operations, and aim to develop innovative ways to reduce emissions.

# Responsible Competitiveness Branch 2017



جائزة الملك خالد  
King Khalid Award

Responsible Competitiveness is the ability of an organization to build competitive advantage through a commitment to sustainability and corporate social responsibility (CSR). This scorecard evaluates applicant performance based solely on information provided to the King Khalid Foundation. The information presented contains both company specific data and aggregated average data.

This year's RC Award accounts for the industry-specific nature of many sustainability issues. Different industries were placed into four Sector Group categories: Primary Industries, Secondary Industries, Consumer Services driven sector, and Consumer Product Driven Sector. For each sector group, weightings for the five questionnaire sections were determined based on the sustainability relevance of each section to each sector. For a detailed description of industry grouping and sector weighting see the RC Applicant Handbook available on the RC portal site.

The scorecard is confidential; along with the data submitted it will be used exclusively for the purposes of the RC Assessment by the King Khalid Foundation and AccountAbility. It will not be passed on to third parties. Scores and data will be aggregated to overall and industry-sector specific averages and this data will be available for participating companies. General aggregated data about this year's questionnaire and assessment may be used in communications concerning the RC. Applicants have the ability to self-disclose their performance data in any of their own communications should they wish to do so.

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