



# SUSTAINABILITY

Our People

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CSR

# OUR PEOPLE

At Savola, we are proud to maintain our distinguished position as Saudi Arabia's employer of choice in the food and retail sector, and have reinforced our commitment to the people who have made us the success story we are and will continue to be.





Our workforce is pivotal to our future and their contributions are critical to our continued growth. They are the inspiration for our ambition and the drivers of our success. In order for us to maintain the relationship we are proud of, we have worked hard to ensure that we invest in their development, and have succeeded in earning their loyalty. We have made a commitment to ourselves to empower and motivate our people, as they continue to be our greatest asset.

Our business proposition – Value Built on Values – encapsulates our vision, mission, and commitment to creating a work environment of equality, trust and respect for every individual and team. As defined by our Group Competencies, we understand the need and benefits of reward and recognition and have continued to appreciate their efforts and provide a workplace where they can thrive and progress.

Through our People Pillars Program, that aims to enhance the employer brand, adhere to the nationalization objectives and promote an engaged work environment that supports productivity and welcomes change, we attract, retain and motivate leading talent in our industry.

Throughout the year, we remained dedicated to deliver the employee value proposition through People

Pillars objectives, where we provided multiple channels for employee voice, both formal and informal, to measure and monitor employee engagement levels, and thoroughly analyze the results of responses, which included a strategic action plan with a wide range of initiatives and activities to address the identified opportunities for impact and improvement ensuring a uniquely rewarding culture and working experience.

Total Employees in KSA	Total Saudi Employees	Female Saudi Employees	Employed People with disability
17,891	6,777	1,496	384
			
HQ	HQ	HQ	HQ
56	38	10	1
SFC	SFC	SFC	SFC
1,481	656	82	120
Panda	Panda	Panda	Panda
15,853	5,904	1,294	259
AlKabeer	AlKabeer	AlKabeer	AlKabeer
501	179	110	4



# SUSTAINABILITY

## OUR PEOPLE

### Driving Employee Engagement

As an extension to our Tawer Employee Engagement Survey which is conducted periodically by the Great Place to Work Institution, this year we achieved an 85% level of engagement with 100% participants rate, which indicates our commitment to maintaining a continuous improvement and rise of the employee's engagement level with the organization that will ultimately steer the organization towards growth and success. As 4 years ago, in 2019 we scored a 78% level of engagement, and back in 2016 we scored a 64% of engagement rate.

Our efforts to engage and include our employees in Savola Group's progress are central to our working philosophy and for the third year in a row, we were certified and recognized by the Great Place to Work Institution, the global authority on workplace culture, which focuses on high-trust, high-performing workplace values around the world.

Furthermore, this year we were recognized as an Employer of Choice in the MENA region by the Chartered Institute of Personnel and Development for our outstanding achievements in people management, talent development and rewarding culture during 2022.

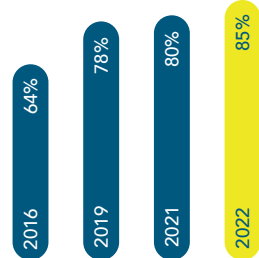
We continued to retain key talent in critical roles under the Long-Term Incentive Program for top executives, who achieved the Group's strategic objectives by completing the third tranche of our shares buy-back.

In addition, the Group conducts periodic compensation and benefits benchmarking to enhance our competitive pay stance in the market and ensure our pay scale is competitive and attractive to top talent. As a result of the exercise, top talent of the organization were considered for a special reward and an adjustment to the Education Assistance Allowance has been implemented.

To maintain the company culture of inclusivity, it is essential that we recognize we are all part of the Savola family, with transparency and accessibility at all levels. To this end, we continued to enhance and reinforce employees' engagement with the company's latest news through quarterly town hall meetings with the Group CEO.

In addition, the Group reactivated Savola Group Annual Day, with a range of theoretical and physical activities designed to reinforce understand of our updated Competencies Framework that was revamped back in 2021 based on the company's future business needs and vision to achieve our long-term objectives.

### Engagement score



### Leadership Synergy Initiatives

A number of integrated initiatives were carried out throughout the year to reinforce leadership alignment and synergy among the Group and its OpCos. These included strategy workshops to emphasize on the Group's vision and to help identify where support is required to achieve our shared vision for the future.

To support this critical goal, we consolidated and synergized efforts through the formation of committees focused on social responsibility programs and government relations, including:

### Government Relations Committee

Develop a comprehensive government-relations strategy with clear objectives and tactics, as well as establishing and maintaining effective relationships with key Ministries, government sectors and decision-makers.

### Corporate Social Responsibilities (CSR) Committee

Strategize the Group's CSR work and related activities into clear and common purposes, and align the Group efforts and create competitive advantages through Savola World Foundation's programs and CSR activities.

### Environment Committee

Develop a strategic plan to build and implement the Group's Environmental Policy, while overseeing all environmental activities, including those involving: energy, water, waste management systems, recycling, emissions and transportation.

### Enhancing Workplace Wellness

In line with our focus and commitment to providing the best possible work environment for our people, our employees' health is a priority at every level. As a result, our Tawer Employment Engagement Program survey showed a 100% satisfaction rate of having a healthy and safe place to work, a 7% increase over 2021.

We have a number of premium medical services, including our continuing partnership with one of the biggest hospitals groups in the region, to provide comprehensive facilities at our in-house clinic. Our partnership has been renewed with a leading insurance provider and with a reputable healthcare provider to operate health lounges with specialized medical teams to provide a number of new services, including primary health assessments and seasonal influenza vaccines.

Health awareness has also been a priority, to ensure our employees stay well and understand the symptoms of potential dangers. This ranges from operating a lounge for International Healthy Food Day to awareness campaigns on breast cancer.

### Our Competencies

<b>Strategic Mindset</b> Seeing ahead to future possibilities and translating them into breakthrough strategies	<b>Business Insight</b> Applying knowledge of business and the marketplace to advance the organization's goals	<b>Manage Change and Innovation</b> Creating new and agile ways for the organization to be successful
<b>Build Effective Teams</b> Building strong-identity teams that apply their diverse skills and perspectives to achieve common goals	<b>Ensure Accountability</b> Holding self and others accountable to meet commitments	<b>Organizational Savvy</b> Maneuvering comfortably through complex situations, and people-related organizational dynamics





**Promoting Work-Life Balance**

One of the primary drivers for employee satisfaction and productivity is a positive work-life balance. In 2022, we continued adapting a remote working system policy and implemented flexible working hours policy when the need arises without jeopardizing the quality and quantity of production. Our survey showed an 82% satisfaction rate of being encouraged to balance their work and personal lives.

We aim to ensure employees have the facilities they need and want at Savola Group workplace tower, including the Dr. Soliman Fakeeh Hospital in-house clinic, a nursery, canteen and mini-market. Once again, our Tawer survey showed another outstanding result, as we achieved a 93% satisfaction rate of workplace facilities.

In 2022, we renovated Savola Group's workplace aiming to enhance employee's work environment, including:

- Changing the coffee shop provider, aiming to support Saudi start-up business owners by partnering with local coffee shops, with an agreement that includes a special rate for the employees.
- Initiating a project to operate the nursery for female workers in-house, as it was externally sourced due to COVID-19 government instructions.
- Operating a Female Lounge to ensure an attractive workplace environment for our female workers.
- Operating an Executive Lounge to enhance synergy of Savola Group and its OpCos' senior leadership teams.
- Adapting family-friendly policies, such as recognizing special events in our employees' personal lives, as well as assisting employees with their personal needs by distributing Eid and Ramadan giveaways.
- Providing our employees with a range of unique benefits, such as home loan scheme for Saudi employees, Takaful insurance to support families in the case of death or disability, and Al Tawoon fund.

- Continuing our partnership with an online application to provide a wide range of discounts, corporate rates, and offers for employees and their families, along with other benefits from other providers.

**Building a Winning Culture**

Among our strategies to create a harmonious, inclusive and engaged workforce, Savola Group has an ethos of nourishment towards the organization, ourselves and our teams.

As an ambitious, mission-driven leading strategic investment holding company, we understand that to deliver on our vision and achieve our strategic objectives we need an empowered, motivated, and highly skilled workforce backed with strong corporate values and competencies that shape the organization's culture and individuals.

Savola Group's values are a set of long-term values drawn from our rich Islamic heritage, which we espouse as a blueprint for concrete actions we take as individuals, as a team and as an organization since the Group was founded in 1979.

We are committed to being an equal and inclusive employer regardless of gender, nationality or disabilities. We achieved an 89% satisfaction rate of being a fair employer, which applies throughout the entire journey from recruitment and progress to support and promotion.

In addition, we continue to hold the Mowaamah Golden Certificate for our commitment to applying the best standards and practices in creating a work environment suitable for people with disabilities.

We enhanced social interaction and networking as we were able to gather the Group and OpCos employees through operating lounges based on international days, such as celebrating Saudi National Day, as well as inviting employees and their families to enjoy a day full of activities to celebrate the start of the academic year. This supported our achievement of a 91% satisfaction rate of being a fun place to work.

Furthermore, we launched a World Cup program in response to the worldwide event (FIFA World Cup Qatar 2022™) that included a highly engaging competition, special offers to attend the matches, invited employees to exciting interactive football-related activities, and more. We also continued to provide our employees with several recognition initiatives, such as rewarding employees who have dedicated themselves to the service of Savola Group.

In SFC, salary and grade reviews, benchmarking studies, school and medical upgrades and anti-inflation measures were implemented during 2022. As SFC continued to encourage

a culture of respect and appreciation, its 'Culture Matters in Restoring Greatness' program featured hundreds of 'thank you' cards sent from employees to their colleagues across Saudi Arabia, Algeria, Egypt, Central Asia, Sudan and Turkey.

**Attracting and retaining talent**

	2021	2022
Retention Rate (%)	92.59%	94.64%
Saudi Retention Rate (%)	94.00%	95.00%
Joiners	5	5
Leavers	4	3
Regrettable loss (%)	1.8%	0%

As an employee-centric organization, it is imperative that we not only recruit the most capable and committed workforce, but also to ensure that they have the incentives to be with us for the long term.

We continued to solidify our position as an employer of choice in our industry, building our employer brand and reputation as a great place to work. In line with the Group Strategy for continually enhancing our human capital, we continued to see increasing number of job seekers applying for externally published job posts in professional sourcing and recruitment platforms. We also continued to increase the rate of followers (i.e. job seekers) and interactions across a range of social media platforms.

Savola has always shown its support and a duty of care towards its staff by providing them with professional and personal assistance, including home loans for Saudis and emergency funding through the Al Tawoon fund.

**Developing Our People**

Career advancement and upskilling is essential for increasing employee productivity and maintaining the Group's status as a leader in food and retail. This year, the Group focused on quality over quantity, ensuring high quality development for top talent across the organization, in line with the company's strategy.

"Development and Growth to shape our future" was the slogan for 2022, as we emphasized our commitment to providing a working environment in which our people can grow, thrive, and excel. We provided a wide range of opportunities for self-advancement and learning to support exceptional professional development paths for staff across all levels.

Savola Group competencies were prioritized as an essential component to understand employees' learning and development needs, while ensuring full alignment with broader business needs. We conducted a competencies-based 360 assessment feedback, in collaboration with one of the leading HR consultants in the world, to enhance all employees' self-awareness which helped employees and the company to identify strengths and areas of development moving forward.

Succession Planning continued to be a key focal point for Savola Group as well, ensuring that proper plans and contingencies are in place for key positions across the organization. Thus, we launched an intensive assessment center to have a tailored Individual Development Plan (IDP) for our talent pool to create a high-potential pipeline of our future successors and emerging leaders. As of year-end, we have identified qualified successors for 5 out of 6 senior leadership positions to ensure continuity if required.



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Additionally, we continued to conduct our annual Learning Needs Analysis to discuss the employees’ development gaps and plan their learning and growth opportunities. Throughout the year, we managed to achieve our learning plan by focusing on enabling our employees to be certified in their respective specialties, by continuing our collaboration with a range of prominent and prestigious learning institutions to develop our employees’ technical and soft skills.

In 2022, Panda focused on improving learning methods, evaluating training and aligning business and performance programs. The company delivered a Fresh Food Capability Building Program, with 3,347 department associates Kingdom-wide trained on customer service, selling skills and product knowledge. A total of 2,196 new employees from multiple sections have been trained.

Overall, Panda’s learning and development programs delivered more than 960 training sessions over 79,890 man-hours to 8,011 new and existing store employees.

In total, SFC conducted 166 IDPs in 2022 as part of their Accelerate Program and has 15 management trainees in Saudi Arabia, Sudan and Algeria. In addition, SFC admitted 127 interns during the year.

Contributing to Vision 2030

In every aspect of our operations, Saudi Vision 2030 is front of mind. In continuing our leading Saudization program in 2022, Saudi nationals now constitute 72% of the Savola Group workforce, maintaining our HQ platinum zone rating in the Nitaqat initiative to reduce unemployment.

Our ongoing collaboration with the Human Resources Development Fund – Tamheer Program, continues to ensure that Saudi citizens have the capability to compete in the marketplace by developing basic and future skills. We increased the job training opportunities by 125%, providing permanent job opportunities when available.

In a world increasingly reliant on innovation, we have promoted the drive towards digitization and minimizing paperwork, and will continue to forge ahead with that goal in line with the government’s targets.

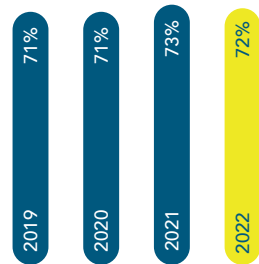
Furthermore, we strengthened our culture of giving to help achieve the Vision 2030 goal to have 1 million volunteers by the end of the decade. Our CSR committee coordinated efforts among Savola Group and its operating companies to provide and encourage relevant activities. Based on our Tower survey, we witnessed a 12% increase over 2021 by achieving 91% employee satisfaction in contributing to good causes.

Our employees proved their compassion and unwavering commitment to the community through a full spectrum of initiatives and campaigns, covering Ramadan activities, World Blood Donor Day and ‘Volunteer your Knowledge’, a program where staff relayed their expertise to young graduates. At King Abdulaziz University Career Fair our experts also shared their experience to help students enter the labor market.

To support our Savola World Yumnak Program, we encouraged the Group’s senior employees to support, direct and guide local startup companies, and meet with administrative, strategic, planning, financial, marketing and technical specialists to increase growth opportunities and attract investments.

Through the Tawoon Contribution Fund, SAR 340,000 of financial assistance was channelled toward supporting employees that faced financial emergencies, such as the those that were affected by the gentrification of the historical district in the heart of Jeddah.

Saudization rate



Our People in 2023

Having cemented our position as the number one employer of choice in our sector last year, in 2023 Savola Group will develop new strategies to improve the skills and opportunities of our existing workforce and instigate new initiatives to recruit top talent, specifically from the Saudi population.





# CORPORATE SOCIAL RESPONSIBILITY

RESPONSIBLE ACTIONS. SUSTAINABLE IMPACT.

As an active and responsible sustainability pioneer in the Kingdom, Savola Group is an advocate, an activist and an achiever of positive change for our people, our environment and the world around us.

Savola Group has the welfare of the community and the sustainability of the environment at the heart of its operations. Every element of our business not only meets but exceeds the strict criteria we set ourselves, in line with our promise to contribute to the welfare of the world in general and our unwavering commitment to Vision 2030 in particular.



Our CSR strategies and principals are ingrained in the way we operate and are based on honesty, equality and the desire to promote a healthier natural and corporate world.



Our corporate structure is built on the foundations of a sustainable business operating within the parameters of a sustainable environment, promoting a culture of progress for the people who work alongside us and the communities we serve.

Savola Group is driven in its daily operations to contribute to Vision 2030 and will continue to play a leading role in achieving its sustainable, social and economic goals. Our long-term vision is perfectly aligned with the principles of a green, prosperous and productive nation, committed to the welfare of its people and the success of their future.

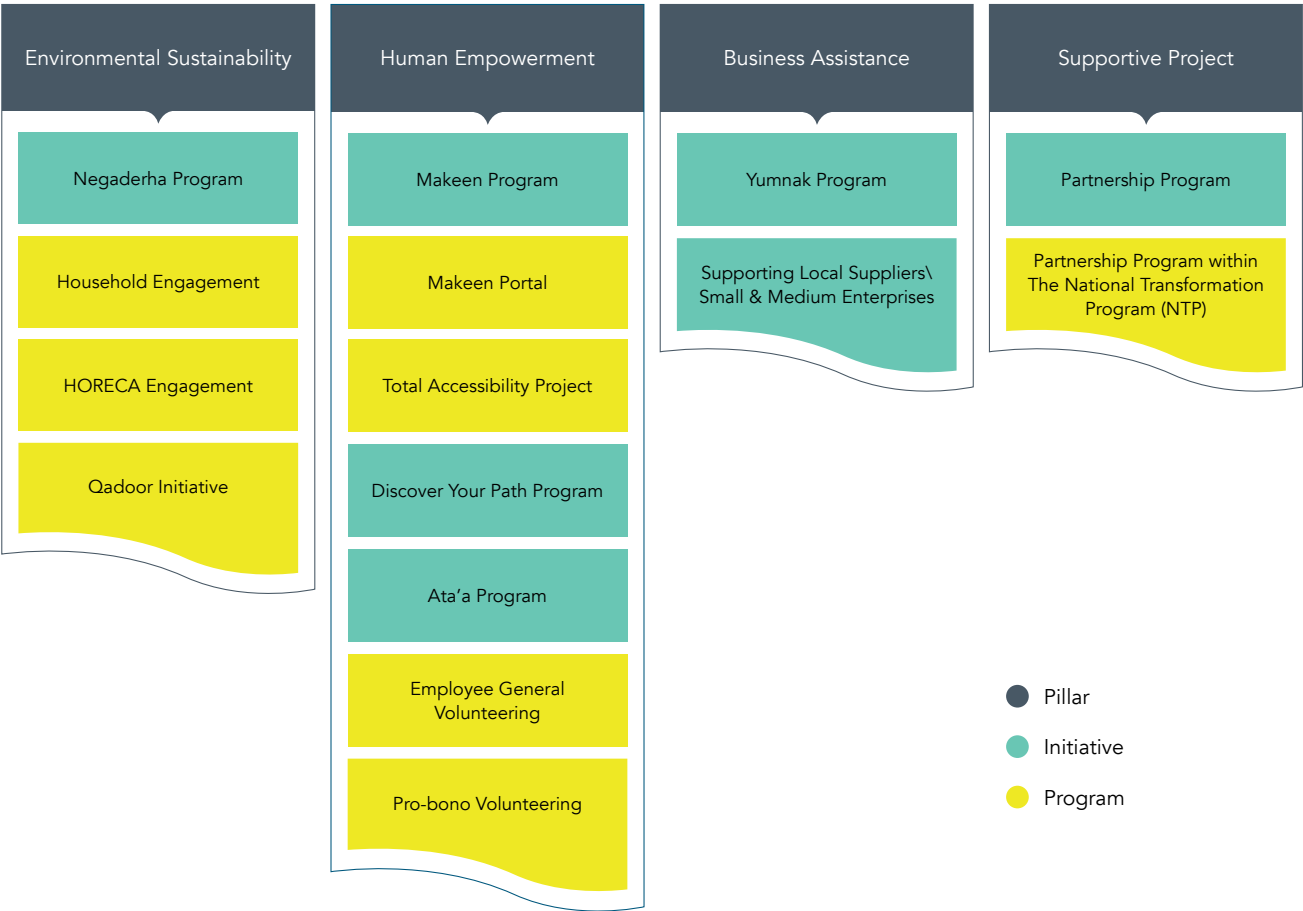
Our corporate structure is built on the foundations of a sustainable business operating within the parameters of a sustainable environment, promoting a

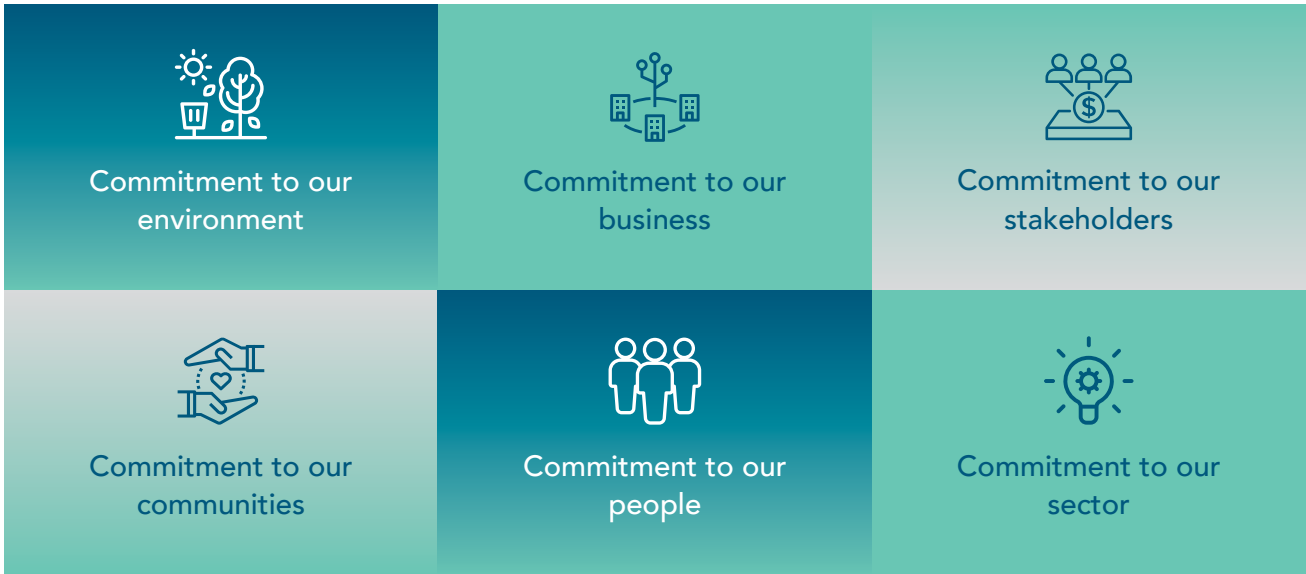
culture of progress for the people who work alongside us and the communities we serve. Our CSR strategies and principals are ingrained in the way we operate and are based on honesty, equality and the desire to promote a healthier natural and corporate world.

This philosophy is embodied in Savola World Foundation, a non-profit organization which spearheads the Group's CSR priorities. Established and funded by the Group, Savola World Foundation is allocated an

annual budget to support its programs and activities based on a resolution from the Savola Board of Directors.

Registered under the supervision of the National Center for the Non-Profit Sector (previously under the Ministry of Human Resources and Social Development from October 2019 until the end of December 2022), Savola World Foundation is a role model for business integrity in Saudi Arabia and a champion of social responsibility.






The Foundation identifies the Group's sustainable development priorities through in-depth interviews with key stakeholders to develop the Operating Strategic Positioning Matrix. This highlights where the community's needs meet the Foundation's capabilities and positioning, in order to select and act on the areas of greatest concern.

**CSR Committee of Savola Group**  
In 2022, Savola Group initiated the Corporate Social Responsibilities Committee to formulate and align the Group's CSR aims and activities to create competitive advantages through Savola World Foundation programs. The Chairman of the CSR Committee at Savola Group also acts as the Executive Director of Savola World Foundation and oversees and implements the Group's sustainability strategy.

As part of its social responsibility programs at a Kingdom-wide level, Savola World Foundation signed a Memorandum of Understanding with the National Transformation Program (NTP) to reduce food waste. This included helping to establish a sustainable method for collecting the relevant data from the retail sector.

Savola World Foundation also developed and executed joint communication awareness campaigns with the NTP and the General Food Security Authority (GFSA), previously known as the Saudi Grains Organization, to maximize awareness on the implications and impact of food waste and loss.



Makeen

**Makeen Program**  
The "Makeen" program focuses on the training and employment of persons with disabilities at Savola and in other companies.

**Mowaamah Certificate – Golden Status**  
Following a rigorous assessment on commitment, human resources management, recruitment, knowledge, communication, premises and ICT, the Group, with the support of Savola World Foundation, achieved the Mowaamah Certificate – Golden Status. The "Mowaamah" program is a license granted by the Ministry of Human Resources and Social Development, for work environments which are distinguished and convenient for employees with disability.

**Celebration of the International Day of Persons with Disabilities**  
In cooperation with the Savola Group companies (Head Quarters, Panda Retail Company, and Savola Food Company), Makeen Program held a celebration on the International Day of Persons with Disabilities, honoring all 273 employees with disabilities.





Negaderha

**Negaderha Program**  
Negaderha is a food waste management and reduction program in Saudi Arabia. It was developed to address food wastage as a national issue. The program targets 2 main segments: Household and the HORECA sector (hotels, restaurants and cafes).

Based on the Saudi Loss and Waste Index, first edition of 2019, the total food waste and loss ratio is 33.1% in the Kingdom, equivalent to 4.066 million tons. The Kingdom of Saudi Arabia aims at reducing this by 10% by 2030.

In 2022, the Negaderha Program successfully released and promoted its first Qadoor cartoon season, the animation episodes aimed at 6–10-year-olds, of a young man whose mission is to save food wastage across the Kingdom.

During Ramadan, Negaderha launched a successful community awareness campaign on social media called 'Iftar without Waste'. Working in cooperation with the National Transformation Program, the Ministry of Environment, Water and Agriculture and the General Food Security Authority, it was the first time Negaderha had launched an initiative at a national level.

During Hajj season and Eid Al-Adha, Negaderha launched its "Appreciate Food to Last" community awareness campaign, focusing on food storage and leftovers, especially Hajj foods, typically meat and special sweets.

**Discover Your Path**  
Discover Your Path enables high school students in the Kingdom to explore their professional preferences and therefore be able to select the most appropriate future career paths. It is an interactive educational program that includes an integrated educational journey presented through a specialized platform, targeting high school students and their parents. It aims to enable high school students in the Kingdom to choose the most appropriate academic and career path, by helping them to understand the local labor market and correcting misconceptions about some majors, and by realizing their skills and capabilities.



Ata'a

**Ataa Program**  
The Savola Group encourages its employees to participate in various volunteer programs. The Savola World Foundation has designed volunteer programs that support this approach by the Group and has also contributed to activities that support the personal and professional growth of the Group's employees and aligned this volunteer program with the Kingdom's Vision 2030.

Year
2022
Total of Volunteer Hours
121
Number of Volunteers
26
Number of Beneficiaries
338





**Yumnak Program**

As Saudi Arabia seeks to increase the contribution of SMEs to the Kingdom's Gross Domestic Product from 20% to 35% by 2030, Savola World Foundation is wholly aligned with the prospect of supporting entrepreneurship and privatization programs, while encouraging investment opportunities in new industries.

Savola World Foundation selected business assistance as one of the focus areas approved by the Foundation's Board of Trustees, with the objective of promoting economic growth and enabling SMEs to grow and prosper by achieving profitability and sustainability.

Yumnak, the Arabic for 'Your Right Hand' is Savola World Foundation's Business Assistance Program, aimed at supporting SMEs in the food and retail space on their journey to success. It is an intensive, practical and hands-on program, which provides the tools for companies to expand to the next level and come closer to reaching their potential.

Yumnak is unique in its focus on developing established companies and increasing their growth or attracting investments through the support, direction and guidance of administrative, strategic, planning, financial, marketing and technical experts.

Established in 2022, Yumnak developed an online communication strategy, visual communication materials and a dedicated page on the Savola World Foundation website, while working on technical design and launching the application form on a specialized website.

Following the Yumnak advertising campaign, 129 companies applied for the program, with 10 qualifying for the final stage. This included 2 weeks of lectures on topics such as marketing and optimizing distribution channels, financial and tax planning for SMEs, building a dynamic financial model, data rooms and alternate financing and valuations. These were supported by partnership and demonstration days.

**Panda Retail Company**

Panda's overarching sustainability philosophy is to partner with communities and enable better lives that will benefit both the community and ultimately the planet.

In 2022, Panda continued to spearhead its CSR 'Leave the Change for Them' initiative under the patronage of HRH Prince Sultan bin Salman Foundation for Disabled Children. The campaign leverages Panda's massive customer base by promoting a sense of belonging and in turn collecting proceeds to help the cause.



As part of its commitment to preserving the environment, Panda continues to explore sustainable solutions for its day-to-day operations.



During 2022, the company reactivated the Panda Caravan to encourage employee donations to charities which provide care for needy families across the Kingdom of Saudi Arabia.

Panda has launched its sustainability programs to align with Saudi Vision 2030, streamlining all initiatives on a department level and linking them with the Saudi Green Initiative. This includes offsetting emissions with the aim of achieving King Abdullah Economic City Certificates of Excellence in Environmental Sustainability, recycling initiatives during Saudi National Day and employee wellness events.

As part of its commitment to preserving the environment, Panda continues to explore sustainable solutions for its day-to-day operations. The company's energy-saving strategies significantly reduced its overall carbon footprint, embedding a green design philosophy and installing LED lights.

Focusing on sustainability and power management, Panda installed LED lights – approximately 80% more efficient than existing traditional fluorescent lighting – in 65 of its stores, saving an estimated SAR 2.28 million. In another energy initiative, timers were installed to switch off lights outside operational hours.

In order to regulate heat in terms of employee comfort and keeping goods in the optimum environment, Panda introduced smart thermostats in 98 stores, enabling remote monitoring and more efficient air conditioning systems. In addition, Panda installed new refrigeration systems with proactive monitoring, enabling action to be taken before equipment failure.

Minor upgrades related to energy saving options for refrigeration systems, such as more efficient insulation and lighting have had an enormous impact. Using cleaner, greener and cost-effective energy sources is a global goal and as a passionate supporter of the cause, several Panda stores have been directly connected to the grid, reducing their dependency on local in-house diesel generators. So far, 5 out of 16 stores have been linked, with the remainder to be linked later in the year.

**Sustainability in 2023**

In 2023, Savola World Foundation will continue developing its core programs and initiatives in its key focus areas, in line with the social priority issues of Vision 2030, and the Social Development Goals of the UN (SDGs).



Zero hunger



Good health and wellbeing



Quality education



Gender equality



Decent work and economic growth



Reduced inequalities



Responsible consumption and production



Climate action



Peace, just and strong institutions



Partnerships for the goals

Having consistently set new sustainability and CSR benchmarks over the years, we will continue to drive our ambitions for a cleaner and greener world with a healthier and happier population across the Kingdom.

Savola Group will deliver new strategies, new initiatives and new activities to engage the people we work with and the communities we live with to continue our ultimate goal of being an asset to society and an inspiration to others.