



جائزة الملك خالد
KING KHALID AWARD

King Khalid Sustainability Award

Year 13 (2009-2021) Sustainability Award

IMPACT ASSESSMENT REPORT



Dear Stakeholder,

The past year saw significant growth in the importance of ESG for businesses globally. More companies than ever before reported and disclosed their sustainability information, an upwards trend that will continue to expand in the coming years across all markets and industry sectors. The rise of ESG in the Kingdom in 2021 was also noticeable, which was highlighted towards the end of the year with Tadawul's announcement of its ESG guidelines, which aim to encourage Saudi organizations to disclose sustainability information and guide them in their reporting efforts.

KKF is proud to be the pioneer in introducing and continuously driving corporate sustainability in the Kingdom, and we are proud of the significant impact we have created. KKF leads several initiatives to advance the implementation of Vision 2030 in the Kingdom of Saudi Arabia. 2021 marks the thirteenth year of KKF's Sustainability Award, the first and only sustainability award in the Kingdom. Through the Award, KKF delivers meaningful and measurable impact to hundreds of private-sector organizations by helping them to advance their sustainability practices, processes, and programs.

In 2021 the world began its transition towards a new business-as-usual as we continued to navigate and adapt to the lingering global challenges of the COVID-19 pandemic. KKF has proactively adapted the Award process annually to ensure the safety of participants while upholding our robust assessment methodology and optimizing the capacity-building resources available to participants. Virtual site visits and workshops were carried out for the second year and successfully identified the continued improvements and expansion of participants' sustainability practices.

The 2021 Award cycle also featured several design updates to ensure alignment with the most recent local and international sustainability efforts and standards, as well as enhance accessibility for all companies – from sustainability beginners to advanced.

This report showcases the performance of the 2021 Sustainability Award as well as the impact of the Award in Saudi Arabia over a period of thirteen years, from 2009 to 2021. The evaluation in this report aims to provide a comprehensive understanding of the Award's impact on participating organizations and the sustainable development of the Kingdom at large. Through these insights, we hope to highlight the valuable role of the private sector in achieving the Kingdom's sustainable development goals and the importance of setting relevant national sustainability standards and policies to drive the necessary solutions for the well-being of all our citizens.

Faisal bin Khalid bin Abdulaziz
Chairman of the Board
King Khalid Foundation

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INTRODUCTION



The King Khalid Foundation aims to be a leader in sustainable development in Saudi Arabia.

The King Khalid Foundation envisions a Saudi society with equal opportunities, striving towards prosperity by mobilizing and enabling stakeholders through social investment, capacity building and advocacy. The Foundation focuses on equal economic opportunity and financial independence which can be achieved through programs aimed at employment, job creation, social entrepreneurship, policy recommendations, improving institutional capacity, sustainability practices and employability skills.

In pursuit of its value-driven, ambitious goals for the Kingdom of Saudi Arabia, KKF has led and supported many initiatives, ranging from capacity-building programs and grants for non-profit organizations to social science research, sustainability empowerment and advocacy. These initiatives have brought meaningful impact to hundreds of organizations and thousands of people Kingdom-wide. The Foundation believes in the power of collective impact and partners with world-class institutions to create and deliver top-quality programs.

Holding a place of pride among KKF's many initiatives are the King Khalid Awards which include the King Khalid Nonprofit Excellence Award, King Khalid Development Partners Award, and the King Khalid Sustainability Award. KKF recognizes the King Khalid Awards as tools for social change, designed to recognize, encourage and support exceptional achievements in the fields of sustainability, nonprofit management excellence, and social innovation.

KKF OFFERS SUPPORT ON THREE LEVELS

KING KHALID	NON-PROFIT	KING KHALID
DEVELOPMENT	ORGANIZATION	SUSTAINABILITY
PARTNERS	EXCELLENCE	AWARD
AWARD	AWARD	

VALUES



About the Sustainability Award



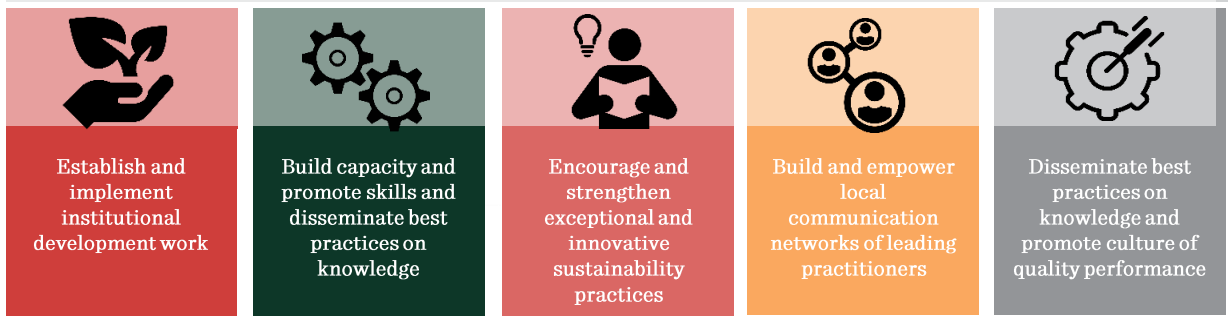
جائزة الملك خالد
KING KHALID AWARD

In Saudi Arabia, sustainability is key to increasing the Kingdom's ability to compete at the global level. Among KKF's King Khalid Awards, the Sustainability Award uniquely aims to strengthen the private sector's competitive advantage through improved environmental, social, and governance (ESG) performance.

The Award focuses on aligning sustainability practices with business imperatives, such as promoting positive growth, improving reputation, and strategically engaging with key stakeholders. Additionally, the Award acts as a pathway to help companies improve the quality of their sustainability reporting by aligning to international frameworks and standards, such as the Global Reporting Initiative (GRI) Standards. The top performing companies participating in the Award receive the prestigious King Khalid Award for Sustainability and are honored by the Custodian of the Two Holy Mosques King Salman bin Abdulaziz.

The Sustainability Award is the first and most respected Award and capacity building program in the Kingdom focused on sustainability issues. In addition, it is the first Award designed and implemented by a foundation for the benefit of the corporate sector.

AWARD OBJECTIVES



PARTICIPATION BENEFITS



The Sustainability Award at a Glance



جائزة الملك خالد
KING KHALID AWARD

“One of the core objectives of the Foundation is to mobilize the Saudi business community through developing its capacity and competitiveness. The Award is a key tool in this regard that aims to provide a strong platform to support sustainable transformation and create a lasting impact in the Kingdom.”

Princess Banderi Al Faisal,
former CEO of King Khalid Foundation
Allah bless her soul

13 years of
implementation

The first Award and program
of its kind in the Kingdom

Industries Represented	
 Agriculture and Food Industries	 Manufacturing
 Banking and Financial Services	 Media and Publishing
 Building and Construction	 Petrochemicals
 Cement	 Pharmaceuticals
 Education	 Professional Services
 Energy and Utilities	 Real Estate Development
 Health Care	 Retail
 Hotel and Tourism	 Sports and Recreation
 Industrial Investment	 Telecommunication and Information Technology
 Insurance	 Transport

The Sustainability Award at a Glance



جائزة الملك خالد
KING KHALID AWARD

650+ Participants
375+ Unique Participants



2021 Success Stories (pages 35-44)

 مستشفى د. سليمان فقيه
Dr. Soliman Fakeeh Hospital
 HUAWEI
 أرامكو السعودية
saudi aramco
Haradh Gas Plant Department
 أرامكو السعودية
saudi aramco
Safaniya Onshore
Producing Department
 مرافق
MARAFIQ
 GNP
HOSPITALS
 FARABI
PETROCHEMICALS
 جدة يونايتد
JEDDAH UNITED
 Al Hammadi Hospital
مستشفى الحمادي
 شركة تروناتنا للمسؤولية الاجتماعية
Treadone Social Responsibility Company

Previous Winners

 أرامكو السعودية
saudi aramco
 HUAWEI
 شركة الحفر العربية
Arabian Drilling Co.
 NATPET
 Unilever
 مرافق
MARAFIQ
 الفينار
alfanar
 المركز الطبي الدولي
International Medical Center
 MEPICO
Middle East Paper Co.
 معادن
Saudi Arabian Mining Company
 Zamil Industria
 البنك السعودي للاستثمار
The Saudi Investment Bank
 سافكو
SAFECO
 CISCO
 نوى
المنامة الوطنية
 Special Direction
Business Consultancy House
 NCB
الأهلي
 حديد
hadeed

Legend

- Cities
- Companies Who Participated in the Award*

*Size of the circles is indicative of number of participants from the region

The Sustainability Award Winners



جائزة الملك خالد
KING KHALID AWARD

The Award has attracted many of the Kingdom's high-profile corporate leaders, with past winners, including Saudi Aramco, the Arabian Drilling Company (ADC), the Saudi Investment Bank (SAIB), Binzagr Unilever Limited, Huawei, Cisco Saudi Arabia, the National Petrochemical Industrial Company (NATPET), the Saudi Arabian Mining Company (Ma'aden), the National Commercial Bank, and many others.

The Award winners reflect the diversity in sector, size, and maturity of applicants, including a mix of local companies and KSA subsidiaries of global companies.

2021 Award Winners



صدارة
Sadara



أرامكو السعودية
saudi aramco
North Ghawar
Producing Department



TATA
TATA CONSULTANCY SERVICES

Previous Winners

2019	2018	2017	2016	2015	2014
 أرامكو السعودية Saudi Aramco	 HUAWEI	 شركة الحفر العربية Arabian Drilling Co.	 البنك السعودي للاستثمار The Saudi Investment Bank	 Unilever	 NATPET
 TATA TATA CONSULTANCY SERVICES	 NATPET www.natpet.com	 معادن Saudi Arabian Mining Company	 حديد hadeed CISCO	 البنك السعودي للاستثمار The Saudi Investment Bank	 Unilever
 سبكيم Sipchem excellence everywhere		 Special Direction Business Consultancy House MEPICO Middle East Paper Co.	 Special Direction Business Consultancy House CISCO	 Special Direction Business Consultancy House سافكو MEPICO Middle East Paper Co.	 البنك السعودي للاستثمار The Saudi Investment Bank



Relevance

How aligned is the Award to KKF's vision and mission? How relevant is the Award content, process and application to the Saudi society, as well as international sustainability trends and participating companies?

AWARD RELEVANCE TO KKF VISION & MISSION

Sustainability has been a critical driver for improving the social, economic, and environmental performance of companies in the Kingdom of Saudi Arabia. The Award and its objectives are strategically aligned with KKF's mission to achieve prosperity by mobilizing and enabling stakeholders through social investments, capacity building and advocacy.

Through the Award, KKF encourages organizations in the Kingdom to compete responsibly, improve their practices in sustainability and become leaders in their respective sectors. Through participation in the Award process organizations learn, communicate and demonstrate competitive performance, contributing to economic growth and prosperity in the Kingdom.

KKF's aim is to be a role model and leader in development work and positively impact the economy and people's lives. Through the Award, KKF has made great strides towards achieving that goal.

"It is the responsibility, not just of governments, but of all sectors of society to ensure that the quantity and quality of resources we have today will be enjoyed by future generations. The ethics of foresight are enshrined in and embraced by the King Khalid Sustainability Award – it is not just an award, but a program that seeks to recognize and encourage effective business leadership in this era of impact and corporate responsibility."

Nouf bint Mohammed bin Abdullah
CEO, King Khalid Foundation



KKF STRATEGIC GOALS

Promote the culture of sustainability, strategic philanthropy, and social responsibility

Promote and enable organizational capacity building and learning, particularly in the area of Workforce and Social Development

Achieve impact through policy and advocacy, advocate for policy changes related to social issues annually

Engage existing partners and increase the number of productive partnerships annually

Identify and visit best practice models in the Kingdom and the region annually



AWARD OBJECTIVES

Improve companies' sustainability performance in order to enhance their positive environmental, social and governance (ESG) impact

Demonstrate the growing need for responsible business practices within the Kingdom, and deepen understanding of organizations about sustainability

Support organizations to build capacity, enhance internal strategies and systems, and improve their performance

Effective engagement with policy makers in the Kingdom, and alignment to the Kingdom's vision and national agenda

Empower organizations to integrate social and environmental issues into core management decisions

AWARD CORE AREAS

GOVERNANCE

Commitment to strategy development, reporting, ethics, responsible supply chain management and more.

ENVIRONMENT

Commitment to responsible management of energy, water, materials and waste, and emissions.

SOCIAL

Commitment to promoting diversity and equal opportunity, health and safety, and human rights.

ECONOMIC

Commitment to industry innovation and growth, community investment, and business continuity.



For many years, the King Khalid Foundation has proudly supported Tadawul in its efforts to drive the growth of responsible business practices in the Kingdom. In 2021, Tadawul launched its ESG Disclosure Guidelines as part of wider efforts to support sustainable growth in Saudi Arabia. The guidelines act as a central resource to help companies navigate ESG and encourage listed companies to disclose their ESG information.

The Award uses ESG language in its assessment and is closely aligned with international and local sustainability standards. This allows close assessment of Award participants' sustainability performance in comparison to both local and global leading practices.



“With ESG becoming an increasingly critical part of decision-making for local and international investors, these guidelines will encourage companies to voluntarily disclose their ESG performance”.

Mr. Mohammed Al-Rumaih, CEO of Tadawul



VISION 2030 ALIGNMENT



Vision 2030 has set strong sustainable development goals for Saudi Arabia, making it clear that sustainability is central to the Kingdom's future development and key to increasing its competitiveness on a global level.

VISION 2030 PILLARS



A VIBRANT SOCIETY



A THRIVING ECONOMY



AN AMBITIOUS NATION

Top 5 Vision 2030 goals cited as most relevant to the 2021 Award Participants:



90% selected **Social Responsibility**



81% selected **Supporting National Companies**



85% selected **Attracting Talent**



81% selected **Responsible Business**



81% selected **Providing Equal Opportunities**



To ensure the Award continues to deliver robust, credible and relevant impact, its content, methodology and overall process are refined and enhanced on a yearly basis in line with global sustainability trends and practices, as well as leading international and regional sustainability frameworks, including:

- UN Sustainable Development Goals (UN SDGs)
- UN Global Compact (UNGC)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)

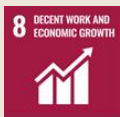


The Award's evaluation methodology is also refined annually to reflect leading practices, and has matured from evaluating the provision and disclosure of information to additionally assessing the company's performance and practices.



UN SDGs ALIGNMENT

The top 6 UN SDGs cited as most relevant to 2021 Award participants are:



83% of applicants selected Decent Work and Economic Growth



73% of applicants selected Partnerships for the Goals



73% of applicants selected Responsible Consumption



69% of applicants selected Industry, Innovation and Infrastructure



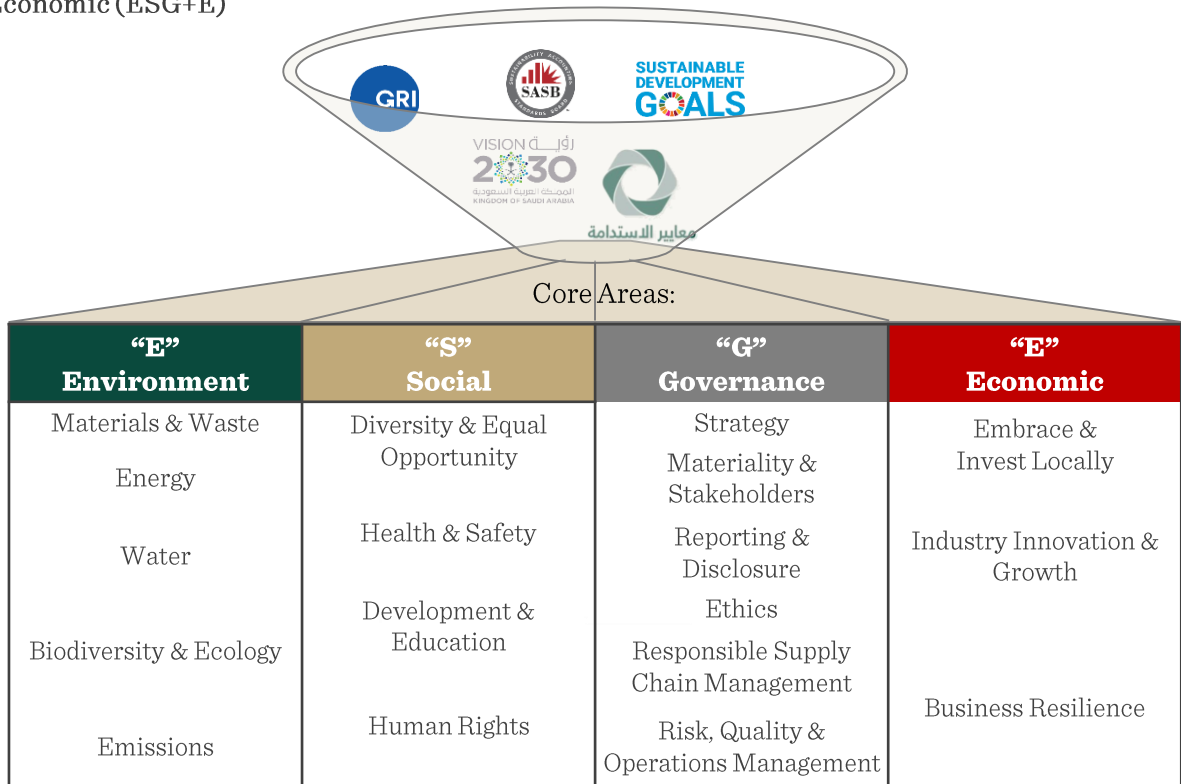
65% of applicants selected Gender Equality



65% of applicants selected Good Health and Wellbeing

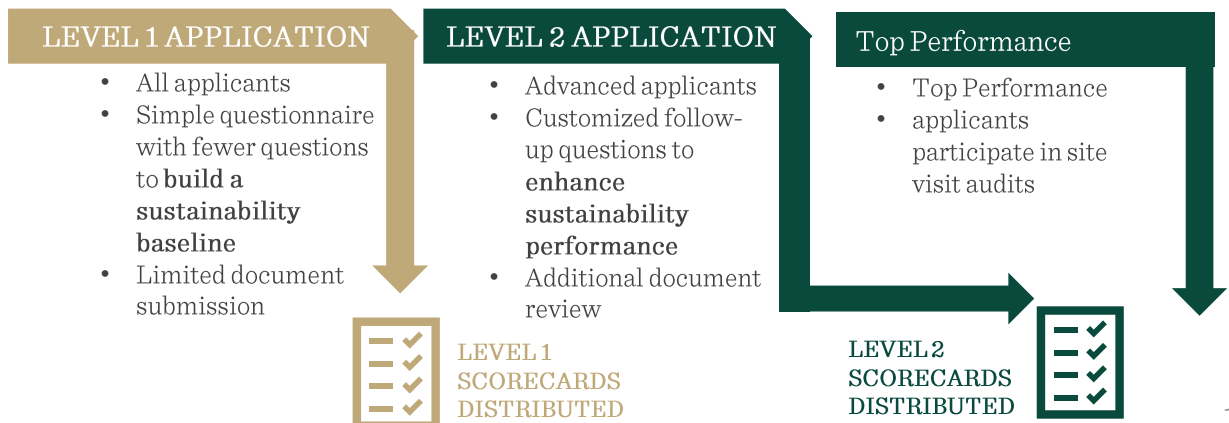
1. Alignment to Local & International Frameworks and New Core Areas

The King Khalid Award team has conducted a comprehensive benchmarking assessment to evaluate and strengthen alignment to the world’s leading sustainability standards, as well as the Kingdom’s new National Standards. In order to further align the Award with international and national sustainability standards and the universal sustainability language of “ESGE” in particular, the Award has been reorganized into Four Core Area categories: Environmental, Social, Governance, and Economic (ESG+E)



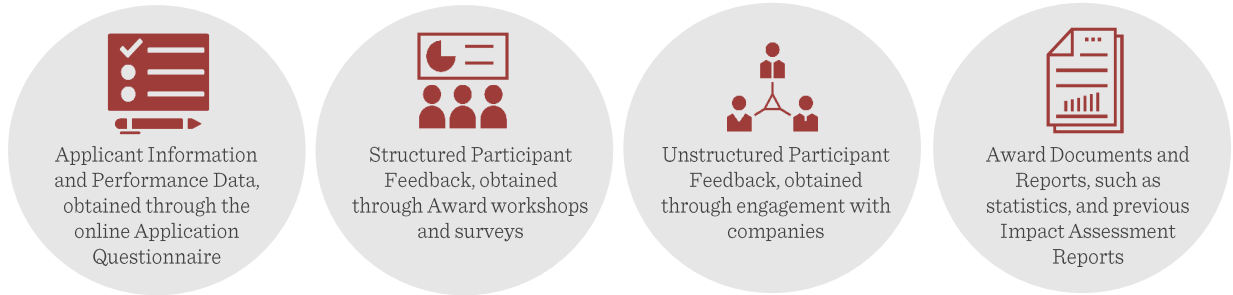
2. Streamlined and Tiered Application Structure

Under a new tiered application process, all applicants complete a Level 1 application, which assesses applicants’ foundational sustainability practices. Applicants that are more advanced and score highly on Level 1 will progress to Level 2, which evaluates the benefits and impacts of the applicants’ practices.



Assessment Methodology

The assessment utilizes four major sources of data to analyze the relevance, capacity building, and value creation of the Award in the Kingdom:



3. Application and Scorecards Customized to Industry and Company Maturity

Industry weightings have been updated based on the Sustainable Accounting Standards Board (SASB), which provides 11 sector-specific standards for material ESG issues. This approach allows applicants to be rewarded or penalized in alignment with what is considered material in their sector.

SASB-aligned Industries

Consumer Goods	Financials	Food & Beverage	Infrastructure
Transportation	Healthcare	Extractives & Minerals Processing	Services
Technology & Communication	Renewable Resources & Alternative Energy		Resource Transformation

Sustainability maturity has informed the design of each application level to enable all companies to participate, build their capacity, and elevate their performance – whether they are beginning their sustainability journey, or they are advanced performers seeking innovation and leadership.

LEVEL 1

Does your organization have a policy for responsible purchasing from suppliers, vendors and contractors?

List 3 examples of initiatives or partnerships that help drive your community investment approach

Does your organization measure its energy consumption?

LEVEL 2

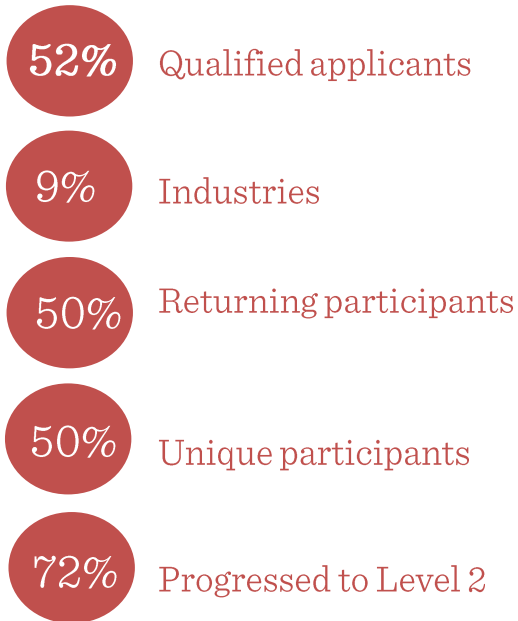
Please list the three primary risks identified through the supply chain risk assessment process.

Describe if and how you measure the social return on investment?

Please complete the table regarding your organization's strategy or formal actions to reduce its energy consumption:

2021 SUSTAINABILITY AWARD
PERFORMANCE

2021 Participants Overview



Over the past 13 years, the Award has seen over 650 applications from more than 375 unique participants. This demonstrates the high level of interest among companies to compete in the area of sustainability and enhance their practices to improve performance.

The 2021 Award cycle had a total of 52 qualified applicants, more than 15% over the targeted number of applicants, from a mix of geographic areas, industries, and company sizes. This year, participants from private and publicly-listed companies made up 87% of total participation. Participation was also strongest amongst larger organizations (>1000 employees and 501-1000 employees), making up 79% of participants. These findings are consistent with previous Awards.

Figure 1. 2021 Participants by Size

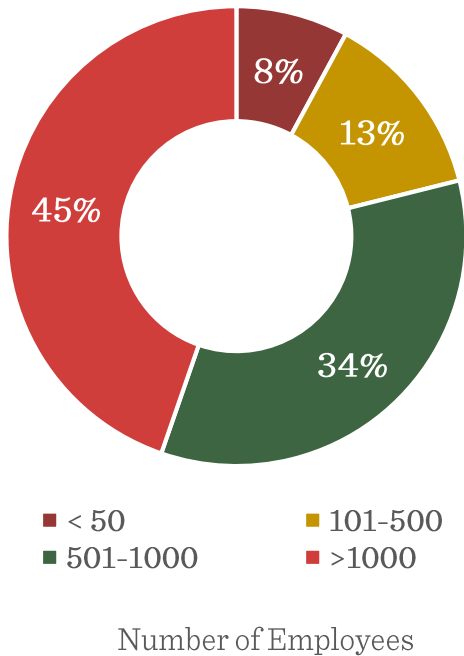
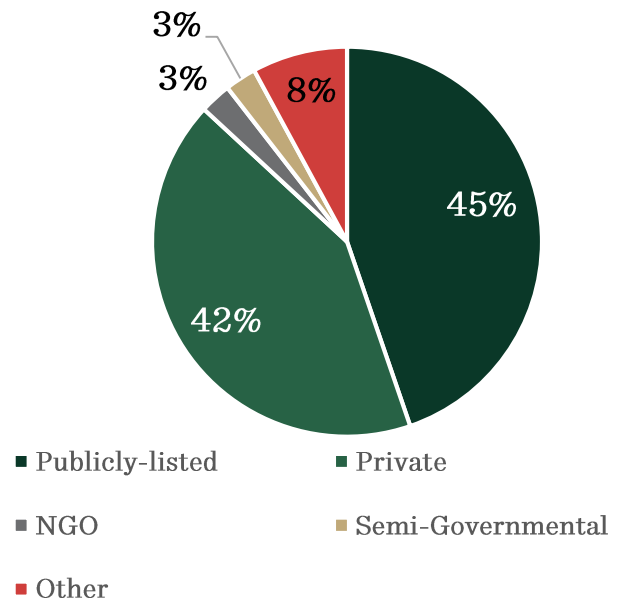
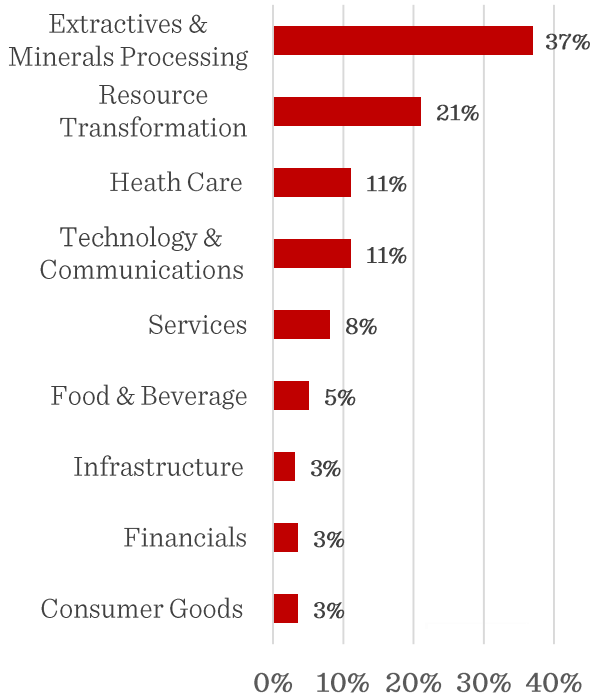


Figure 2. 2021 Participants by Legal Structure



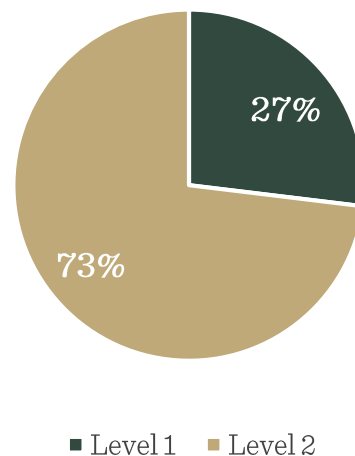
Organizations from a wide range of industries in the Kingdom participated in the Award, demonstrating the Award's relevance and value creation opportunities across sectors. Industry-weightings are used during the assessment of participants' applications to ensure that the unique challenges and opportunities of each industry are taken into account.

Figure 3. Applicants by Industry



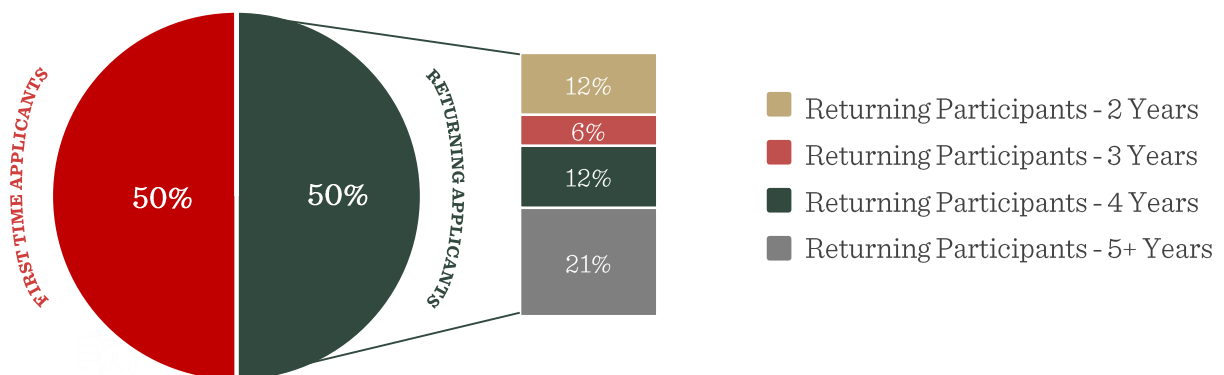
The majority of participants (73%) progressed to Level 2 due to their advanced sustainability practices, demonstrating an improvement in sustainability performance among participants.

Figure 4. Level 1 vs Level 2 Participants



Each year, the Award attracts a significant amount of returning participants who strive to build on their sustainability practices and improve their year-on-year performance. This year, 50% of qualifying participants were returning participants, 65% of which saw an increase in their previous score.

Figure 5. Returning vs. One-Time Participants





Sadara Chemical Company



- **Employee volunteering program:** Created the Sadara Volunteer Club (SVC), a self-directed group of employees that implements Sadara's charity programs.
- **COVID-19 response:** Produced 100,000kg of high-purity ethanol to develop sanitizers for local consumption, free of charge.
- **Community investment efforts:** Provided sponsorship and donations to local charities and encourages charities to adopt sustainability programs.



North Ghawar Producing Department



- **Sustainable resource management:** Implemented a capital project to utilize sea water within its operations to reduce ground water consumption.
- **Protecting biodiversity and ecology:** Collaborated with the Ministry of Environment to plant 1 million native trees in desert areas to sequester 20 million kilograms of carbon per year.
- **Partnerships for sustainability:** Introduced a mass transportation scheme for its employees to provide a more sustainable option for transportation.



Tata Consultancy Services



- **Community investment efforts:** Developed a digital innovation labs to localize technology and transfer digital knowledge and skills to local communities.
- **Emissions reduction:** Led several efforts to reduce its greenhouse gas (GHG) emissions, including reducing air travel and encouraging carpooling among employees.
- **Women's empowerment:** Planned to set up an all-women's design studio and 'rapid lab' to encourage innovation, which will be the first of its kind in the Kingdom.

IMPACT OF THE
2021 SUSTAINABILITY AWARD



Capacity Building

What have companies learned through the Sustainability Award process? How are they leveraging this experience to drive performance improvement?

BUILDING ORGANIZATIONAL SUSTAINABILITY CAPACITY AND LEARNING

When applicants are asked why they participate in the Award, the primary reason applicants cite, besides striving to win the Award, is to help enhance their company's sustainability practices. Organizations increasingly understand the value of participating in the Award, receiving performance feedback and learning about leading sustainability practices. The Award serves as a platform for capacity building to help enhance internal strategies and systems and improve performance.

“Going through the Award was an enjoyable journey ... We were introduced to new perspectives and paid attention to sustainability practices, not only environment and social but all sustainability concepts in the organization. This Award helped make our process more effective and impactful, while thinking through sustainability.”

Sustainability Award Participant

Figure 6. Sustainability Award Participants Drivers



SUSTAINABILITY AWARD ENABLES PEER-TO-PEER LEARNING

The educational element of the Award is evident during the Leading Practices Workshop, which is conducted at the end of each year and marks the closure of the annual Award cycle. The aim of the workshop is to build sustainability capacity and facilitate peer-to-peer learning. This one-day event gives participants the opportunity to discuss leading practices and improvement opportunities. Through interactive sessions, participants can share lessons learned, successful innovations, become aware of peers' practices, and develop relationships with like-minded practitioners.

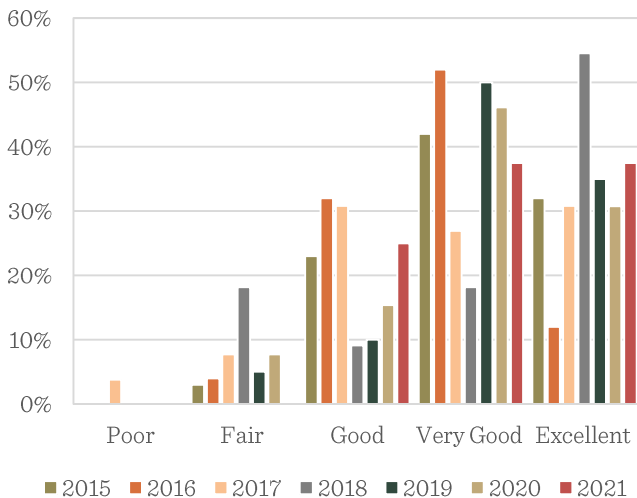
“Sustainability is a continuous improvement that doesn't stop, neither does the continuous learning”

Sustainability Award Participant

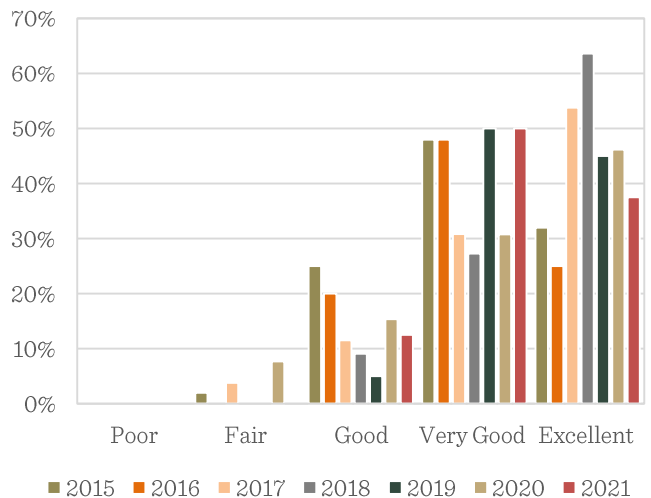
Figure 7. Value of Leading Practices Workshop

Participants of the Leading Practices Workshop derive immense value from sharing of lessons learned and knowledge around best practices, as well as peer-to-peer networking opportunities.

How would you rate the ability of the Leading Practices Workshop to enable peer-to-peer learning?



How would you rate the quality and learning value of the Leading Practices Workshop?





Value Creation

What are some tangible process and performance improvements participants have realized? What are some success stories of positive socio-economic outcomes as a result of Sustainability Award initiatives?

Participating in the Award's continually evolving and enhanced questionnaire helps applicants identify how the latest trends and critical areas of sustainability can translate opportunities for sustainability growth, organizational performance management, and innovation.

Investment in sustainability initiatives is now recognized as an opportunity to innovate and enhance the impact of product and service offerings, a testament to the Award's value proposition.

A comprehensive impact assessment on the Sustainability Award, conducted by KKF, found many quantified outcomes that highlight the benefits for participants, including:

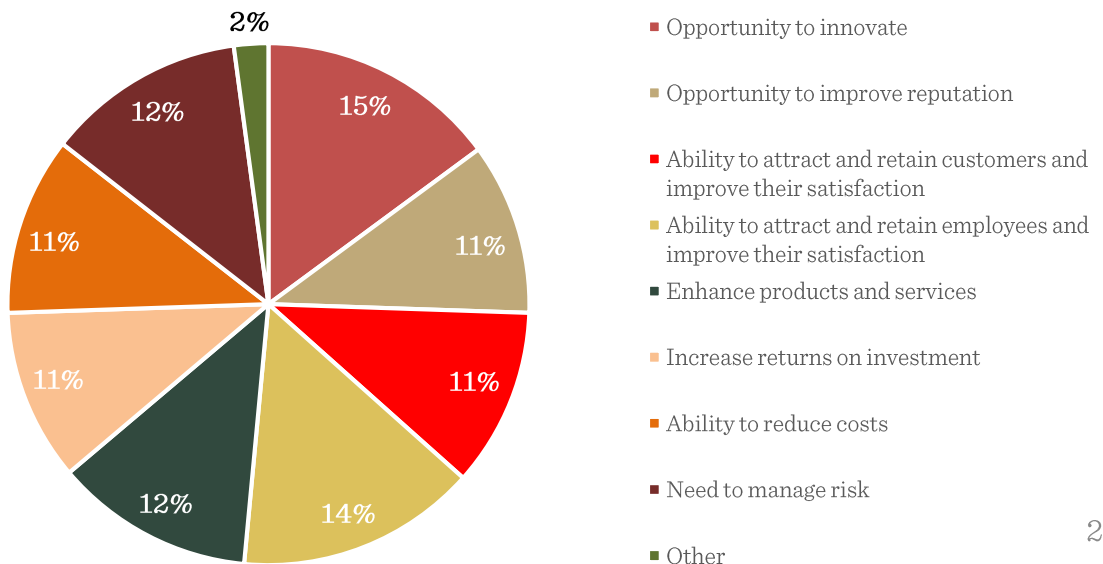
- Improve organization's sustainability practices by providing a customized Scorecard Report of their sustainability performance, as well as gaps and opportunities.
- Further improve organization's sustainability practices by providing one-one one consultation sessions.
- Increase the skills and awareness of the institutions through the Sustainability Leading Practices workshop.

"Participating in the KKF Sustainability Award was an eye-opener for our team and it has also served as self-assessment for our sustainability practices and performance."

Sustainability Award Participant

For every SAR 1 spent there is SAR 3.99 of impact value generated

Figure 8. Key Drivers Behind Sustainability Investment for 2021 Applicants

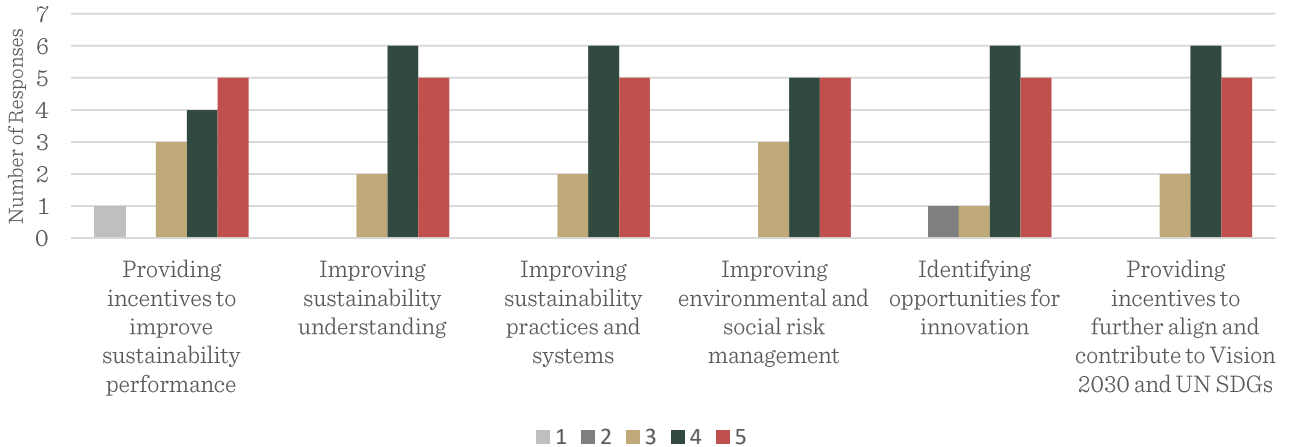




CHANGES MADE AS A RESULT OF PARTICIPATING IN THE AWARD

Participating in the Award supports applicants in identifying opportunities to improve their sustainability practices, whether it may be by adapting their sustainability strategy or implementing a new policy.

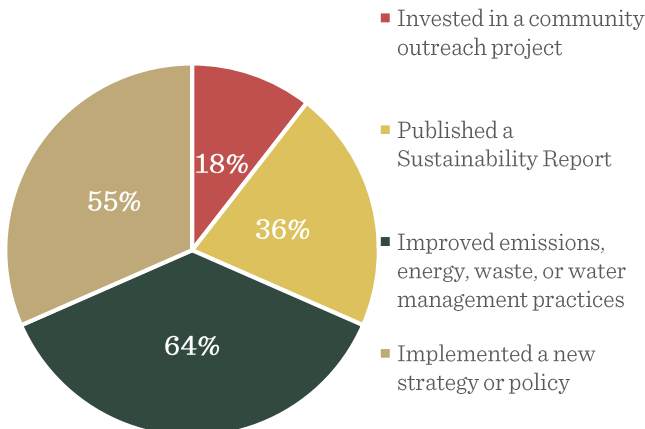
How has the Award supported your organization with regards to the following? Please rate each from 1 to 5; 1 being the lowest and 5 the highest.



OUTCOMES OF THE SUSTAINABILITY AWARD

Feedback from the 2021 Award also reveals the concrete improvements and changes that Award applicants have implemented after participating in the Award. The results below suggest that “improved emissions, energy, waste, or water management practices” and “implemented a new strategy or policy” are the biggest areas where applicants have made changes due to participating in the Award.

What changes, if any, has your organization made as a result of participating in the Award?



The Award has proven to create significant positive impact for participating organizations. A comprehensive impact assessment on the Sustainability Award found many quantified outcomes that highlight the benefits for participants, including:

- Improve organization’s sustainability practices by providing a customized Scorecard Report of their sustainability performance, as well as gaps and opportunities
- Further improve organization’s sustainability practices by providing a one-one one consultation sessions
- Increase the skills and awareness of the institutions through the Sustainability Leading Practices workshop

For every SAR 1 spent there is SAR 3.99 of impact value generated

SOIOECONOMIC IMPACT: CONTRIBUTIONS TO VISION 2030

The Award's alignment to the Kingdom's sustainability frameworks and standards make it highly relevant to Saudi society. This is reflected in the Award's focus on themes that are vital to advancing sustainability in the Kingdom. By extension, applicants can use their performance in the Award as a baseline for understanding their contribution towards advancing the Kingdom's sustainable development and socioeconomic goals as outlined in the three pillars of Vision 2030.



A VIBRANT SOCIETY

90%

Have a **community investment policy**, an **11% increase from 2020**, supporting V2030's aspiration to have **businesses that contribute towards developing a sustainable economy**.



65%

Have **environmental management practices** in place, a **17% increase from 2020**. This is aligned with V2030's goal to achieve **environmental sustainability**.



29%

Use **renewable energy**, an **8% increase from 2020**, supporting efforts to grow the KSA's renewable energy market. By **2030**, the renewables sector could **employ around 750,000 people in the KSA**, bringing a **range of socioeconomic benefits**.



A THRIVING ECONOMY

54%



Have engaged in R&D spending related to ESG efforts. This is important for **encouraging innovation** in the Kingdom to help address global challenges.

85%

Are **taking actions to recruit Saudi nationals**. This is key to advancing V2030's goal of **taking pride in national identity** by creating **economic opportunities for Saudis**.



54%

Measure Social Return on Investment (SROI), enabling organizations to measure and track their impact on society and create targets in line with the goals of Vision 2030.



AN AMBITIOUS NATION



88%

Are **publishing their sustainability information**, a **44% increase from 2020**. This is aligned to V2030's focus on meeting **high standards of corporate transparency in the KSA**. Sustainability reporting can play a key role in improving business performance and, therefore, **boosting the national economy** and **creating more local employment opportunities**.

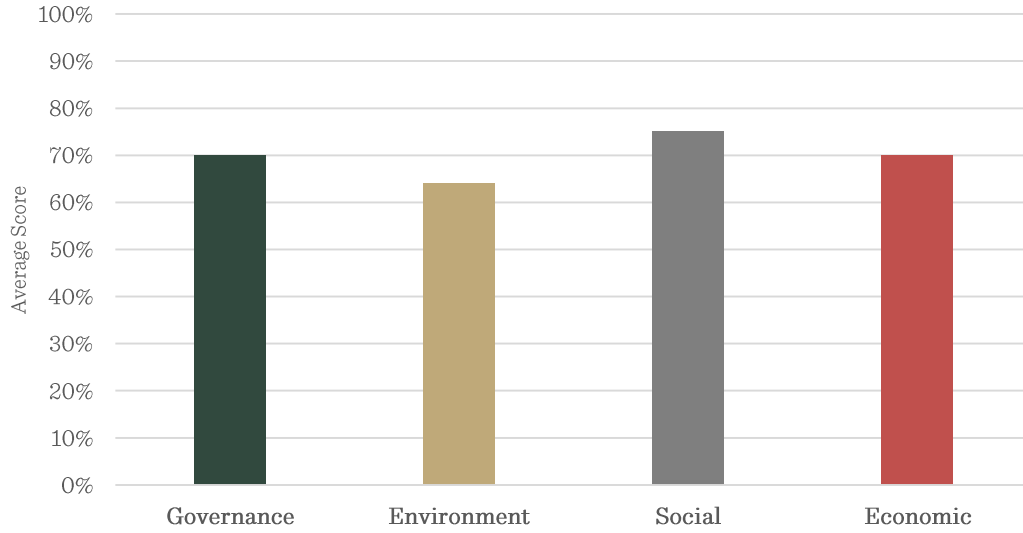
90%

Have a **formal Sustainability or CR strategy**, a **24% increase from 2020** which reflects a growing **commitment to being a responsible business**. This can lead to a range of socioeconomic benefits including **improving the business environment**, **strengthening national value chains**, and **fueling innovation**.



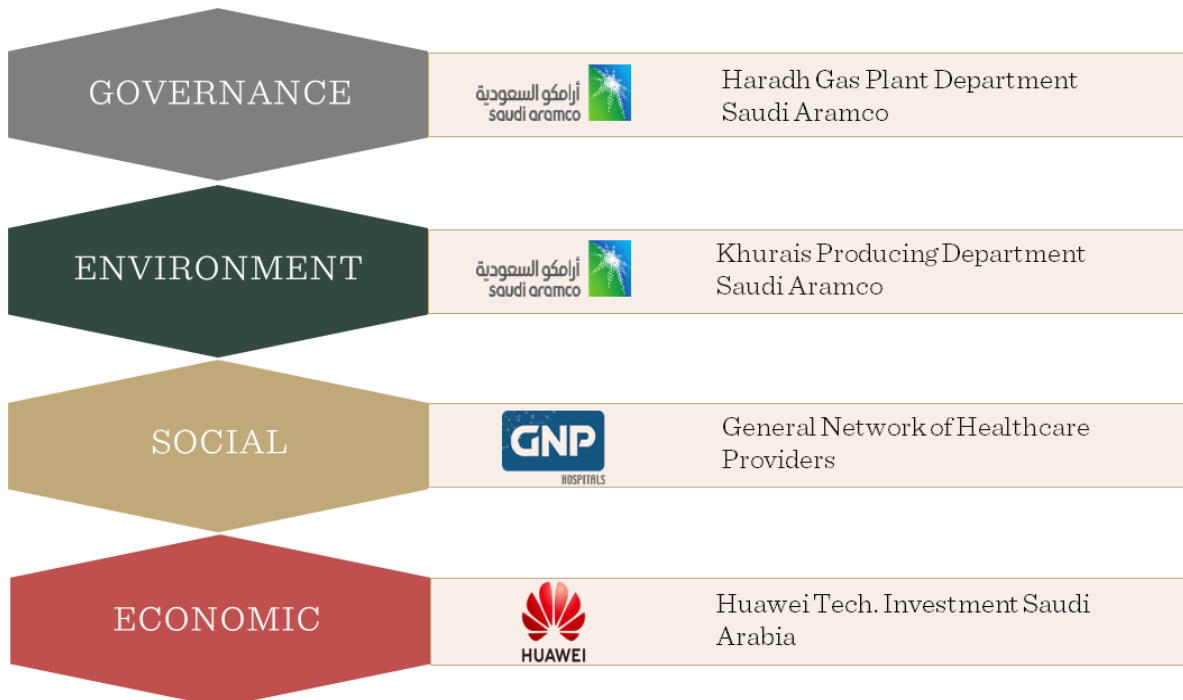
Participants were given a score for each of the four “ESGE” core areas. On average, participants performed best in the Social core area, with strongest practices in the ‘Health & Safety’ and ‘Development & Education’ sub-pillars. Participants scored lowest on average in the Environment core area, with weakest performance in the ‘Biodiversity & Ecology’ sub-pillar.

Figure 9. 2021 Core Areas Performance



Scope Note: Refers to the average composite Level 2 scores only.

2021 Core Area Winners





88%

Publish sustainability information



90%

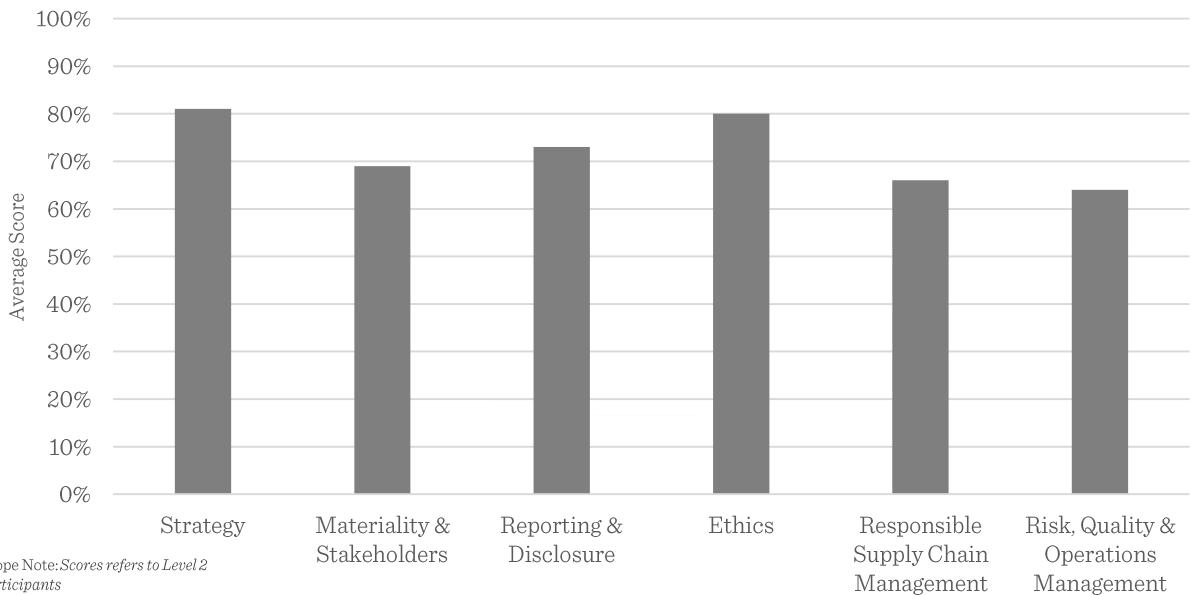
Have a formal sustainability or CR strategy



62%

Have a responsible purchasing policy

Figure 12. Governance Core Area Overview



2021 Core Area Highlights: Leading Practice Examples



Publicly discloses non-financial information that is aligned to GRI, UN SDGs, and the Saudi National Standards for Sustainability



Obtained 13 ISO certifications – the international standards for quality management systems. Requires suppliers to be ISO certified



71%

Have an environmental management policy



58%

Measure impact on biodiversity



71%

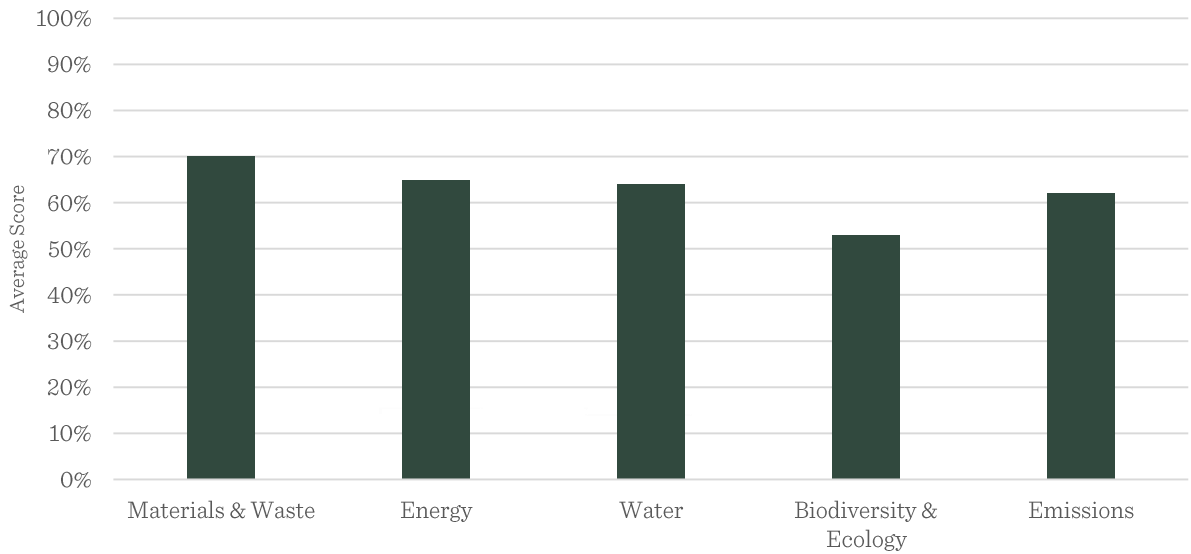
Measure energy consumption



29%

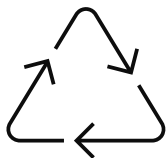
Use renewable energy

Figure 10. Environment Core Area Overview



Scope Note: Scores refers to Level 2 participants

2021 Core Area Highlights: Leading Practice Examples



Waste measurement and management strategy that covers 100% of the organization



Formal strategy in place to measure impact on biodiversity, including mangrove plantation and coral reef restoration efforts



85% Are taking action to recruit Saudi talent

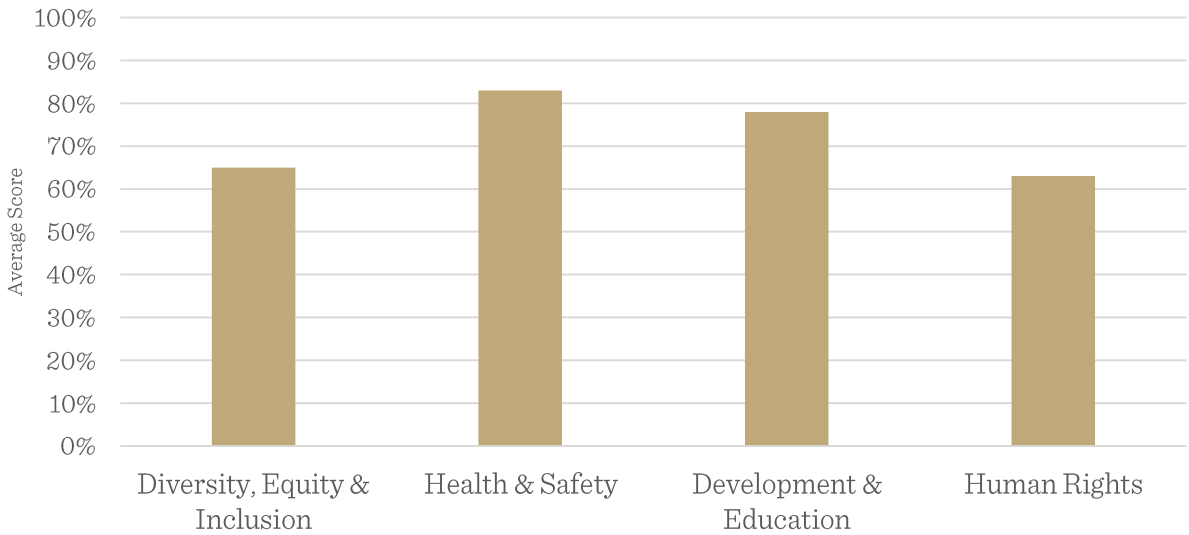


83% Measure employee satisfaction



81% Have a human rights policy

Figure 11. Social Core Area Overview

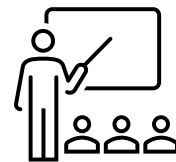


Scope Note: Scores refers to Level 2 participants

2021 Core Area Highlights: Leading Practice Examples



Training academy with tailored coaching to help employees develop and enhance skills



Human rights policy in place and trainings offered for all employees, suppliers, and other stakeholders



90% Have a community investment policy

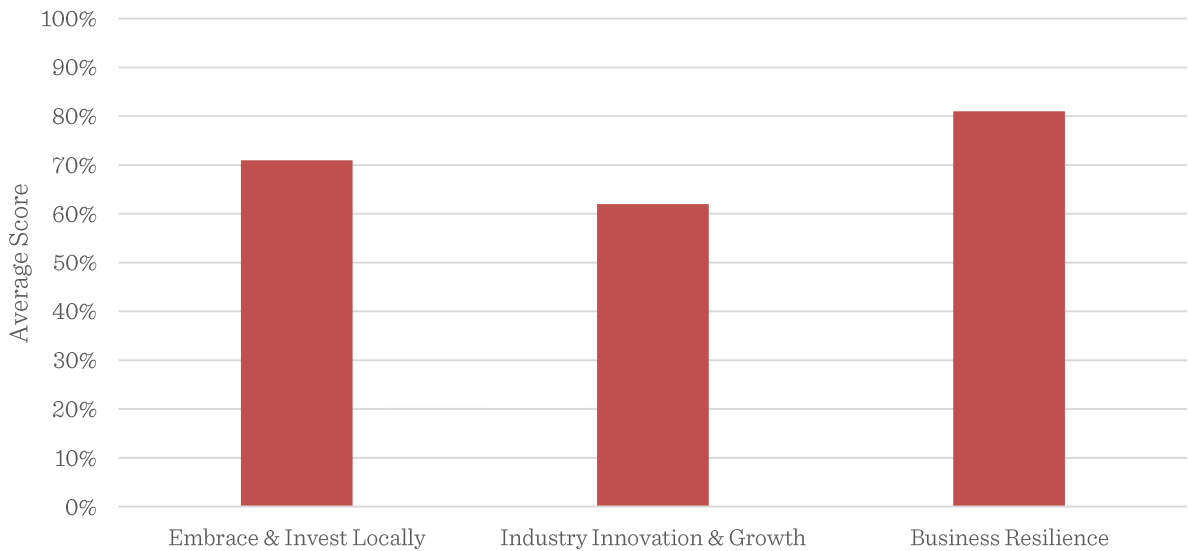


90% Have measures for data protection



54% Have engaged in R&D spending related to ESG efforts in the past year

Figure 13. Core Area Overview



Scope Note: Scores refers to Level 2 participants

2021 Core Area Highlights: Leading Practice Examples



Led long-term AI research and development strategy to create the National AI Capability Development Program in partnership with SDAIA



Follows a robust methodology to measure the social return on investment (SROI) of its community investment efforts

2021 SUSTAINABILITY AWARD
SUCCESS STORIES



This is General Network of Healthcare Providers' first time applying to the Award and it has already made it to the top 10 performers, demonstrating a great achievement for the organization.

Key highlights:

- ▶ Launched the Training Academy to improve employee's soft, admin, and clinical skills. Employees' knowledge is measured and compared to the pre-training questionnaire, highlighting a robust learning and development program.
- ▶ The Training Academy resulted in a decrease in the number of medical errors and time required to provide medical services, and an increase in patient satisfaction and employee retention. There are aims for the academy to become a social enterprise to equip the wider community with the skills needed to succeed in the workforce.
- ▶ Created a robust methodology to measure the social return on investment (SROI) of its community investment efforts.

AWARD JOURNEY

★ First Time Applicant



Awarded 4th Place Overall



Core Area Winner (Social)

"The application has helped us address our environmental impacts, which are not front of mind as a hospital, since our operational impact is not significant. However, the SA helped us realize that we can leverage existing programs to identify if certain species are entering or disappearing from local environments and to avoid people becoming infected by new microbes."



This is HdGPD's first time applying to the Award and has already achieved 1st place in the Governance Core Area pillar.

Key highlights:

- ▶ Obtained 13 ISO Certifications around quality management and plans to achieve more in the coming years.
- ▶ Reached 90% circularity within the department and is aligned with Saudi Aramco's circular economy strategy.
- ▶ Developed a three-pillar model for human rights (Respect, Protect, Remedy), based on the UN Human Rights Declaration, and follow a systematic approach to human rights training for all employees and contractors.
- ▶ Created environmental management tools that have led to improvements in its 2020 environmental KPIs, including: a 33% reduction of carbon intensity, a 41% reduction of methane intensity, a 20% reduction in overall flaring, a 24% reduction of water consumption, and a 10% optimization of energy consumption.

AWARD JOURNEY

★ **First Time Applicant**



Awarded 6th Place Overall



Core Area Winner (Governance)

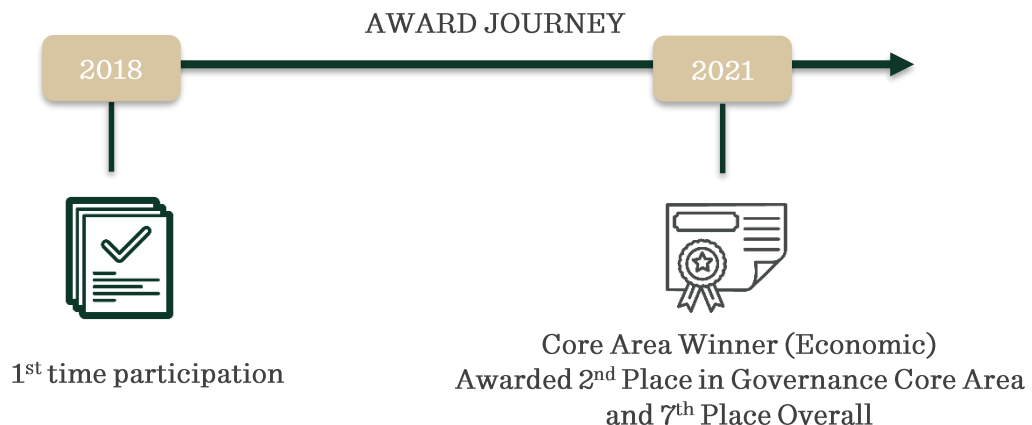
"The application motivated HdGP's workforce to search for learning tools and courses to elevate their sustainability knowledge and how they can help boost the department's performance in all business aspects."



This is Huawei's second time applying to the award, they achieved 1st place in the Economic Core Area Pillar and 2nd place in the Governance Core Area Pillar.

Key highlights:

- ▶ Developed solar park projects to help reduce CO₂ emissions by over 600,000 tons. Reduced construction waste by over 100 tons in 2020 by implementing innovative prefabricated Modular Datacenter Solution that minimizes construction waste and water use by 80%.
- ▶ Supported R&D initiatives, including the Jubail and Yanbu smart city projects which optimize city operations by reducing traffic violation by 60%, improving garbage disposal efficiency by 30%, and reducing road maintenance costs by 20%.
- ▶ Certified environmental management efforts by an environmental management standard that covers 100% of the organization.
- ▶ Conducted an annual risk assessment to identify ESG risks in its supply chain.
- ▶ Partnered with the Saudi Data Authority for Data and Artificial Intelligence (SDAIA) to launch the National AI Capability Development Program to help digitalize historical documents in Arabic.



“The most important benefit of the SA is that it is really driving our team towards a common goal - there are now dedicated roles and responsibilities for sustainability across the organization.”



أرامكو السعودية
saudi aramco



This is the Khurais Producing Department's first time applying for the award and they already exhibit a keen awareness of ESG considerations and have achieved top marks across the core areas.

Key Highlights:

- ▶ Adopted and integrated cutting-edge technologies to continually improve the efficiencies and effectiveness of its systems. These efforts have been recognized by the World Economic Forum.
- ▶ Developed a WOSEP blowdown system to divert generated product waste, which has enhanced employee safety, improved environmental performance, and increased product revenue.
- ▶ Installed solar power cells in remote wells to reduce the use of imported power and the cost of installing long distance cables.
- ▶ Rolled out a vaccination program for all employees and contractors in response to the Covid-19 pandemic.

AWARD JOURNEY

★ **First Time Applicant**



Core Area Winner (Environmental)
Awarded 2nd Place in Social Core Area
and 10^h Place Overall

“Sustainability strategy is reflected through Khurais Producing Department overall Operational Excellence (OE) system. The system covers all aspects of the organization.”



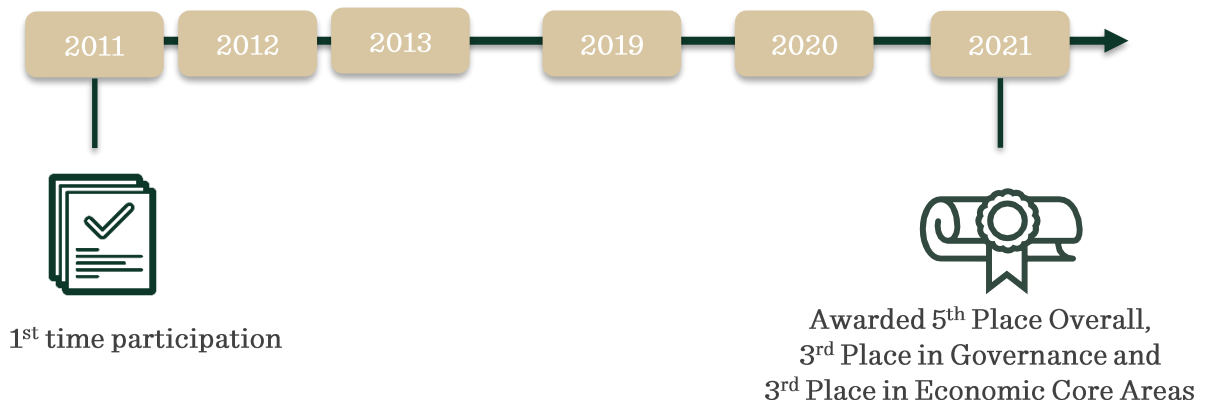
مستشفى د. سليمان فقيه
Dr. Soliman Fakeeh Hospital

Dr. Soliman Abulqader Fakeeh Hospital has participated in the award multiple times, achieving top scores, particularly in the Governance and Economic Core Areas. The organization's score has increased by 44% since 2020.

Key highlights:

- ▶ Implemented a building retrofit, with LED lighting, light control systems and replacement of HVAC with a higher efficiency model.
- ▶ Offered virtual medical consultations during the pandemic by developing a new app, the first organization in the Kingdom to do this. The software improved patients' satisfaction, reduced waiting times, avoided travel for older patients, and increased the hospital's market share.
- ▶ Signed a solar energy contract in 2020 to install solar panels above the car park, saving over SAR 300,000 yearly and avoiding over 300 metric tons of CO₂ per year.
- ▶ Collaborated with multiple government agencies on anti-corruption efforts to improve transparency in the Kingdom.

AWARD JOURNEY



“The real value of participating in the Award comes from achieving our sustainability initiatives and knowing that we are advancing in the right direction across all the areas of sustainability.”

أرامكو السعودية
saudi aramco



SONPD has made it to the top 10 in its first time applying to the award, demonstrating a great achievement for the organization.

Key highlights:

- ▶ Launched an energy management campaign to help optimize the operation of major compressors, pumps and furnaces. The fuel, gas, and power saved from these initiatives resulted in a year-on-year improvement in energy intensity of 2.5%, surpassing its annual target by 11.5%.
- ▶ Achieved 2nd place for the Environmental Core Area.
- ▶ The Safaniya Academy For Elimination of Risks (SAFER) has trained more than 500 employees so far, helping them to identify and eliminate floor level hazards.
- ▶ Filed a new patent for their crude-wash water static mixer that enhances the desalter performance of crude salt content stripping and optimizes wash water consumption. This breakthrough innovation, once applied across Saudi Aramco and similar organizations in the Kingdom, will bring tremendous water savings.

AWARD JOURNEY

★ **First Time Applicant**



Awarded 8th Place Overall and
2nd Place for Environmental Core Area

“Participating at the KKF SA was an eye-opener for our team and it has served as a self-assessment of our sustainability practices and performance.”

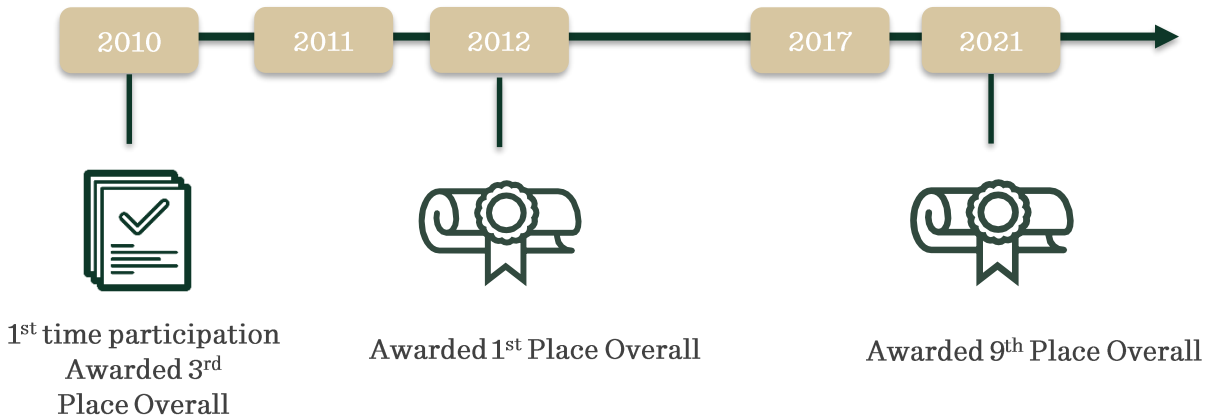


Marafiq is a long-time participant in the award, demonstrating strong progress across all award pillars.

Key highlights:

- ▶ Reached a new milestone of achieving over 45 million safe man-hours without a Lost Time Injury for direct hires and O&M contractors.
- ▶ Formed the Business Continuity Committee and ensured the business continuity of its supply chain partners during the Covid-19 pandemic.
- ▶ Established an agreement with the Saudi Ministry of Environment for the organization to convert to gas, starting in 2027, to allow better management and reduction of its GHG emissions.
- ▶ Increased its Saudization efforts to 80% in 2020.
- ▶ Established a goal to reduce water loss intensity by at least 10% by 2030.

AWARD JOURNEY



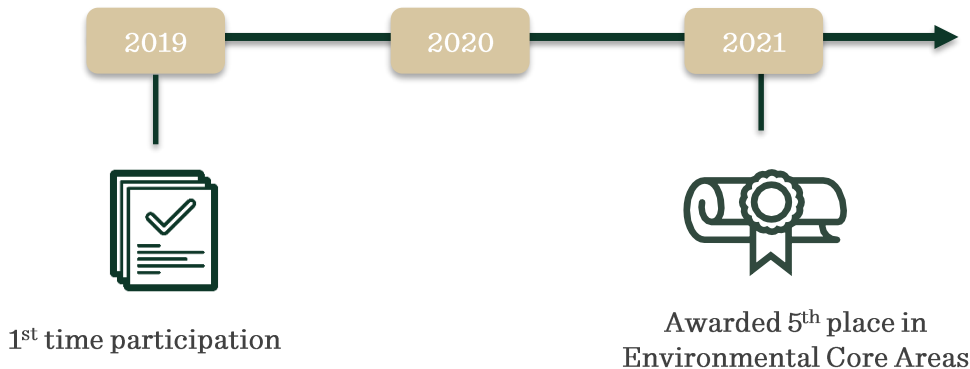
“Participation in the KKF SA is enhancing companies’ sustainability projects and providing education around sustainability. It contributes to the improvement of people’s wellbeing and the economy in the Kingdom.”



Farabi Petrochemicals has achieved 5th place in the Environmental Core Area, outperforming the overall applicants and sector averages in this category.

Key highlights:

- ▶ Measured overall GHG emissions, including Scope 1, 2, and 3.
- ▶ Reduced water consumption and set water intensity and consumption targets.
- ▶ Increased efforts to reduce waste going to landfill, with a long-term sustainability vision of zero waste going to landfill. Efforts include identifying ways to reprocess waste as useful raw materials or fuel, eliminating or reducing solid waste from production processes and maximizing the recycling and reuse concept.
- ▶ Created a Blood Donation Drive every year from 2018 in partnership with King Fahad Specialist Hospital (KFSH) in Dammam.
- ▶ Monitored and reported its Responsible Care performance to identify key priorities, set up concrete collective projects, accelerate progress and further improve overall performance.



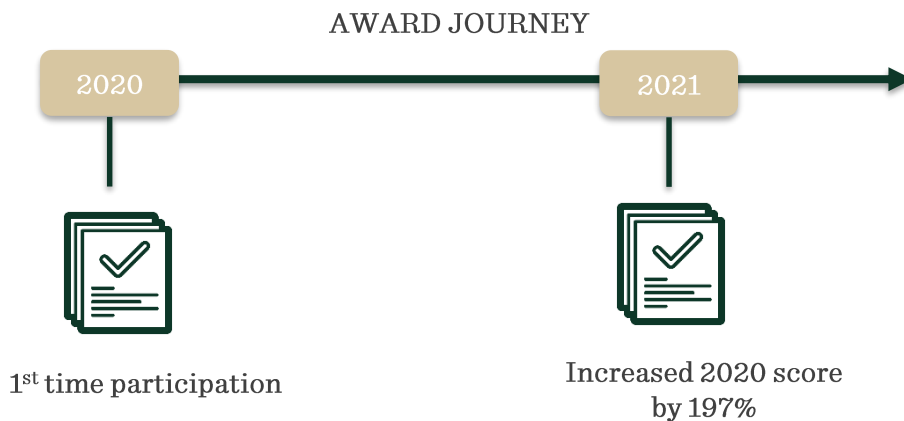
“Farabi has adopted the GRI framework for reporting and set the strategies in accordance with GRI guidelines. Farabi Sustainability Steering Committee is sphere heading the initiatives to drive the Sustainability in the organization.”



Jeddah United increased their overall score by 197% from its 2020 score, exhibiting a strong growth in its sustainability practices.

Key highlights:

- ▶ Implemented a policy for non- discrimination against gender, race, age, people with disabilities, or other forms of discrimination.
- ▶ Put into effect a gender wage gap policy and established a goal to increase staff training and development by 90%.
- ▶ Decreased waste by 15% from 2018 to 2020 increased recycling efforts.
- ▶ Diverted and discharged excess ablution water to trees in the surrounding environment to help with efforts to reduce water consumption.
- ▶ Increased the number of employees who volunteer over the last three years.



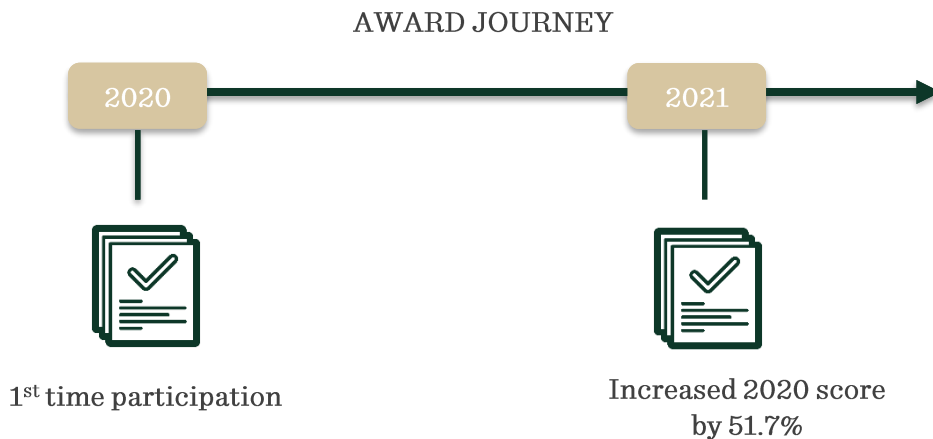
“Our vision is to spread the culture and sportsmanship of the Kingdom of Saudi Arabia and seek to promote the mental and physical health of different segments of society through sports and teaming up to build a vibrant society. Our institutional strategy is in line with the strategy of sustainability”



Al Hammadi Hospital increased its score by 52% from 2020, exhibiting a strong understanding of ESG principles and a clear improvements to its sustainability practices.

Key Highlights:

- ▶ Established a partnership with the Security Forces Hospital to introduce a pathway for pregnant women's healthcare services, part of the organization's efforts to provide equal and fair healthcare services to women.
- ▶ Increased the number of female managers from 28% in 2018 to 41% in 2020, while females in non-managerial positions reached up to 52%.
- ▶ Developed innovative products, services, and processes through the organization's commitment to R&D, which have created direct positive impacts to the organization's ESG performance.





This is Saudi Snack Food Limited's first time applying to the Award and were the highest scoring participant in the food and beverage sector, demonstrating a great achievement for the organization.

Key Highlights:

- ▶ Offered strong professional development and training opportunities to its employees.
- ▶ Implemented a strong range of Diversity Equity & Inclusions (DEI) practices to ensure a diverse workplace, including a policy for non-discrimination, a gender wage gap policy, and a policy for hiring Saudi nationals.
- ▶ Established a strategy in place to reduce GHG emissions that has helped the organization reduce its emissions over the years.
- ▶ Community investment approach that has a clear purpose and scope and is aligned to the organization's overall values and mission.
- ▶ Demonstrated very strong practices in Reporting & Disclosure, including reporting non-financial information guided by the GRI and the UN SDGs, and sharing sustainability information with staff at monthly sustainability KPI review meetings.

AWARD JOURNEY

★ First Time Applicant

"The culture of sustainability is engraved in the local culture down to the individual level, by ensuring that sustainability is a critical component of our employee's performance plans and objectives - our goals are set at the individual level rather than just at the overarching country-wide or regional level."

CONCLUSION

After a decade of development, improvement, and implementation, we can safely say that the Sustainability Award is a valuable and critical tool for Environmental, Social and Governance performance improvement. Since its launch in 2009, the Award has been pivotal to driving local impact by promoting sustainability in the Kingdom.



Relevance

Sustainability is a critical tool for both, KKF and the Kingdom at large. The Award aligns closely with the Kingdom's Vision 2030, and aims to encourage organizations in the Kingdom to compete responsibly, improve their practices, align to international standards and benchmarks, and enhance their sustainability performance.



Capacity Building

Companies are increasingly realizing the value of Award participation. In addition to the learning value arising from the application questionnaire itself, the Award offers dedicated workshops, online webinars, application reviews, and customized scorecard reports and scorecard walk-through sessions. Applicant surveys indicate that organizations are keen to learn more about corporate sustainability and strengthen their strategies, processes, systems, and performance.



Value Creation

The Award content, process and methodology have evolved over the years in order to ensure a robust, relevant, and impactful framework for participating organizations. While this evolution maintains a competitive and challenging scoring system, it has been a major contributor in improving applicant strategies, policies and practices. This is evident from survey responses and applicant success stories, many of which illustrate tangible and measurable positive impact in the Kingdom.

COMING IN 2022-2023

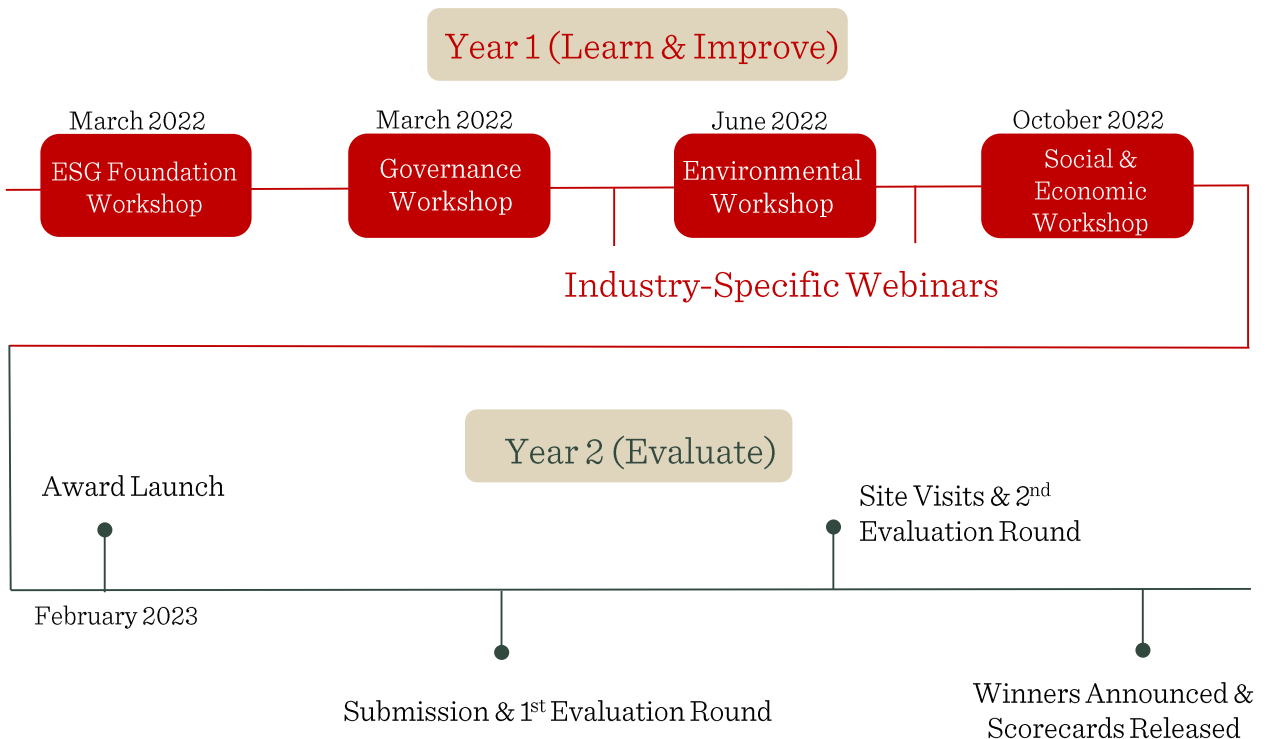


In 2022, the King Khalid Sustainability Award shifts to a two-year application cycle. KKF's Board of Trustees has taken this decision to enhance the capacity-building, performance, and impact of all applicants. The two-year cycle will allow applicants additional time to implement the feedback and recommendations received at the end of each award cycle.

Throughout 2022, KKF is providing Sustainability Capacity Building Workshops to help past and future potential Award participants learn to apply, Environmental Social, Governance, and Economic leading practices in their organization. Alongside the in-person workshops, KKF will host industry-specific webinars to give participants tailored insights into the sustainability trends, reporting frameworks and standards, and leading practices in each industry.

The next Award will launch in January 2023, which will feature an updated questionnaire. Participants will be able to apply via the KKF website.

New Award Cycle (2022-onwards)





KKFoundation

King Khalid
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