

Impact report of King Khalid Sustainability Award



الإحتفالية العاشرة



جائزة الملك خالد
King Khalid Award



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Letter from Chairman of the Board, King Khalid Foundation

Dear Stakeholder,

In pursuit of its mission and the ambitious goals of Vision 2030 for the Kingdom of Saudi Arabia, KKF has led and supported several initiatives, ranging from capacity building programs and grants for organizations of all types to social science

research, corporate responsibility, sustainable development and advocacy, aligned

with international leading practices and frameworks.

KKF is proud to be the pioneer in introducing and actively supporting corporate responsibility and sustainability programs in the Kingdom of Saudi Arabia through our Responsible Competitiveness (“RC”) Award. For a decade, KKF has been leading and working hand-in-hand with hundreds of private sector companies to improve their capacity and performance in developing strategic and impactful corporate responsibility and sustainability policies, programs and processes.

This report showcases an evaluation of the impact of implementing sustainability practices through RC Award in Saudi Arabia over a period of 10 years, from 2008 to 2018. The evaluation aims to provide a comprehensive understanding of the RC Award’s impact on participating organizations and the sustainable development of the Kingdom at large.

With this report, we hope to emphasize the importance of engaging the private sector in the country’s sustainable development goals. It enables us to set relevant national sustainability standards and create policies that will bring various stakeholders together, to support innovative solutions to improve the conditions and well-being of all our citizens.



Faisal bin Khalid bin Abdulaziz

Chairman of the Board
King Khalid Foundation



Award Impacts At a Glance

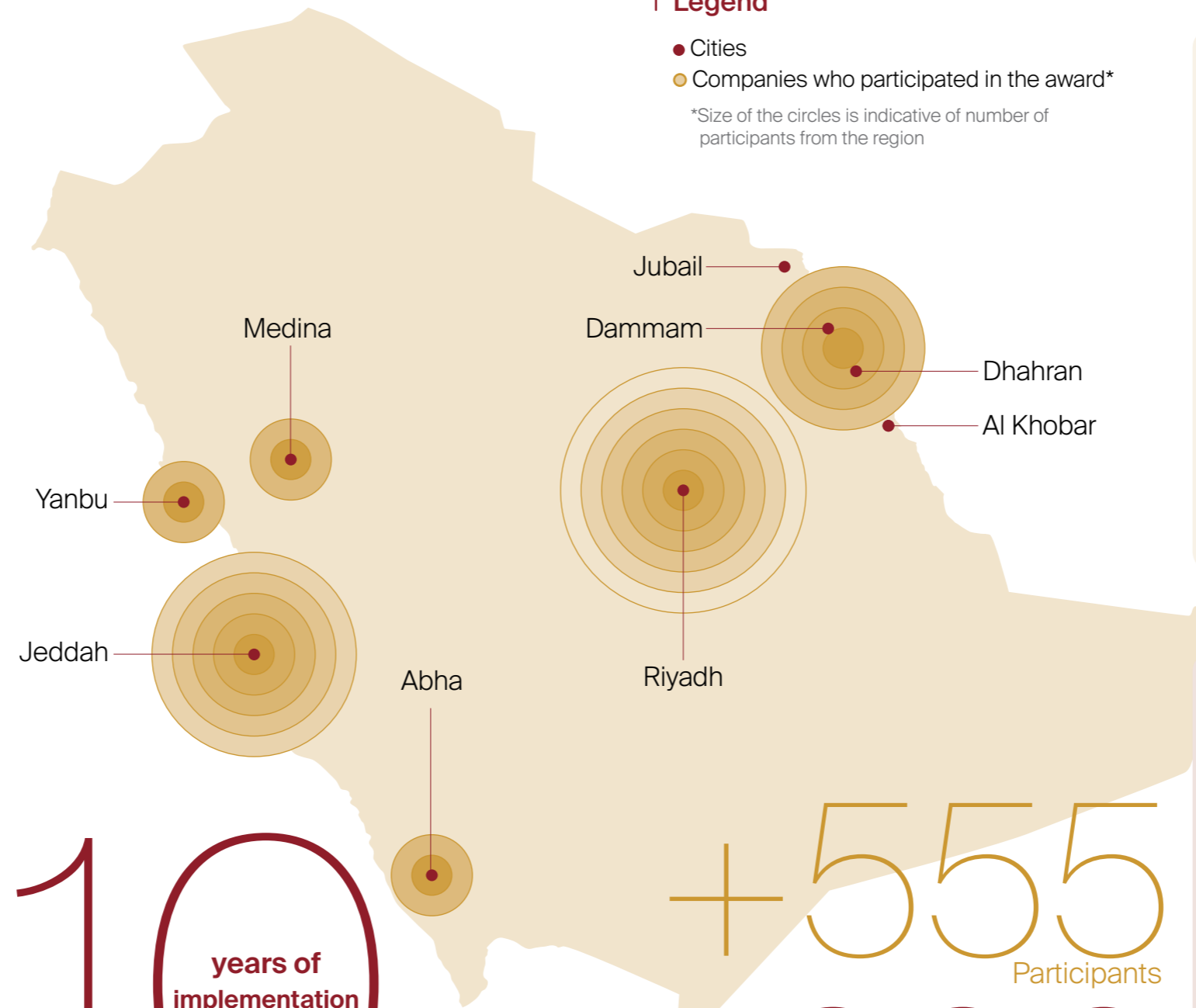


Previous Winners (Page 10)

Featured Success Stories (Pages 23-38)

Legend

- Cities
 - Companies who participated in the award*
- *Size of the circles is indicative of number of participants from the region



10 years of implementation

The first Award and program of its kind in the Kingdom

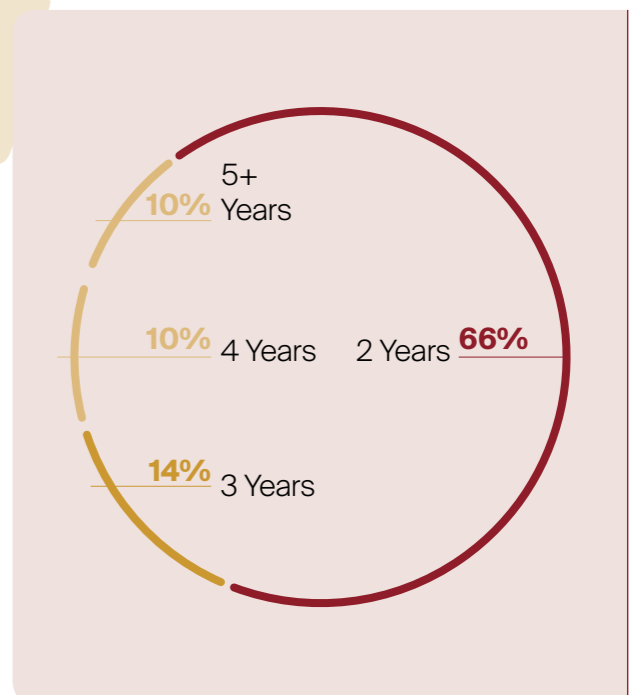
+555 Participants

+300 Unique Participants

(Page 11) Industries Represented

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

Returning Participants Frequency

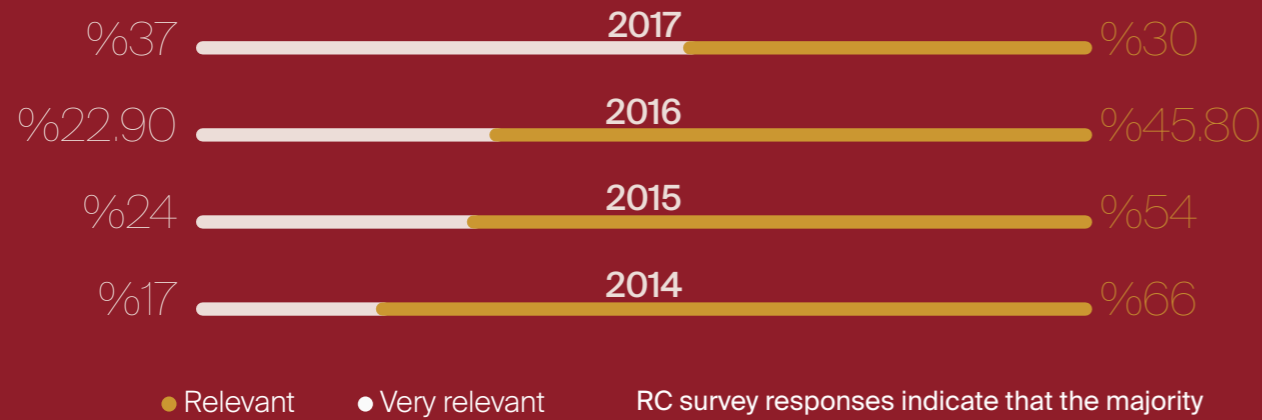




Award Impacts At a Glance

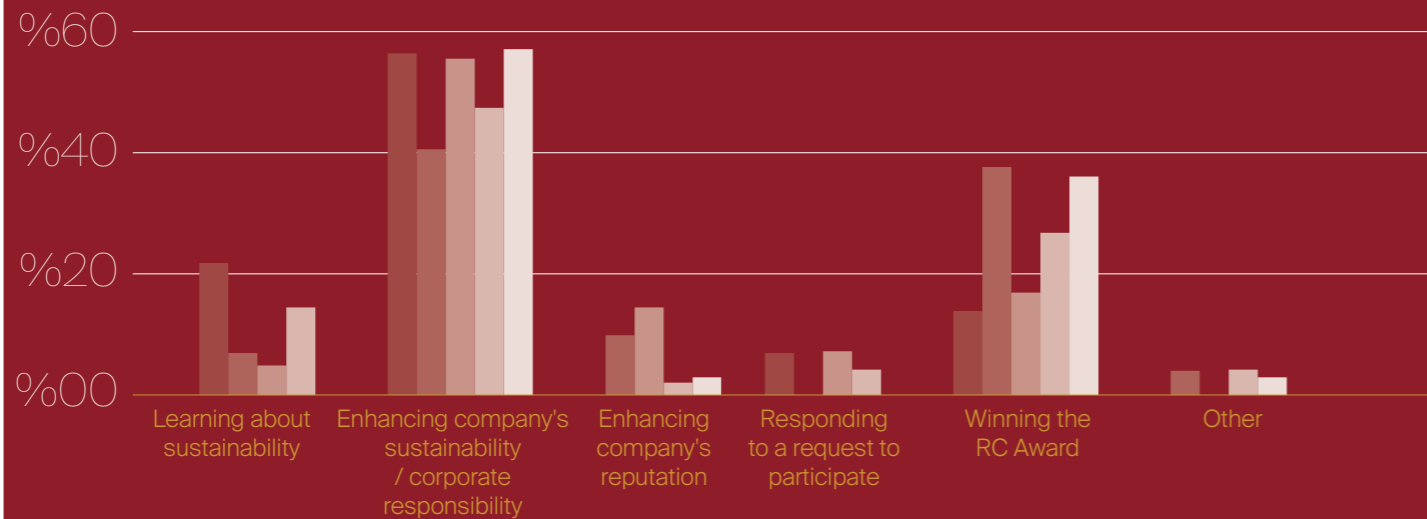


Relevance to Saudi Organizations (Page 18)



RC survey responses indicate that the majority of participating organizations find the RC Award content and process relevant to their organizations and sustainability strategies, enabling them to enhance their competitive performance and bring positive impact in the Kingdom.

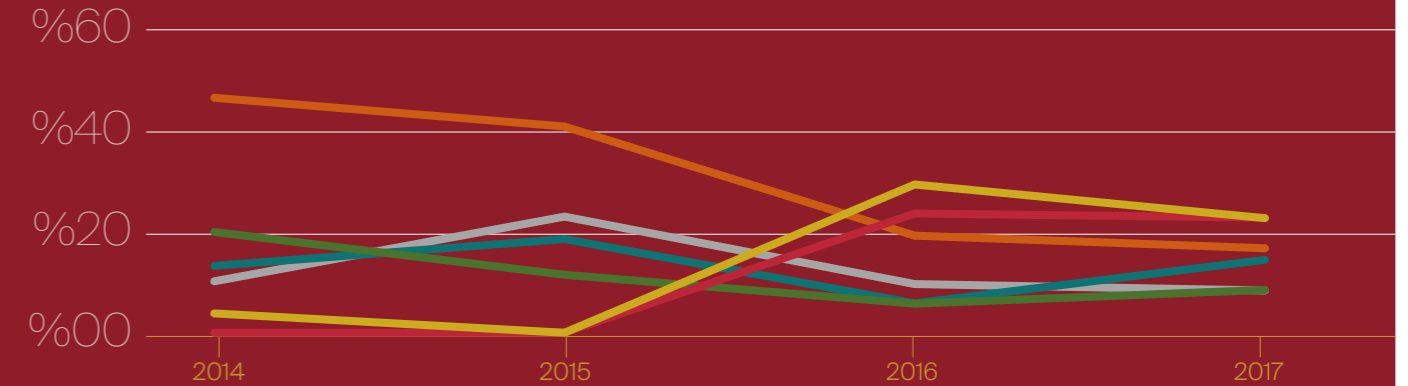
Building Organizational Capacity (Page 19)



Applicants consider the RC Award as a key enabler that help them improve their sustainability capacity and enhance their organizational performance, systems and practices.

- 2013
- 2014
- 2015
- 2016
- 2017

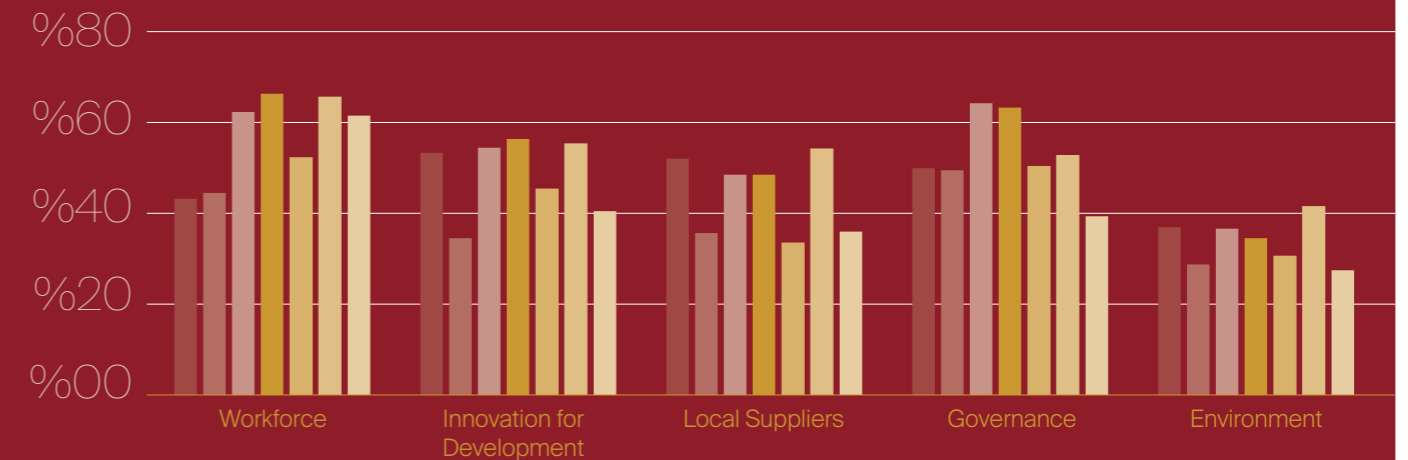
Creating Value (Page 21)



Companies recognize the value of sustainability investment beyond public branding and risk management, now citing innovation, cost reduction opportunities and impact creation as the growing investment drivers.

- Need to manage risk
- Ability to reduce costs
- Opportunity to improve reputation
- Enhance products and services
- Opportunity to innovate
- Other

Creating Value in Organizations (Page 22)



The RC Award uses Five Core Areas to assess the performance of organizations. Over the years organizations have demonstrated the commitment to continuously improve their policies and practices in all Five Core Areas.

- 2010
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018



Scope of the Report

This report evaluates the impact of implementing sustainability practices through RC award in Saudi Arabia over a period of ten years, from 2009 to 2018. The report incorporates participant data from 2009 to 2018.

This evaluation aims to provide a comprehensive understanding of the RC Award's impact on participating organizations and sustainable development of the Kingdom at large, as well as the following three key elements:



Relevance

How aligned is the RC 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?



Capacity Building

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

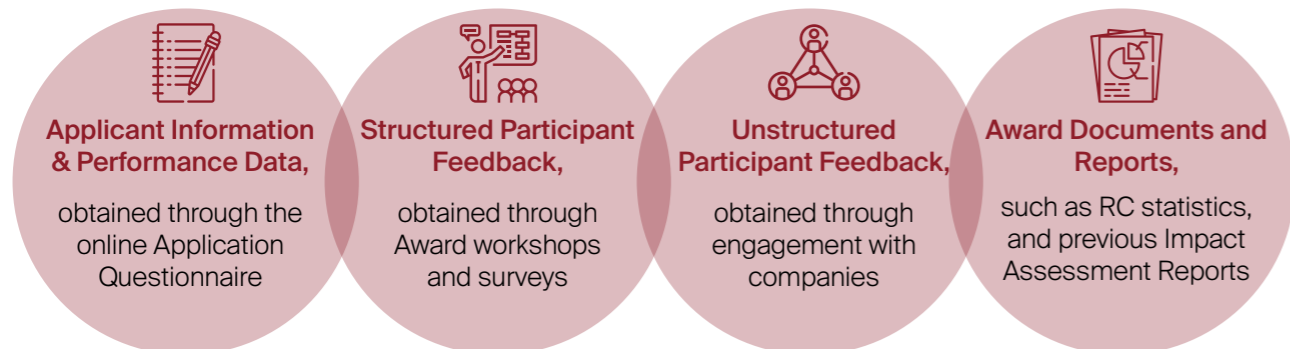


Value Creation

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 RC initiatives?

ASSESSMENT METHODOLOGY

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



Introduction

About KKF



The King Khalid Foundation is a foundation that aims to be a leader in sustainability and development work 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 creations, social entrepreneurship, policy recommendations, improving institutional capacity, sustainability practices and employability skills.

VALUES

ACCOUNTABILITY
PASSION
PROFESSIONALISM
COLLABORATION
INNOVATION
ADAPTABILITY

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, corporate responsibility, and 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 Responsible Competitiveness Award. KKF recognizes the King Khalid Awards as a tool for social change, designed to recognize, encourage and support exceptional achievements in the fields of corporate social responsibility, nonprofit management excellence, and social innovation.



RC Award

In Saudi Arabia, responsible competitiveness is key to increasing the Kingdom's ability to compete at the global level. Among KKF's King Khalid Awards, the RC Award uniquely aims to strengthen the private sector's ability to improve environmental, social, and governance performance for competitive advantage.

The Award focuses on aligning sustainability practices with business imperatives, such as promoting positive growth, improving reputation, and strategically engaging with key stakeholders. The top performing companies participating in the Award receive the prestigious 'King Khalid Award for Responsible Competitiveness' and are honored by King Salman bin Abdulaziz at the annual King Khalid Awards Gala.

The RC 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

Establish and implement institutional development framework	Encourage and strengthen exceptional and innovative sustainability practices
Build capacity and promote skills and disseminate best practices on knowledge	Build and empower local communication networks of leading practitioners
Promote culture of quality performance and social responsibility	



RC Award

Saudi Arabia	Gain National and International Recognition	Enhance Healthy Competition	Decrease Risk of Poor Performance	Attract Greater Investor Interest	Promote Innovation	Demonstrate Global Leading Practices
Saudi Arabia & Participants	Business Performance Improvement		Enhanced Brand Image		Vision 2030 Alignment	
Participants	Transparency & Capacity Building	Strategic Performance Evaluation	Management & Mitigation of Organizational Risks	Higher Employee Engagement	Top Talent Attraction	Increased Stakeholder Trust



RC Award

The Award has attracted many of the Kingdom's high-profile corporate leaders, with past winners including the Arabian Drilling Company, the Saudi Investment Bank, 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.

	2009	2010	2011	2012	2013
	NCB الأهلي	NCB الأهلي	صدف afdees	مرافق MARAFIQ	فقيه.
	Zamil	NATPET	NCB الأهلي	NATPET	NATPET
	الفينار alfanar	مرافق MARAFIQ	فقيه. International Medical Center	فقيه.	ن.م.ج المياه الوطنية
	2014	2015	2016	2017	2018
	NATPET	Unilever	البنك السعودي للاستثمار The Saudi Investment Bank	شركة الحفر العربية Arabian Drilling Co.	HUAWEI
	Unilever	البنك السعودي للاستثمار The Saudi Investment Bank	CISCO حديد hadeed	معادن شركة التعدين العربية السعودية Saudi Arabian Mining Company	NATPET
	البنك السعودي للاستثمار The Saudi Investment Bank	Special Direction M Business Consultancy House	Special Direction M Business Consultancy House	MEPACO Middle East Paper Co.	Special Direction M Business Consultancy House



Award Participation

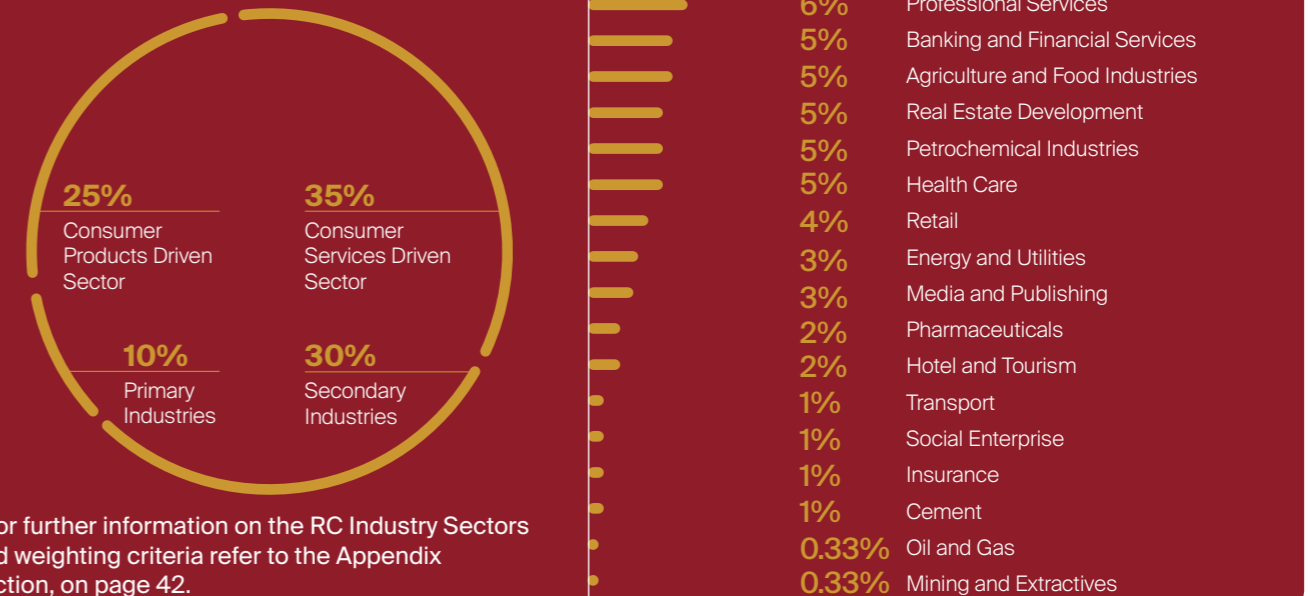
Over the past ten years, the Award has seen over 550 applications from more than 300 unique participants. This demonstrates the high level of interest among companies in the opportunity to compete in the area of Responsible Competitiveness and enhance the sustainability practices to improve performance.

APPLICANTS PROFILE

The Award has captured a wide range of industries, comprising key sectors of the Kingdom's business community (Figure 1). The Consumer Services and Product Sectors have the highest participation rate, together amounting to 60% of all participants. From an individual sector perspective, the Industrial Investment (13%), Telecommunications & Information Technology (11%), and Manufacturing (9%) industries have shown the greatest representation by participants. The Insurance (1%), Cement (1%), Oil & Gas (0.33%) and Mining & Extractives (0.33%) have had the lowest participation level.

Figure 1
Participants by Industry Sector

Organizations from almost every industry in the Kingdom have participated in the RC Award, demonstrating the Award's relevance and value creation opportunities across industry sectors. Sector-weighting is used during the assessment of Award applications to ensure that the unique challenges and opportunities of each industry sector are taken into account.



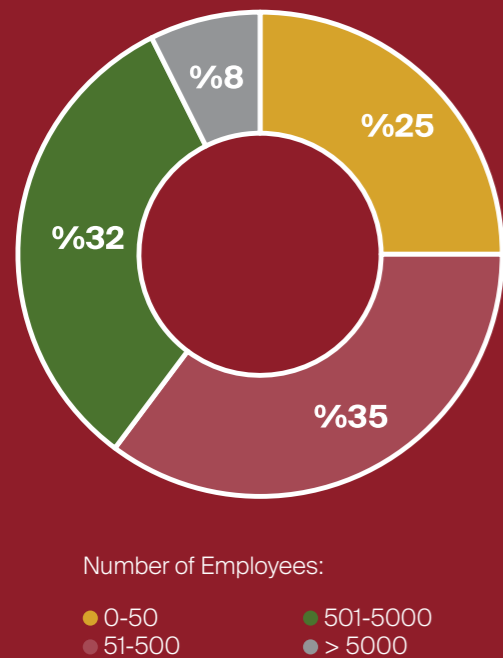
* For further information on the RC Industry Sectors and weighting criteria refer to the Appendix section, on page 42.



Award Participation

The distribution of participants over the years indicates that the Award is most appealing to organizations that are small enough to recognize the value of responsible competitiveness for growth, yet are large enough to have the capacity to prioritize such concerns. Total participation from medium-sized (50-500 employees) and large (501-5000 employees) companies represent 67%, compared to the lower participation rates at the small (less than 50 employees) and very large (over 5000 companies) ends of the spectrum. The RC data further indicates that the participation of small-sized companies is continuously increasing, with a 19% increase over the past two years.*

Figure 2
Participants by Size

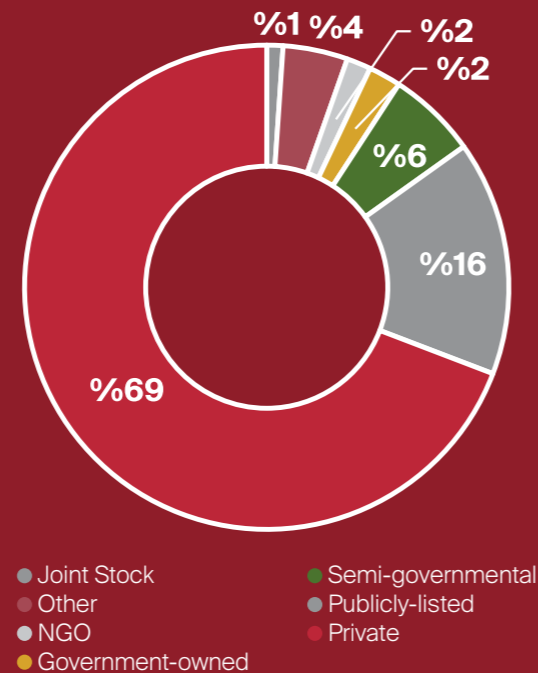


While the majority of RC Award participants have been private companies, comprising 69-percent of the total pool of applicants, representation from publicly-listed companies, semi-governmental organizations and non-governmental organizations is also evident.

Publicly-listed companies represent the second most prominent segment in the RC Award with a 16-percent representation, while semi-governmental organizations follow, comprising 6-percent of the total participants pool.

Government-owned (2%), NGOs (2%) and joint stock (1%) companies have the lowest representation within the RC Award.

Figure 3
Legal Structure of Participants



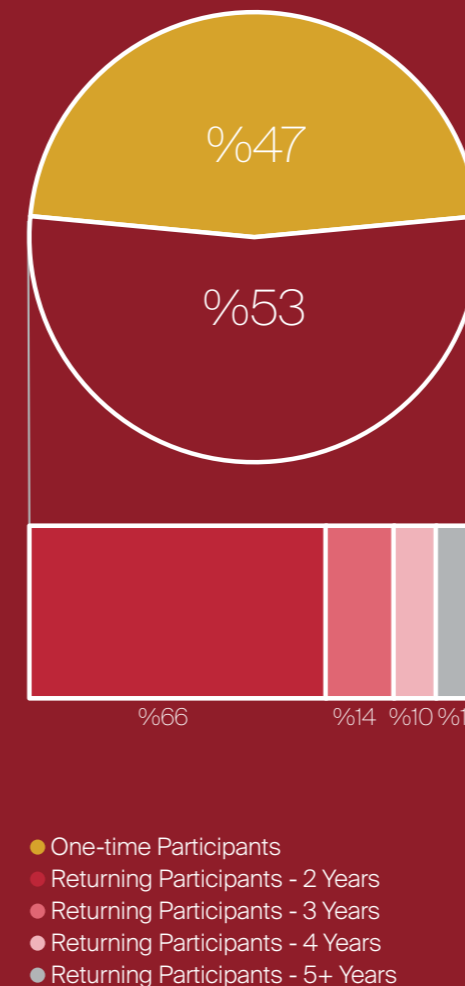
* Per the RC 2009-2016 Impact Assessment Report, the participation of small-sized organizations comprised 6% of the total number of applicants.



RETURNING PARTICIPANTS

More than half (53%) of the participating organizations have been returning applicants, continuing their engagement with Responsible Competitiveness and striving to improve their performance (Figure 4). The large majority of returning applicants (66-percent) have participated at least twice over the past ten years, while 20-percent of returning companies have applied to the Award more than four times. This underlines that companies seek continuous improvement opportunities from the Award process.

Figure 4
2009-2018 Returning Participants



Returning Participants by Industry

Industries with Most Returning Participants

- Mining and Extractives (100%)
- Transport (100%)
- Banking and Financial Services (76%)
- Hotel and Tourism (60%)
- Pharmaceuticals (60%)

Industries with Least Returning Participants

- Media and Publishing (38%)
- Education (35%)
- Building and Construction (32%)
- Cement (0%)
- Social Enterprise (0%)



Award Relevance

How aligned is the RC 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?

“One of the core objectives of the Foundation is to mobilize the Saudi business community through developing their capacity and competitiveness. The RC 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,
Director General of King Khalid Foundation

AWARD RELEVANCE TO KKF VISION & MISSION

Responsible Competitiveness has been a critical driver for improving the social, economic, and environmental performance of companies in the Kingdom of Saudi Arabia. The RC 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, and through the RC Award, KKF has made great strides towards achieving that goal.

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

RC Award Objectives

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

Increase number of participating organizations and RC learning peer networks

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

RC Award Core Areas

Workforce
Improve capacity of Saudi workforce

Innovation for Development
Promote strategic community investment and disruptive innovation in the Kingdom

Local Suppliers Promote responsible supply chain and build local capacity

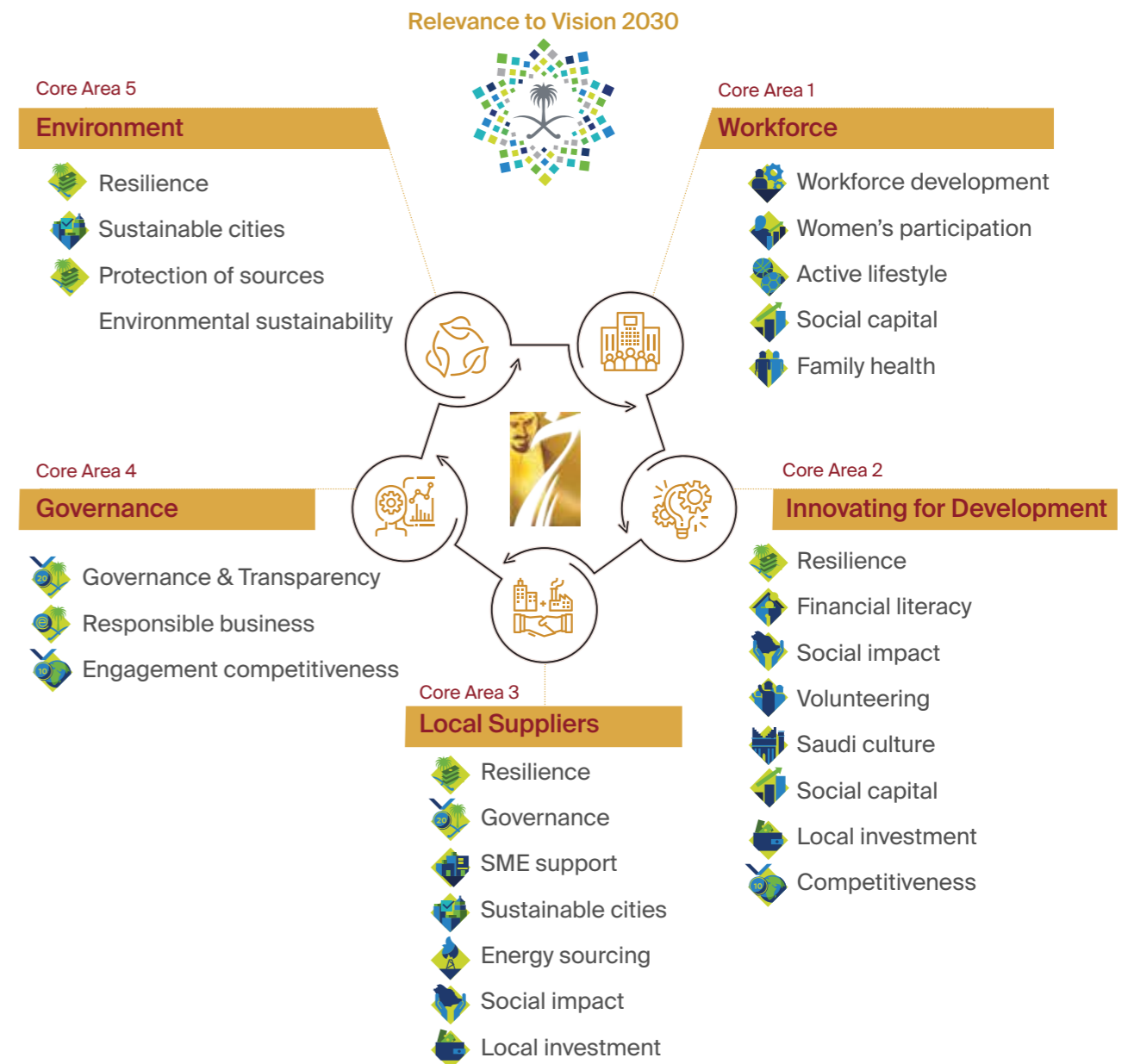
Governance
Promote responsible governance systems

Environment
Protection and stewardship of the environment. Increased resource effectiveness



AWARD RELEVANCE TO THE SAUDI SOCIETY

Responsible Competitiveness is key to increasing the Kingdom's competitiveness on a global level, and is fully coherent with the Kingdom's National Transformation Plan 2020 and the Vision 2030. The RC Award covers themes including workforce development, equality and diversity; sustainable and strategic community investment strategies; quality, innovation and good governance; working with suppliers and environmental management, all of which have been carefully developed to fully align with the core priorities and commitments of the government's Vision 2030 program.





Award Relevance



AWARD EVOLUTION OVER THE YEARS

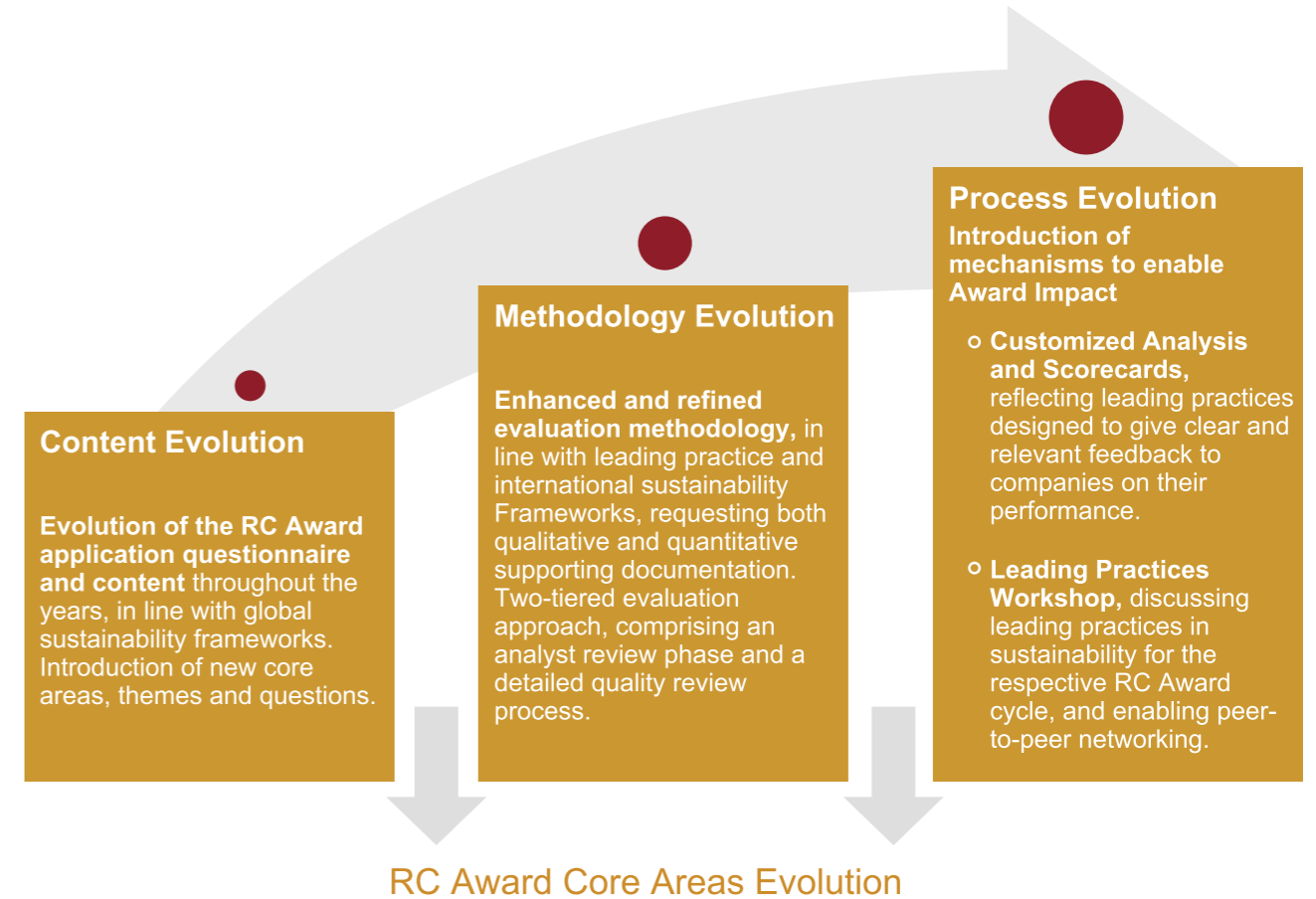
In order to ensure that the RC Award continues to deliver a robust, credible, and relevant impact, its content, methodology and overall process are refined and enhanced on a yearly basis, in line with global sustainability trends & practices, as well as leading international & regional sustainability frameworks. These include the UN Sustainable Development Goals (SDGs), the UN Global Compact (UNGC), the Dow Jones Sustainability Indexes (DJSI), the Global Reporting Initiative (GRI), as well as the Saudi Vision 2030. The content of the Award and online application are enhanced on an annual basis, and are updated with new questions and themes.

The Award's evaluation methodology is also refined annually to reflect best practices, and has matured from evaluating the provision and disclosure of information to additionally assessing the company's performance and practices. The RC Award analysts receive training, in line with international leading standards, on how to conduct an effective and objective assessment.



New process mechanisms have been introduced and significantly enhanced over the years:

<p>Customized Scorecard Reports are shared with applicants once the Award winners are announced. Scorecard Reports are tailored to each company and provide an overview of the company's key strengths and opportunities for improvement. Applicants are then offered a free one-on-one consultation to discuss their Scorecard report with the analyst team, and learn how to improve their practices.</p>	<p>The Leading Practices Workshop takes place at the end of each year and marks the closure of the Award cycle. The Workshop gives applicants the opportunity to learn and discuss leading sustainability practices, industry best practices, and areas of improvement. The Workshop also allows for peer-to-peer networking, providing opportunities for collaboration.</p>	<p>An Application Completeness Review is offered to all interested applicants. The review aims to provide applicants with a quality review of the questionnaire's completeness and a final check to make sure the application has been properly filled out, before its submission. Applicants receive a report indicating areas lacking information and requiring further enhancement.</p>
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<p>Workforce Improve capacity of Saudi workforce</p>	<p>Increasing focus on Saudization, women employment, employee attraction & development, employee performance management, health & safety</p>
<p>Innovation for Development Promote strategic community investment and disruptive innovation in the Kingdom</p>	<p>Shift from philanthropy and donations, to strategic community investment, volunteering and meaningful partnerships.</p>
<p>Local Suppliers Promote responsible supply chain management and build local capacity</p>	<p>Increasing focus on responsible local purchasing, supplier Saudization and suppliers' capacity building.</p>
<p>Governance Promote responsible governance systems</p>	<p>Increased focus on responsible and transparent governance, ethics and quality management systems.</p>
<p>Environment Resource effectiveness and environmental stewardship</p>	<p>Increasing focus on resource effectiveness & recycling efforts and cost-efficiencies achieved.</p>



Award Relevance

AWARD RELEVANCE TO PARTICIPANTS

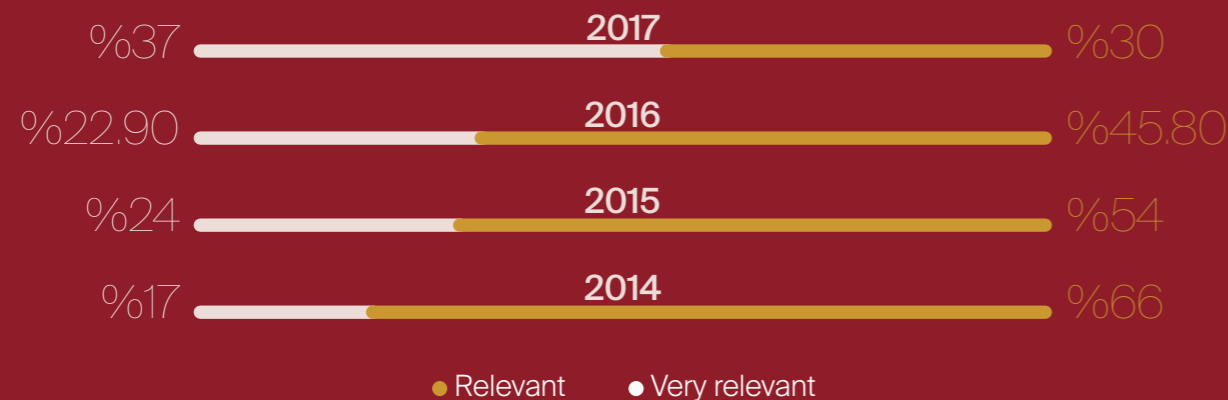
The RC Award continues to be relevant to organizations and has provided measurable value to participants over the years. Returning participants have demonstrated improved practices and in-person site visits and telephone interview testimonials reveal growing interest and commitment among participants each year. The relevance and value is further underscored by the Success Stories featured on pages 24-39.

According to the applicant feedback survey, undertaken each year, it is clear that there has been an increase in the number of participants that perceive the Award as “very relevant” to their business and corporate sustainability strategy, from 17-percent in 2014, to almost 23-percent in 2016, and to 37-percent in 2017 (Figure 5).

Organizations have found the Award questions and metrics to be directly applicable to their own business development needs and have tailored their systems, policies, and strategies to the Award framework.

A number of organizations have indicated that the detailed and comprehensive questionnaire is used as a basis to develop internal systems, metrics and scorecards. A relevant example is the Saudi Investment Bank, who has used the RC Award throughout the past years to enhance its processes and develop indicators for internal benchmarking and reporting. See the Saudi Investment Bank’s Success Story on page 38 for more details.

Figure 5
Award Relevance to Participants



“We are looking forward to working together with other firms to learn from each other for excellency, efficiency, and sustainability.”

Cisco (2017)

“We use the Award to drive improvements within the organization. We find the scorecards very useful, they help us identify weaknesses.”

Advanced Communications & Electronics Systems Co. (ACES)



Capacity Building

“Over the last three years, SAIB has a much better understanding of the benefits sustainability brings to our organization. Sustainability is now seen as a way to conduct business.”

The Saudi Investment Bank, SAIB (2016)

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

RC BUILDS ORGANIZATIONAL SUSTAINABILITY CAPACITY AND LEARNING

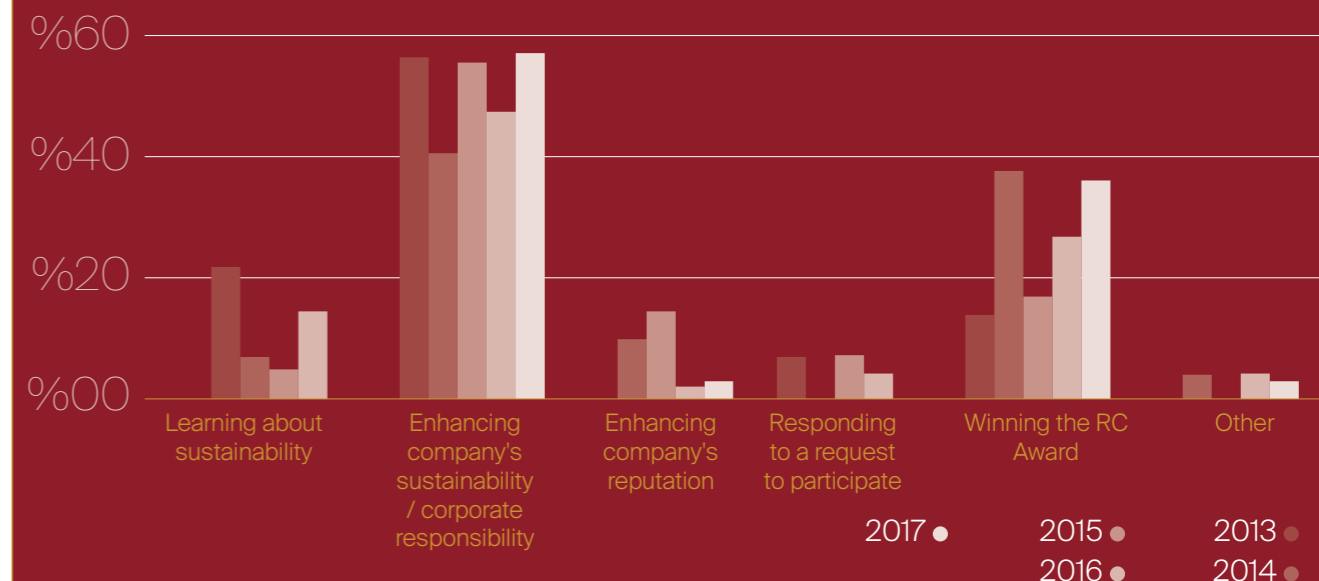
Survey results show that besides winning the Award, applicants primarily participate in pursuit of sustainability knowledge, organizational learning, and strategy improvement. Serving as a platform for capacity building, the Award’s strategic objective to build capacity, enhance internal strategies and systems, and improve performance is validated by and aligned to participant demands, with “Enhancing corporate sustainability strategies” being the most prominent driver of participation.

Organizations increasingly understand the value of participating in the Award, receiving performance feedback and learning about leading sustainability practices. “Learning about sustainability” has been a notable participation driver across the years which indicates the growing demand for knowledge sharing in sustainability and the benefits brought to participants’ organizations.

The RC Award results are useful for us to benchmark our performance against peers.”

Saudi International Petrochemical Company, Sipchem (2018)

Figure 6
RC Participation Drivers



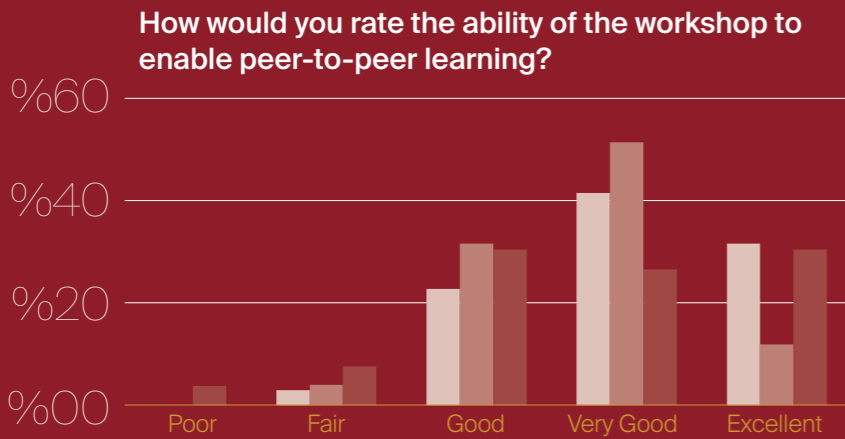


Capacity Building

RC ENABLES PEER-TO-PEER LEARNING

The educational character of the RC Award has been evident during the Leading Practices (LP) 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 as well as improvement opportunities.

Figure 7
RC Leading Practices (LP) Workshop
Perceived Value



“The Award is a unique experience for Ma’aden. We use it as an opportunity for learning. We know we’re not perfect, but we are striving for it.”

Saudi Arabian Mining Company, Ma’aden (2017)

“We participate not only to win but to help others and we want to share best practice with others.”

P&G Dammam Plant (2018)

Workshop feedback surveys have shown that participants appreciate the opportunity to network and gain significant value from doing so (Figure 7). Through this interactive session, they are able to share lessons learned, successful innovations, become aware of peers’ practices and develop relationships with like-minded peers. A number of participants have praised the Workshop for facilitating new partnerships and collaborations.



Value Creation



“We have used the RC Award, along with other international frameworks, to develop Marafiq’s Sustainability Award.”

Marafiq (2017)

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 RC initiatives?

IMPROVED STRATEGIC UNDERSTANDING OF SUSTAINABILITY

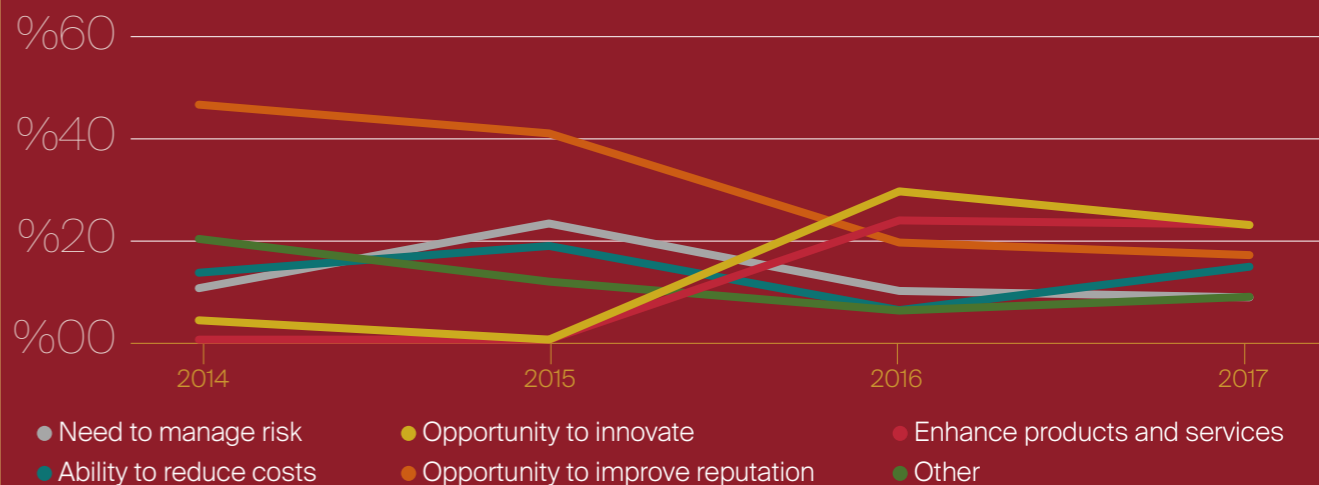
Participating in the RC Award’s continually evolving and enhanced questionnaire helps applicants identify how the latest trends and critical areas of sustainability can translate opportunities for sustainability growth, organizational performance management and innovation.

As part of their RC Award application, participants are asked to indicate their motivations and drivers behind sustainability practices in their respective companies. While these responses do not have a bearing on the score applicants receive, they help the RC Award team to understand the shifting industry trends about the perception of sustainability.

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 RC Award’s value proposition.

Attitudes towards sustainability investment have changed significantly in recent years. What was once perceived as a public relations marketing opportunity has now become integral to innovation with an emphasis on value creation. Companies no longer see reputation improvement as a primary driver for sustainability investment, but instead recognize an opportunity to innovate, enhance products and services, as well as reduce costs (Figure 8). This is a testament to the business value that the RC Award has brought participants beyond just prestige and recognition.

Figure 8
Drivers Behind Sustainability Investment





Value Creation

IMPROVEMENTS IN SUSTAINABILITY PERFORMANCE

The RC Award questionnaire is made more comprehensive and focused year-over-year with the intention of encouraging participating organizations to review and advance their environmental, social, and governance practices, take action for performance improvement, and align with global sustainability leading practices.

Assessment of participant performance has shown a positive trend over the Award's history. However, the evolution of the RC Award questionnaire, making it incrementally more challenging, and the optimization of the evaluation methodology, both contribute to a fluctuation in scores. The RC Award questionnaire is made more comprehensive and focused year-over-year with the intention of encouraging participating organizations to review and advance their environmental, social, and governance practices, take action for performance improvement, and align with global sustainability leading practices.

In 2015 - 2017, notably, significant improvements were implemented in order to ensure alignment with leading sustainability frameworks, methodologies and indices, making the scoring process more stringent. The evaluation now places heavy emphasis on the practices and performances of participants. In addition, a weighting framework was introduced to accommodate the differences between industry needs and standards.

“The Award urged us to introduce Saudization requirements for all our suppliers. We appreciate the feedback and implement the improvements, where possible.”

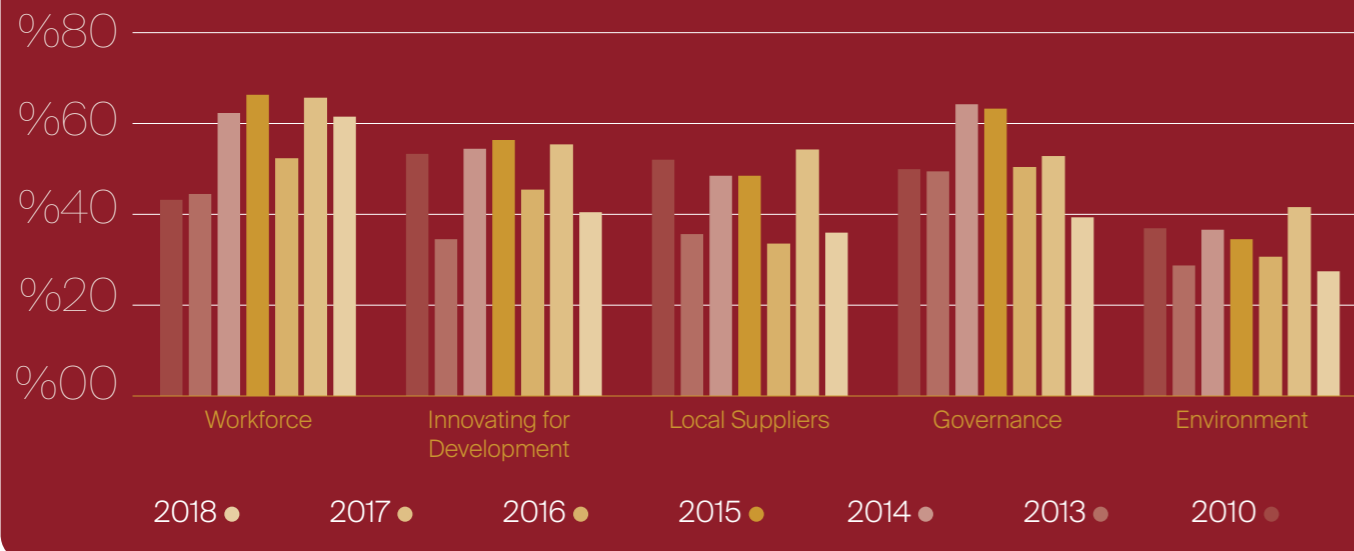
Asharqia Chamber (2017)

Organizations have successfully used the RC Award questionnaire and learnings from the LP Workshops to introduce, improve and enhance their internal systems and policies.

“The RC application has become more detailed and less subjective than in previous years.”

National Petrochemical Industrial Company, NATPET (2018)

Figure 9
Average Overall Scores by Core Area (2010-2018)



Success Stories

	Organization	Notable Achievement	RC Award Journey
Core Area 1 Building a Nationally Competitive Workforce	ACES	<ul style="list-style-type: none"> Workforce development Targeted Saudization 	Below-average performer to Top-Quartile performer
	مختبرات البورج الطبية Al Borg Medical Laboratories	<ul style="list-style-type: none"> Local job creation Women employment and well-being Employee health and safety 	Participant to Core Area Winner (2014, 2015)
	مرفاق MARAFIQ	<ul style="list-style-type: none"> Employee feedback Employee training and development 	Top-tier participant and Winner in multiple RC cycles
Core Area 2 Innovating Solutions for Sustainable Development	Glowork	<ul style="list-style-type: none"> Creative solutions for empowering women and driving community impact 	Participant to Core Area Winner (2015)
	Special Direction Business Consultancy House	<ul style="list-style-type: none"> Social development initiatives “Direction Tours” 	3 rd place RC Award Winner (2015, 2016)
	غرفة الشرقية ASHARQIA CHAMBER	<ul style="list-style-type: none"> Community investment approach Research & Development 	Above average participant and among top tier in 2016 and 2017
Core Area 3 Responsible Supply Chain Management	MEPACO	<ul style="list-style-type: none"> Responsible and local purchasing 	Below average performer to a category leader & RC Ambassador
	السعودية	<ul style="list-style-type: none"> Building supplier capacity ‘Supplier Workplace Accountability’ policy 	Average performer to Top-Tier performer
	التصنيع TASNEE	<ul style="list-style-type: none"> Responsible purchasing policy Supplier capacity building 	Above average performer to core Area Winner (2017)
Core Area 4 Commitment to Good Governance	TAMER	<ul style="list-style-type: none"> Strong quality management Customer satisfaction 	Above-average performer to Top-Tier performer
	سبكييم Sipchem	<ul style="list-style-type: none"> Integrating sustainability in the company’s business 	Top-Tier performer to Core Area Winner (2016)
	معادن شركة التعدين العربية السعودية Saudi Arabian Mining Company	<ul style="list-style-type: none"> Comprehensive sustainability strategy Formalized stakeholder engagement 	Top-tier performer to 2nd place Winner of RC Award in 2017
Core Area 5 Environmental Management	CISCO	<ul style="list-style-type: none"> Recycling and reuse programs, addressing material issues 	Above-average performer to 2 nd place RC Award Winner (2015)
	البنك السعودي للاستثمار The Saudi Investment Bank	<ul style="list-style-type: none"> Policies, strategies and solutions for continuously advancing sustainability goals 	Top-tier performer to Winner of RC Award for 2016
	بتروكيميا petrokemya	<ul style="list-style-type: none"> Robust environmental systems Establishment and disclosure of environmental targets Waste recycling and repurposing 	Above-average performer and Core Area Winner (2017)



Success Stories



BUILDING A NATIONAL COMPETITIVE WORKFORCE



Advanced Communications & Electronics System (ACES) has shown a significant growth in its outlook and practices in building a nationally competitive workforce, most notably in the professional development of its employees.

Women in the workforce

In the initial years of the company's participation in the Award, the company lacked robust policies and strategies for the company to accommodate the needs of the women in its workforce. Gradually, the company began to actively pay attention to women's feedback and started to accommodate their needs. ACES now creates opportunities for women in the company and addresses their needs, such as providing separate work areas for women. It also provides 75 days of job-protected maternity leave days annually.

Employee engagement

In the pursuit of its Saudization goals, ACES has adopted the Nitaqat program, offers internships to young Saudi students and participates at the career fair in the King Fahad University of Petroleum and Minerals to hire new Saudi graduates. ACES enjoys high levels of employee satisfaction and has shown a consistent increase in satisfaction over the past three years, as recorded through its structured Staff Satisfaction surveys. ACES provides many benefits and incentives to its staff and also invests in the training and development of its employees at all levels – Senior Management, Managers, salaried staff and non-salaried staff are exposed to a variety of training programs, seminars and exhibitions. The company has also seen a consistent decrease in the annual employee turnover rate, potentially leading to reduced costs on recruiting activities and enhanced team productivity.

Workforce health and safety

To manage health and safety of the workforce, ACES has used a variety of procedures reflected in its Code of Conduct and Environmental and Occupational Health and Safety policies. Initially, the company did not report externally on its commitments regarding health and safety. Now, it has commissioned third-party audits to disclose its performance results and compliance against regulations and policies, and discloses the outcomes to both vendors and customers. Through the development of targeted KPIs, ACES measures its performance in the health and safety area and has also increased the number of KPIs it tracks year-over-year.

From being a below-average performer in Core Area 1 a few years ago, ACES has now become a top-quartile performer in this Area by demonstrating continuous, targeted improvement through its policies and practices. The Award process has informed, guided and encouraged ACES to adopt practices that have benefitted the company, the well-being of employees and the responsible business environment in the KSA.



Success Stories



BUILDING A NATIONAL COMPETITIVE WORKFORCE



مختبرات البرج الطبية
AI Borg Medical Laboratories

AI Borg Medical Laboratories (AI Borg) has proved itself to be a leader in Core Area 1. The company first received above-average scores in Core Area 1, Building a Nationally Competitive Workforce, when it started applying to the RC Award. Ultimately, in 2014 and 2015, AI Borg went onto become a Core Area winner.

Increasing opportunities for Saudis

During the first year of its participation, AI Borg received targeted feedback on improving its strategies for the Saudization of its workforce and received recommendations for doing so effectively. One of the suggestions was to develop a partnership with the Saudi Human Resources Development Fund (Fund). AI Borg acted on this suggestion by engaging with the Fund and started recruiting national cadres in all its company branches. It also adopted other strategies like affiliation with Saudi universities to design training programs for university students who were subsequently offered jobs at AI Borg. The company also expanded its branches helping to create local job opportunities for Saudis. By acting on the suggestions received during the Award process, AI Borg has achieved higher levels of Saudization of its workforce and contributed positively to the socio-economic development of the people of Saudi Arabia.

Women in the workforce

AI Borg also has robust policies that cater to the well-being of women in its workforce, who amount to 35% of the workforce in its branches. By providing amenities like lounges, flexible hours, separate work areas for women, jobs dedicated to women (collecting blood samples from female customers), allowing breastfeeding time for new mothers in the first two years postpartum, AI Borg has demonstrated leadership in taking care of its women employees.

Workforce health and safety

AI Borg had a strong Environment Health and Safety policy from the beginning and had established policies and procedures in accordance with national and international regulations. While acknowledging its strong efforts in this area, the RC team gave AI Borg the feedback that its safety assessments should be regularly conducted and monitored and that its safety equipment must be regularly updated. Applying this feedback, in the recent years, AI Borg developed procedures for conducting safety audits once a month. It also established procedures to create incident reports, which are submitted to safety committees every quarter for close monitoring, in order to address and decrease employee injuries.

By applying the feedback received from the RC Award process, AI Borg has demonstrated how a company can mitigate its business risks, increase employee satisfaction and contribute positively to the economy. For its commitment to improvement and to responsible competitiveness, AI Borg has been recognized as a Core Area winner in the RC Awards.



Success Stories



BUILDING A NATIONAL COMPETITIVE WORKFORCE

مرافق MARAFIQ

Power and Water Utility Company for Jubail and Yanbu (Marafiq) was a Core Area Winner in RC 2016 in the area of Building a Nationally Competitive Workforce. Marafiq scored well in terms of Workforce Development opportunities, Performance Management as well as Health and Safety performance, with the company's score improving as the organizational processes become more formalized and engrained across the business.

Actively listening to employee feedback

Power and Water Utility Company for Jubail and Yanbu (Marafiq) had a strong performance when it first applied for the RC Award back in 2010. Since then, the organization has continued to maintain its strong performance, notably in the Core Area of Workforce Development. The organization has developed a proactive approach to ensure that it actively listens to employee feedback to develop and grow in a way that meets its employee needs. The organization conducts formal employee exit interviews to gather feedback from employees. The organization responds to feedback and addresses any workforce-related issues. For example, exit interviews previously indicated to management that pay and location are the most frequent reasons for resignation. In response, the company strengthened its corporate culture and started a new management training program.

Furthermore, the organization also implemented an Employee Satisfaction Survey in 2016 to formally monitor employee satisfaction within the organization. The implementation of these feedback processes has created an improved working environment for employees and has resulted in added value for the organization, including continuous and significant decreases in employee turnover between 2014 and 2016.

Employee training and development

Marafiq also invests in providing development opportunities for its workforce. The organization's 2011 application highlighted that Marafiq is focused on being a top employer in Saudi Arabia through ensuring effective employee communications with staff and through focusing on providing employee training and development opportunities. In 2012/13 the organization provided an average of 60-hours of training per employee each year. In 2017/18 the organization developed more formalized Key Performance Indicators (KPIs) to monitor training and development. Furthermore, the organization's most recent application highlighted that Marafiq increased the average number of training hours per employee to over 70-hours each year, highlighting the continuous dedication to providing development opportunities for employees. The organization also provides tailored training to its employees specifically for Health and Safety training, which is provided to 100% of its employees.

Through Marafiq implementing tailored RC Award feedback, the organization's performance has continued to strengthen, resulting in last year the organization being placed among the top overall performing applicants in the RC Award and gaining the recognition of Core Area Winner in 2016.



Success Stories



INNOVATION FOR SUSTAINABLE DEVELOPMENT

Glowork®

Glowork is a social enterprise dedicated to enabling women to enter the labor market and providing them with the means to achieve a healthy work life balance. As a social enterprise, Glowork's business model inherently serves an important social imperative: bringing more Saudi women into the workforce.

Solutions for empowering women

Alongside its businesses that directly serve women, Glowork has initiated several community programs to attract women to the labor market in retail, information technology and other industries. Through its sister organizations like Glowfit, Glourmet (which helps women to scale up their home catering businesses) and most recently Glowcar, the company has been finding innovative ways to advance its goals of women empowerment in the Kingdom.

Creative solutions

Glowork has shown a continuous and growing propensity for introducing creative solutions that have a strong community impact. It has created the Virtual Office Monitoring tool, which has created jobs for those in rural areas. The company also launched a retail awareness campaign that helped to recruit 4000 women into the labor market. The Career Advisory Center (Tamheed) helps users to make informed decisions about their careers. Its Step Ahead Career Fair, representing 40% of its business, has grown from having 17,000 women attendees to over 30,000 women attendees, with more than 2,000 women being directly recruited through the Fair.

Promoting best practices

Through research and focus group discussions, Glowork has undertaken significant work to identify social and regulatory challenges affecting its customers. It also publishes 'thought leadership material' aimed at promoting best practices in relation to women's professional development in the Kingdom.

Glowork was recognized as a Core Area winner for Innovating Solutions for Social Development in 2015. Glowork continues to prove that business and social impact can progress hand in hand, by thinking outside the box and adopting creative innovative solutions.



Success Stories



INNOVATION FOR SUSTAINABLE DEVELOPMENT

Special Direction

Business Consultancy House

Special Direction cares about building people, entrepreneurs, leaders, new graduates, and youth in the society through training solutions. A top-tier performer since its initial participation, Special Direction has continued to innovate itself and introduce impactful programs for the Kingdom, eventually becoming recognized as a 3rd place RC Award winner in 2015, 2016 and 2017.

Social development initiatives

Special Direction has many impressive social development initiatives like the COOP program for undergraduate students. It has created 'Kadir', a part-time recruitment program to hire students in different jobs to prepare them for more permanent jobs after graduation. It also promotes 'Direction', a training program to give students practical knowledge on different business domains. 'Startup' is another initiative by Special Direction towards business incubation to help small new businesses gain knowledge, save costs, and succeed in their operations.

'Direction Tours'

Special Direction created the "Direction Tours", an innovative special knowledge / cultural exchange program, in line with its commitment to social responsibility and to empowering the youth to participate in the knowledge and cultural programs, and educate them about the economic and innovative benefits for them and the society at large. This initiative was prompted by the company's participation in the RC Award which spurred its efforts towards finding ways to create more impact in the society.

Direction Tours is designed to share knowledge in topics such as: Women Empowerment, Social Responsibility, Youth Development, Volunteering Values, Leadership and Strategy, and Crisis Management etc. By creating "Smart Groups" and including them in the concept thought process, visiting key international organizations, meeting the leaders and decision makers in the relevant topics, seeking up-to-date knowledge, and creating a dynamic dialogue with their counterparts to exchange cultures, the Tour facilitates valuable international experiences that can be integrated into the Saudi Arabian society.

From youth empowerment to facilitating international learnings to offering tailored 'best practice' solutions to clients, Special Direction is creating wide-spread impact in the Kingdom and advancing Responsible Competitiveness. This commitment to innovative and impactful initiatives, among other leading sustainability practices, has earned Special Direction the distinction of becoming an RC Award winner, securing the 3rd place in both 2015 and 2016.



Success Stories



INNOVATION FOR SUSTAINABLE DEVELOPMENT



غرفة الشرقية
ASHARQIA CHAMBER

Asharqia Chamber of Commerce is one of the leaders bringing social development to the Eastern Province through its activities, workshops, trainings and support to the private and public sectors.

Formal integration of practices

The organization has applied for the RC Award for two consecutive years, both in the 2016 cycle and the 2017 cycle. Asharqia Chambers has demonstrated substantial improvement in its sustainability performance over the course of the twelve month period. Notably, the organization improved its score in Core Area 2, Innovation for Sustainable Development, demonstrating increased maturity and more formal integration in its processes and practices.

Clear and comprehensive community investment approach

During the first year of its participation, Asharqia Chambers invested in community programs, such as 'Santi', an initiative to enhance the concept of free business and developing the community. The Chamber monitors its contribution to the community, both financial and non-financial, through using tailored Key Performance Indicators (KPIs) to monitor outcomes. However, since applying for the RC Award, Asharqia Chambers has incorporated RC Award feedback to further develop these strong practices and enhance its Community Investment Programs. The organization now developed a clear, comprehensive and relevant Community Investment Strategy, highlighting a more strategic and targeted approach for developing impactful programs that align to the overall organizational nature, strategy and objectives. Furthermore, the organization now more formally monitors the benefits of programs, both in terms of impact and outcomes.

Research and Development

Since applying for the RC Award it is evident that the organization has continued to invest in Research & Development (R&D) across the organization. This highlights that Asharqia Chambers continues to recognize the value of investing in R&D to see business returns. The organization now invests 1% of its annual turnover into R&D, highlighting that the organization sees both financial and non-financial returns on this investment.



Success Stories



RESPONSIBLE SUPPLY CHAIN MANAGEMENT



MEPCO has blazed a successful trail in the RC Award, starting as a below-average performer and going on to become a Core Area Winner and third place Winner in 2017. During the initial years of its participation in the RC Award, MEPCO performed below the sector average in Core Area 3 owing to its vague policies on responsible purchasing. The company also did not appear to have a vendor audit process or Saudization requirements for suppliers in place, and did not have a proactive approach to addressing sustainability challenges in its supply chain management and processes.

In recent years however, MEPCO has proved itself to be a category leader and produced stellar results, both from the perspective of its scores in the RC Award and from the perspective of the company's own operational performance. MEPCO was approached to be an RC Ambassador to promote the Award to its suppliers. This sparked an added sense of responsibility within MEPCO towards its suppliers, and the company took concrete steps towards further improving its supply chain management.

Responsible and local purchasing

MEPCO created a responsible purchasing policy focusing on three main areas: purchasing function, inventory and storage and disposal of scrap materials. MEPCO sought the accreditation of the Forest Stewardship Council and started auditing its suppliers' performances. The company supported suppliers to improve their social and environmental performance by conducting training and awareness programs on manufacturers' plant safety and overall environmental awareness. MEPCO has also been continuously increasing the percentage of its procurement from local suppliers while setting more and more ambitious targets. Furthermore, MEPCO has taken strides towards Saudization of its supplier base. Its biggest supplier is WASCO and the company is working with them to increase Saudization percentage.

Supplier capacity building and support

MEPCO is investing in building the capacity of its local suppliers, helping them realize business opportunities. The company helped its supplier WASCO to implement System Application Program ("SAP") System. It also helped its supplier Petromin, who produces a special product exclusively for MEPCO, with sales and distribution of the product to other customers in the Kingdom.

MEPCO is a great example of a company that has gone from having limited best practices in responsible supply chain management to becoming a leading practice example. MEPCO has used the RC Award process to learn how, what and why it should do better in this Core Area and has successfully improved its practices and performance. In doing so, it has not only better managed its own supply chain relationships but also facilitated and encouraged its suppliers to perform better, sparking a chain reaction of positive socio-economic impact in the Kingdom.



Success Stories



RESPONSIBLE SUPPLY CHAIN MANAGEMENT



Riyadh International Catering Corporation 'McDonalds' Saudi Arabia (McDonalds) has demonstrated an impressive journey with the RC Award over the last few years. It has grown from being an average performer compared to other applicants, to being a top-tier performer in this Core Area.

When McDonalds first applied for the RC Award it had limited policies and strategies in place for vetting local suppliers and ensuring the suppliers' compliance with McDonald's policy. Recognizing the company's potential for making meaningful improvements to its supply chain, the RC Team provided the company with suggested performance improvement recommendations.

Building supplier capacity

In its response to the feedback obtained from the RC Evaluation Team, McDonalds started recognizing the importance of building supplier capacity for its own business. For instance, the company was reliant on a supplier who only had one plant for distribution to the whole Riyadh region. As McDonalds began to scale up its business, the supplier found it challenging to meet McDonalds' demand. With McDonalds' help and investment, the supplier subsequently built another plant in Rabigh City, to both meet production needs, manage operational risk and employ local workforce. McDonalds assisted the supplier by bringing in a special instructor from the USA to train the supplier's staff on producing high quality buns required by McDonalds. The supplier is now building a third plant in Jeddah and will be employing more local Saudi men and women.

By helping to build supplier capacity through training, investments, and management support, McDonalds has helped its own business, its suppliers and the regional economy in the Kingdom through local job creation.

Improved procurement strategies

In recent years of applying to the RC Award, McDonalds has also demonstrated other notable positive improvements to its procurement strategy. The company has tightened its procurement through its 'Supplier Workplace Accountability (SWA)' policy. The SWA establishes expectations for McDonalds suppliers in the areas of business integrity and ethics, human rights and safe workplace environments, environmental management, and the health, safety and satisfaction of the suppliers' employees. By enforcing the SWA along with the Supplier Code of Conduct, McDonalds ensures that it does business with suppliers who subscribe to McDonalds' core values. The SWA even ensures that all suppliers have a dedicated program for animal health and welfare. McDonalds conducts a regular audit of its suppliers to monitor compliance with the SWA.

Through its robust responsible sourcing practices, McDonalds is creating positive impact for the community while ensuring its own sustainable business growth and continuity.



Success Stories



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

TASNEE التصنيع

The National Industrialization Company (Tasnee) has demonstrated a continuously improving performance since its early years of participation and has grown to become a Winner of this Core Area.

Tasnee has applied to the RC Award across four different cycles, since the early years of the Award, showing improvement in performance over time. The organization has enhanced its processes and practices and has developed to become a Core Area Winner in the Responsible Supply Chain Management area in the 2017 RC Award cycle, improving on its strong performance from previous years.

Responsible purchasing policy

Tasnee has more recently developed a responsible purchasing policy, which now covers over 75% of the organization. Supply chain requirements have evolved over the years to now effectively integrating new Saudization and capacity development requirements. Robust supplier management practices exist at the company, with three-tiered audit requirements including Saudization certifications and capacity development.

Supplier capacity building

Tasnee has developed a comprehensive three-tier audit process which help to ensure good quality processes are provided and to build the capacity of local suppliers. The audit process consists of desktop validation of data for all suppliers, formal site audits and plant trials of critical raw materials.

Tasnee is a member of the high profile Local Content Development initiative, in collaboration with other KSA leading companies (such as SABIC and Aramco) and governmental bodies, as well as the Unified Purchasing Power (UPP) initiative.



Success Stories



COMMITMENT TO GOOD GOVERNANCE

TAMER

Tamer Group has demonstrated noteworthy practices in the areas of good governance, ethics and quality since its initial years of participation in the RC Award. Tamer Group has a dedicated CSR function, led by the Head of CSR and a CSR Committee, which ensure the highest level of commitment to sustainability across the organization. The company is engaged in sustainability reporting through a dedicated report and the corporate website. Furthermore, the company has an effectively communicated ethics policy, as well as a strong quality management systems.

The above practices enabled Tamer Group to receive an above-average score in its initial year of application in the RC Award. However, aiming to be a front runner in its industry, Tamer Group stepped up its efforts, utilizing the RC Award framework and recommendations as a guideline and framework for further improvement.

Leveraging sustainability networks

In recent years, the company has started engaging with other sustainability networks enabling knowledge sharing and communication with thought leaders in social responsibility. It engages with the CSR Committee of Jeddah Chamber of Commerce and Industry and Qaderoon Business Disability Network, and is a member of the Pearl Initiative, 'Endeavor', and the Saudi Art Council.

Stronger quality management

To further strengthen its quality management, Tamer Group increased the frequency of audits for its business units and departments. Tamer increased the frequency of audits from an annual to a quarterly basis and added two or more surprise audits within each year. This has enabled the company to increase transparency along its chain of operations and eliminate or mitigate risks in a timely manner.

The company has enhanced its practices with regards to measuring and maintaining customer satisfaction. Tamer Group has embarked on an annual business-to-business customer satisfaction study, enabling it to better plan and improve its logistics when serving its customers. It analyzes and tracks customer satisfaction thereby discovering the drivers of satisfaction. This has in turn helped the company to optimize the performance of its employees and drive higher employee satisfaction.

Tamer's case is a good example for how a company's efforts in one area, such as customer satisfaction, have the potential to create positive impacts and outcomes in other areas, such as employee satisfaction and morale, and financial business performance. By effectively using the RC Award framework, Tamer is well on its way to becoming a leader not only in Core Area 4 but also in Responsible Competitiveness in the Kingdom.



Success Stories



COMMITMENT TO GOOD GOVERNANCE



Saudi International Petrochemical Company (SIPCHEM) is an illustrative example of an organization continuously striving for improvement and relentlessly pursuing excellence in its operations.

SIPCHEM was already a well performing top-tier company when it first applied for the RC Award. It had strong practices and policies in place, especially in relation to good governance and sustainability, and was among the top five companies in this Core Area. SIPCHEM has been publishing information on its financial performance on a quarterly basis on its website and through Tadawul. The company also reports its environmental and social performances to the Royal Commission and the Gulf Petrochemicals and Chemicals Association (GPCA), while being an active member of the GPCA Responsible Care Committee. On the quality front, SIPCHEM has strong systems and controls in place and has been compliant with ISO 9001 standards for many years. It has also been tracking customer satisfaction through its website, where customers can report transparently on quality issues. Participation in the RC Award enabled SIPCHEM to receive targeted recommendations from the RC Team, which have helped the organization to implement further improvements and work towards becoming a leader in this area.

Strengthening CSR

SIPCHEM received feedback from the RC Team to strengthen its efforts and presence in relation to corporate social responsibility. In the subsequent Award cycle, SIPCHEM successfully demonstrated how it has adopted these suggestions and, in some cases, used the RC framework to go beyond the suggested recommendations. SIPCHEM strengthened its CSR practices by adopting the Global Reporting Initiative's (GRI) standards and producing a GRI-based sustainability report. Recognizing the benefits of achieving sustainability, the company launched an awareness program to identify good practices and areas of improvement.

Integrating sustainability

SIPCHEM additionally strengthened its commitment to sustainability and corporate responsibility and governance, by establishing a Sustainability Council which comprises internal stakeholders from various departments. The Council allowed the organization to enhance its engagement with internal stakeholders and increase the ownership for sustainability metrics and performances within the company. SIPCHEM has made great strides towards integrating sustainability into the fabric of the organization and consequently creating great value for the company.

By demonstrating measurable improvements, adopting bold practices and engaging stakeholders ranging from the company's leadership to its customers, SIPCHEM is paving the way for its recognition as a leader in Responsible Competitiveness in its industry. Owing to its targeted efforts and bold initiatives, SIPCHEM emerged as a Core Area Winner in the 2016 RC Award process.



Success Stories



COMMITMENT TO GOOD GOVERNANCE



Despite the inherent environmental, social, and governance challenges facing the mining industry, Ma'aden has proven to be a sustainability leader within the Kingdom, the mining industry, and the wider global landscape. Ma'aden's noteworthy partnerships, development programs and leadership in terms of sustainability strategy and management system have earned the company numerous achievements, including second place in the King Khalid Responsible Competitiveness Award in 2017.

Ma'aden's success with its performance over the years in the Responsible Competitiveness Award can be attributed to its clear sustainability governance system, strategies and well-framed and clearly defined metrics that helped the company track its performance against its initiatives and innovations. The organization has more recently integrated sustainability Key Performance Indicators (KPIs) into the governance to embed sustainability throughout the business.

Comprehensive, targeted and relevant sustainability strategy

Ma'aden's sustainability strategy has further developed over the course of the two RC Award cycles, with clear focus areas forming the foundation of the strategy. The Ma'aden sustainability strategy is founded upon a multidimensional approach and four key considerations: business risks and opportunities, stakeholder interests, the Vision 2030 and National Transformation Plan (NTP) 2020, as well as the U.N. Sustainable Development Goals (SDGs). This enables Ma'aden to have an agile, relevant and responsive strategy.

The organization's strategy was formally integrated into the organization when the organization first applied to the RC Award. However, over the past year the organization has integrated targeted award feedback to developed clear and relevant sustainability targets with specific timeframes to ensure that the organization continues to progress in this area.

Formalized processes to work with stakeholders

Ma'aden also displays leading practice by adopting formal stakeholder engagement processes, based on the AccountAbility AA1000 Stakeholder Engagement Standard (2015), as well as conducting a materiality assessment and mapping actions to the United Nation's Sustainable Development Goals.

The organization's stakeholders are considered as critical in forming the company strategy and business practices. Ma'aden equally engages with internal stakeholder groups (company employees and investors), national stakeholders (government, regulators and communities), and international ones (international media, agencies and associations).



Success Stories



ENVIRONMENTAL MANAGEMENT



Cisco has traversed a remarkable journey through the RC Award, especially in the area of environmental management. Cisco already started its RC Award journey as an above-average performer in the areas of environmental management and resource consumption and went on to exhibit leadership and achieve the distinction of an RC Award Winner.

The company has a comprehensive Environmental Management System in place that covers the design, manufacture, support, and use of its solutions and emphasizes reuse and recycling practices to conserve raw materials, energy, and water. The Cisco Environmental Management System is a continual cycle of planning, implementing, reviewing, and improving Cisco processes and actions to meet its environmental obligations.

However, despite its strong policies and practices in the areas of environmental performance and resource consumption, Cisco's overall performance in this Core Area was affected by the weaknesses in reducing and recycling of its waste.

The RC Team recommended that Cisco enhance its efforts in measuring and disclosing the amount of waste recycled. It also suggested that the company place an increased emphasis on critical sustainability concerns such as reducing energy use, water consumption and GHG emissions.

Innovative waste recycling and reuse

Cisco stepped up its efforts in the area of waste recycling and also found creative solutions to address other sustainability issues. The company began to measure and monitor the amount of materials it recycled annually. As part of its 'trade-in' and 'take back' programs, Cisco brings back products that have been sold to partners and end-user customers, for repurposing or recycling. Cisco has nine different programs to support product trade-in, takeback and recycling efforts. The company reported in its recent RC Award application that 100% of products sent to e-scrap recyclers are recycled and all commodity fractions are directed to recyclers to be made into new products, thereby helping promote a circular economy.

Addressing material issues

The company also identified biodiversity impact as a material issue, stemming from the company's land use for the building of its facilities. To reduce its impact on biodiversity by reducing the demand for physical office space, Cisco has come up with unique employee telework programs and support solutions like Cisco Connected Workplace, Cisco Virtual Office, and Cisco OfficeExtend.



Success Stories



ENVIRONMENTAL MANAGEMENT



البنك السعودي للاستثمار
The Saudi Investment Bank

The Saudi Investment Bank (SAIB) has been a leader in many of the areas assessed for the RC Award, including all areas of Environmental Management.

While lauding companies like SAIB for their efforts, the RC Team also provides constructive feedback for further improvement with the goal of helping Saudi companies be globally competitive and becoming internationally recognized for socio-economic impact on the people of Saudi Arabia.

Creating a structured approach

The RC Team recommended that SAIB should create a more structured approach to expanding measurement and management of environmental impacts. SAIB acted upon this recommendation to create a robust environmental management system including its 'Corporate Social Responsibility Standard Operating and Accounting Procedures'. This policy includes SAIB's strategic environmental goals and objectives, with relevant actions, KPIs, and designated responsibilities for each, in line with the ISO 14001 standards. SAIB's CEO is taking ownership and championing the company's efforts in this area.

Improving sustainability performance

SAIB began to produce and distribute a monthly sustainability dashboard, providing timely, at-a glance sustainability performance information that enables monitoring of performance against the set targets. SAIB follows a continuous improvement process with regards to its environmental management system and is well on target to achieving its ambitious goals.

SAIB was further encouraged by the RC Team to enhance the comprehensiveness of its data, by including waste measurement and recycling measures. The company now measures the amount of waste recycled, the amount of money saved through recycling and is developing recycling programs for a variety of materials. It is also building a system to measure the total weight of all waste produced by the company for reporting in future years. As SAIB emerges as a practice leader in environmental management, it begins to account for its 'indirect' environmental impacts. SAIB has identified that its indirect footprint is far more material than SAIB's direct environmental output, which will always be relatively small due to the nature of banking activities. SAIB also actively finances renewable energy technologies and aims to have at least 10% of its loan portfolio allocated to environmentally friendly activities.

Through its relentless efforts towards advancing sustainability and responsible competitiveness, SAIB continues to push itself, its partners, vendors, stakeholders, competitors, customers and the larger Saudi community to do more and do better. SAIB has been recognized as the 2016 Winner of the King Khalid Award and honored by the King Salman at the annual RC Award gala event.



Success Stories



ENVIRONMENTAL MANAGEMENT

بتروكيميا Petrokemya

As a leading chemical company and a subsidiary of SABIC, the largest public company in the Kingdom, the Arabian Petrochemical Company (Petrokemya) places high importance on the environmental, health & safety pillars.

Petrokemya has applied for the RC Award for two consecutive years, namely in the RC 2016 and 2017 cycles. The organization has demonstrated an already strong performance when it first applied to the Award, particularly in relation to its environmental management system and certifications. In its second year of participation, the organization reported that it had placed focus on actioning RC recommendations in order to have a more robust application and performance. This resulted in Petrokemya obtaining a higher score in RC 2017 and being awarded the recognition of Core Area Winner in the Environmental Management area.

Robust environmental processes and systems

During the first year of its participation, Petrokemya indicated a strong environmental policy and management system. The organization has an integrated Environmental, Occupational Health Safety, Energy and Quality Management System, which is in compliance with the SABIC standard and certified by ISO14001:2004. The organization continued on its excellent performance from its first year's application by maintaining its robust operational systems in place to measure key resources, including energy consumption, water consumption and Greenhouse Gas emissions. Petrokemya further presented strong quality management systems certified with ISO 9001, ISO 14001, ISO 18001, ISO 14064, ISO 50001, ISO 17025.

Establishment and disclosure of environmental targets

During the 2016/17 RC Award cycle Petrokemya was provided with targeted advice to disclose efficiency targets, which in response to Petrokemya has updated key sustainability efficiency targets. Targets are disclosed and embedded in the organizational objectives, and filter down through all levels of the organization and engrain sustainability across the business.

Subsequently, Petrokemya's latest application and, notably, the site visit to the company facilities demonstrated the organization's awareness of the environmental footprint, along with ambitious targets set for reduction of the footprint – encompassing good practices towards reduction of energy consumption, GHG emissions and water consumption.

Waste recycling and repurposing

Petrokemya's recycling of waste is continuously increasing, as the company is looking to repurpose its waste. Petrokemya has established a line with other companies for the largest part of its waste as well as its contaminated water.



Conclusion

After a decade of development, improvement and implementation, we can safely say that the RC Award is a valuable and critical tool for social, environmental and economic change. Since its launch in 2009, the Award has been pivotal to driving local impact by promoting responsible competitiveness in the Kingdom.

The current Impact Assessment Report concludes with the following summary:



Relevance

Responsible Competitiveness is a critical tool both for KKF and the Kingdom at large. The Award aligns closely with the Kingdom's Vision 2030 and National Transformation Plan 2020, 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 in 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 & scorecard-go-through sessions. Applicant surveys indicate that winning the RC Award is not the sole factor behind participation. Participating 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 significantly 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.

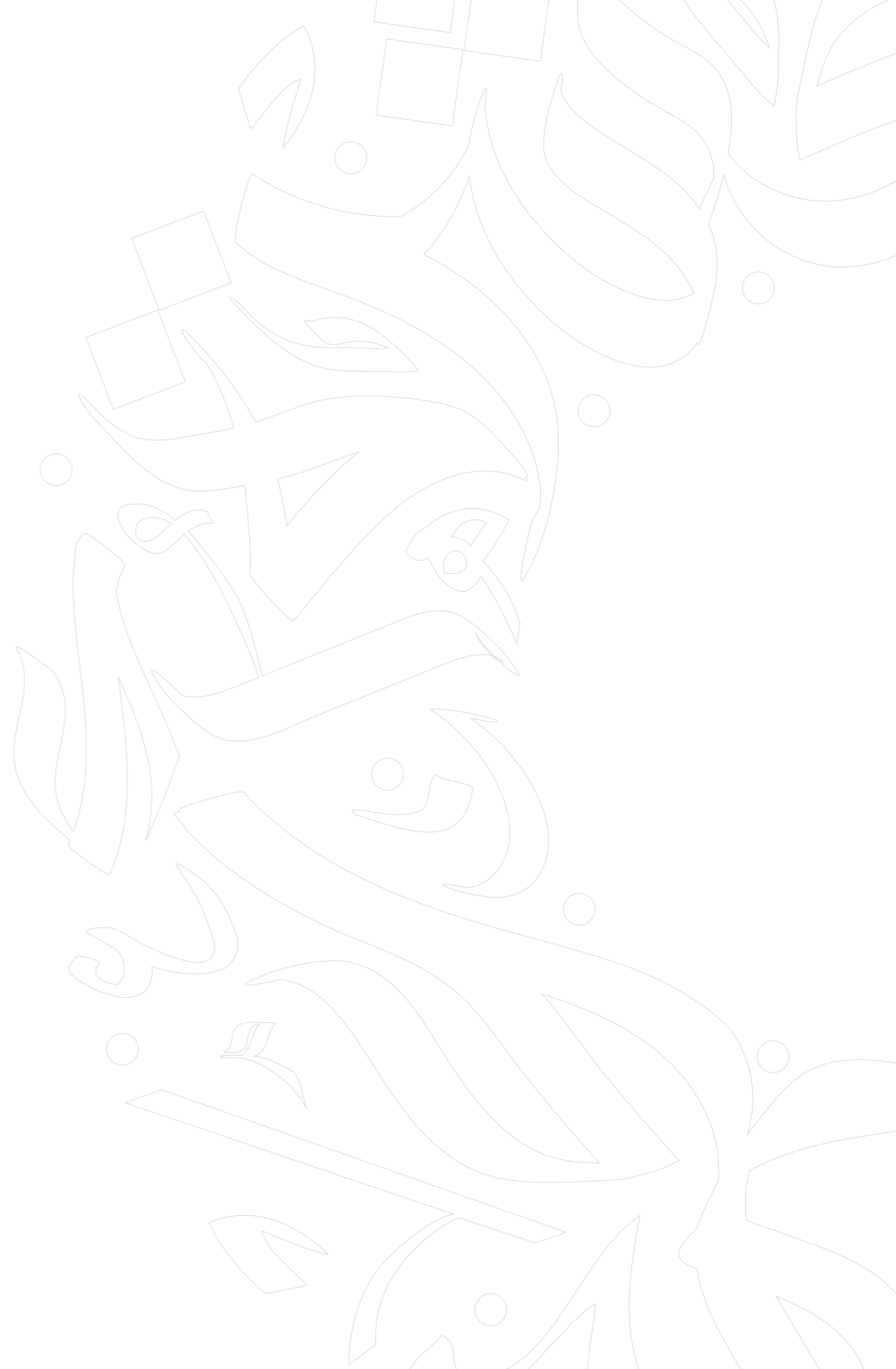
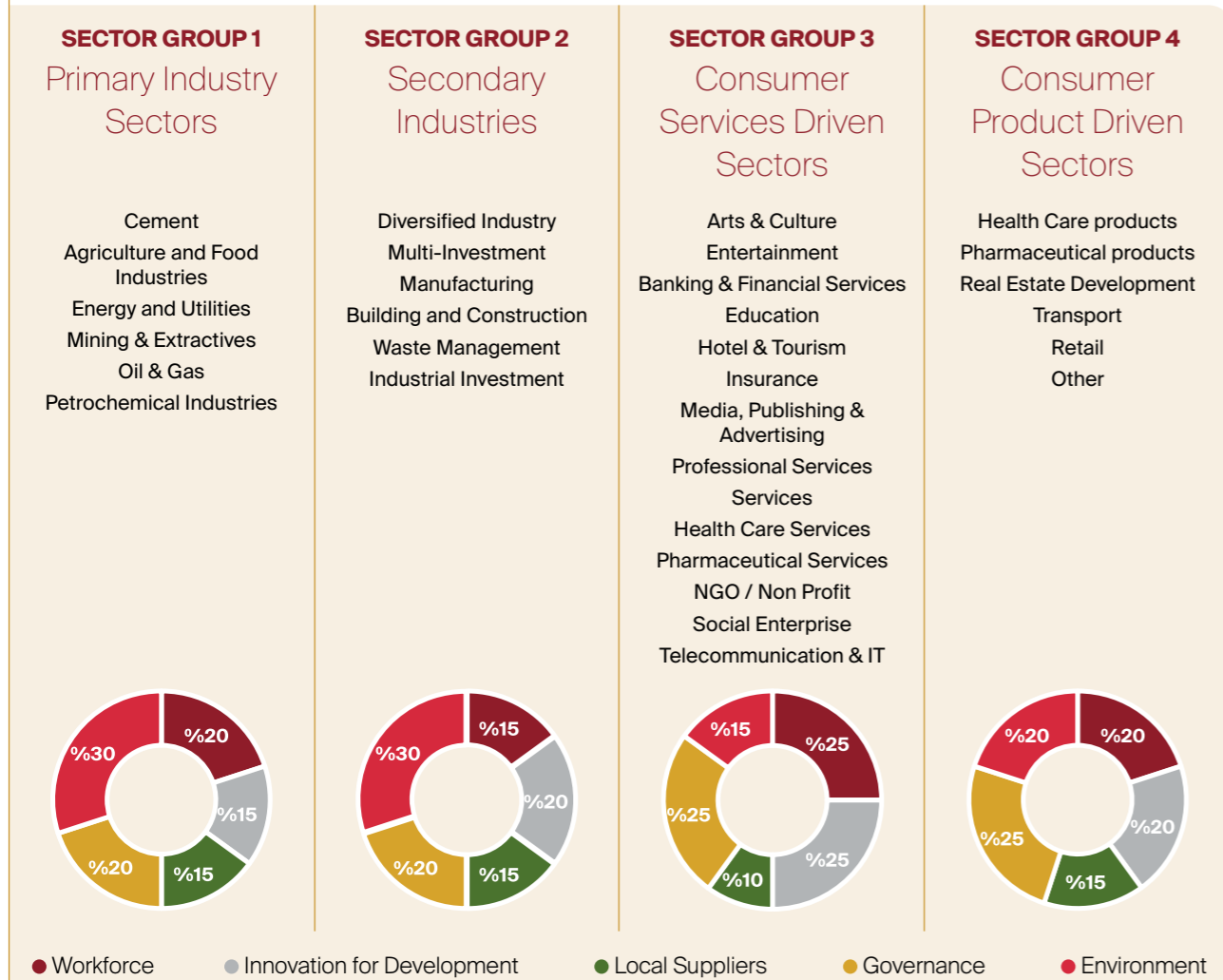


Appendix

AWARD SECTORS AND WEIGHTING CRITERIA

In alignment with international best practice, the Award accounts for the diverse challenges of different industry sectors concerning various sustainability issues. In order to do so, relevant industries have been placed into four Sector Groups: Primary Industries, Secondary Industries, Consumer Services Driven Sectors, and Consumer Product Driven Sectors. For each sector group, weightings for the five questionnaire sections were determined as presented in the following table.

After all questionnaire sections are assessed and weightings are applied, the total score will be communicated as percentages of a full score. This will also be applied to the individual sections before the weighting to ensure that participants are able to review their performance section by section. This will guarantee comparability for the overall score as well as in the individual sections' scores.



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