

Business Transformation Through Sustainability

Alturki Holding
Sustainability Report 2021

Contents

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03	About this Report	003
	2021 Sustainability Dashboard	003
	Memberships & Associations	003
	CEO's message	004
05	About Alturki Holding	005
	Building Great Businesses	005
	Values & Perform	006
	Our Brand	007
	Responsible Investments and Financing	008
	Alturki Ventures	009
10	Sustainability at Alturki	010
	Sustainability Framework	011
	Engaging with our Stakeholders	012
	Materiality 2021	013
	The Saudi Vision 2030	014
	Alignment of Material Topics	015
16	Exceptional Operation & Governance	016
	Board Committees	017
	Corporate Sustainability Governance	019
	Sustainability Committee	020
	Risk Management	021
22	Environmental Responsibility	022
25	Social Empowerment	025
	Our people	026
	Remuneration and Talent Management	028
	Grievance Mechanism	029
	IKTVA	030
31	Community Impact	031
	Quality Education	033
	Health & Welbeing	035
	Youth and Women Empowerment	038
	Vocational Training	040
43	Our Subsidiaries Sustainability Highlights	043
	Our Subsidiaries	044
	Subsidiaries Sustainability Governance Model	045
	Arkaz	046
	Inma Steel	050
	Inma Tech	052
	Masheed	054
	Musanadah	057
	Samara/Sixt	059
	Saudi ReadyMix	061
	Sawafi	066
68	GRI Standards Content Index	068



/ ABOUT THIS REPORT

Business Transformation Through Sustainability

We proudly present Alturki Holding's fourth sustainability report highlighting Environmental, Social, and Governance (ESG) performance across all our operations and subsidiaries for the year 2021. To provide readers with a better gauge of our performance, we provide data for three (3) years.

This report has been prepared in accordance with GRI Standards: Core Option. The report also aligns with the UN Sustainable Development Goals (UNSDGs), the Kingdom of Saudi Arabia's (KSA) Sustainability Standards launched in 2020 and the United Nations Global Compact (UNGC) Principles. Further, the key Material Topics for each subsidiary are derived from the Materiality Map published by the Sustainability Accounting Standards Board (SASB). The report's structure is based on Alturki's three (3) Sustainability Pillars namely Exceptional Operation & Governance, Environmental Responsibility and Social Empowerment, developed in 2019.

Given the unprecedented circumstances of the Covid19 pandemic in early 2020, some data and figures deviate between 2019 and 2020. However, in 2021 we have registered a steady recovery and ensured financial stability while thriving towards sustainable investments.

This year, we place a specific focus on the sustainability journey within our subsidiaries. For the first time we, therefore, include smaller reports highlighting each of our subsidiaries' key sustainability achievements and material disclosures. Tahreez, a provider in technology security solutions, is excluded in 2021 due to their only recent integration.

2021 Sustainability Dashboard

People		Safety and health		Environment	Community
3,950 Employees	521 newly hired employees	28 Number of lost time injuries (LTIs)	134,019 tons of supplementary cementitious materials (SCMs) used	5,390,865 SAR Spend on Community Impact Initiatives	
5% increase in the average H&S training per employee		273 Number of lost days from LTIs	7 SDGs addressed	78% Local Procurement	
83% of employees across the group joined the Coursera online training program		11 Lost Time Injury Frequency Rate (LTIFR)	Zero Use of petrol for off- road machinery	Newly formed Ethics Committee	
163.71 Average training hours	6% increase in local employees	2,531 Corrected unsafe conditions	Zero Use for Liquefied petroleum gas		
5,027 Number of toolbox training attendees		451 Number of unsafe acts			
2% Turnover Rate	20 Employees Nationalities	Zero Fire incidents			

Memberships & Associations

MEMBERSHIPS & ASSOCIATIONS 2021	MEMBERSHIP TYPE
The National Readymix Committee - Council of Saudi Chambers	Founding Board Member



US - Saudi Arabian Business Council	Board Member
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Saudi Standards, Metrology and Quality Organization (SASO)	Board Member
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Saudi Authority for Industrial Cities and Technology Zones	Board Member
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CEO's Message

I would like to welcome you to Alturkı Holding's 4th annual Sustainability report. This report displays how we have addressed the expectations of our stakeholders with regards to sustainability, and how we performed on material topics.

Based on our core priorities, this report reflects our commitment to create value for all our stakeholders. By building businesses responsibly and contributing to local and international sustainable development, we believe that we can help make the quality of the future for the next generations better. Alturkı places great importance on assessing and managing the environmental footprint of its operations, especially those of our carbon-heavy subsidiaries. In addition, as industry leaders in the Kingdom, we take responsibility for helping pave the way for others on their sustainability journey by investing in research and development, in addition to our work towards achieving the Kingdom's 2060 "Net-Zero" commitment.

One of our core priorities is safeguarding the overall well-being of our employees and their families. Therefore, we have committed to implementing better health and safety standards across our Group and created an independent oversight committee which reports to me as CEO. Moreover, we continuously improve our management systems and processes and recorded a 5% increase in the average health and safety training per employee in 2021. With regards to overall talent development, I am extremely excited about our Hemmah initiative launched last year to attract and develop the best people who will help our group of companies continue to thrive going forward.

As a proud Saudi company, we believe in our purpose to support our country in its overall vision and strategic objectives. Our contributions to the Kingdom are defined by high impact investment in and development of both for-profit and not-for-profit organizations, as well as by proactively aligning with the Vision 2030

objectives and initiatives. Also reflected in this report, you will read about how we worked to enhance our standing as a responsible organization in 2021 by increasing our efforts related to localization of content across our businesses helping national suppliers and service providers and their people grow and develop.

Demonstrating our commitment to upholding the highest standards of ethical and accountable business practices, we updated our Code of Conduct, the policy of delegation of Authority and our Governance Model. I believe these actions will contribute significantly to better performance and transparency overall.

Value creation for our shareholders and the society remains the highest priority for me and my team. I am extremely proud that we continue to make positive and profound impact on people's lives. Alturkı supports its communities by assessing community needs, and forming strategic partnerships to create solutions for community development. Positive social impact in the Kingdom and beyond was made in 2021 by allocating over five million Saudi Riyals in the areas of education, health and wellbeing, youth and women empowerment, vocational training, and entrepreneurship.

I would like to take this opportunity to thank all our stakeholders, especially our employees, customers and suppliers for playing such an important part of our journey towards a more sustainable future together. We recognise the positive efforts that each of you has made to enhance Alturkı and, by extension, the collective wellbeing and prosperity of our Kingdom. There is still a lot more to achieve but I am confident that, together, we can help to create a more sustainable future.

We continuously
strive to make
positive and
profound impact
on people's lives.

RAMI ALTURKI

President & CEO - Alturkı Holding

RAMI ALTURKI

President & CEO - Alturkı Holding

"I would like to take this opportunity to thank all our stakeholders, especially our employees, customers and suppliers for playing such an important part of our journey toward a more sustainable future together."

/ ABOUT ALTURKI HOLDING

Building Great Businesses

Alturki Holding is a premier investor and partner of choice for building sustainable businesses in Saudi Arabia and the MENA region. As a progressive partner, we support the Saudi Vision 2030 by facilitating economic diversification and societal development through the creation of shared value by adhering to all Economic, Societal and Governance (ESG) factors.

Alturki is a key player in the development of modern Saudi Arabia by being involved in nearly every major infrastructure project in the Kingdom since the company's establishment in 1975. With over four decades of experience, we have built and accelerated the growth of a portfolio of leading businesses across an array of sectors. These sectors include Construction and Building Materials, Infrastructure, Transportation, Information and Communications Technologies, Oil-Field Tools and Services, Real Estate, and more.

We will continue to grow our core strategic businesses; however, we will invest in new trending industries such as Healthcare IT, and Education Technology. We also consider companies that aim to positively transform business models and society through new digital technologies and harnessing the potential of the fourth industrial revolution.



THE HOLDING'S GOLDEN CIRCLE

WHY

To contribute proactively to Saudi Arabia's comprehensive sustainable development to achieve the country's vision

HOW

Based on our PERFORM culture and our unique Operating Model, guided by international Environmental, Social and Governance (ESG) standards

WHAT

Invest, develop, partner, give and govern responsibly

/ ABOUT ALTURKI HOLDING

Values

PERFORM is based on the idea to create value every day for all our stakeholders and promise each year to be better than the year before.

PERFORM

PASSION

We take a deep personal interest in acting purposefully to achieve excellence and success.

EXCELLENCE

We continuously strive to exceed expectations to achieve the best possible results.

RESPECT

We respect all our stakeholders, and we respect our environment.

FUN

We bring fun into our corporate environment, recognize efforts and celebrate achievements.

OPENNESS

We are open to ideas and diversity; we believe that transparency is essential in every aspect of our business.

RELIABILITY

We do what we say; we deliver on our promises.

MEANING

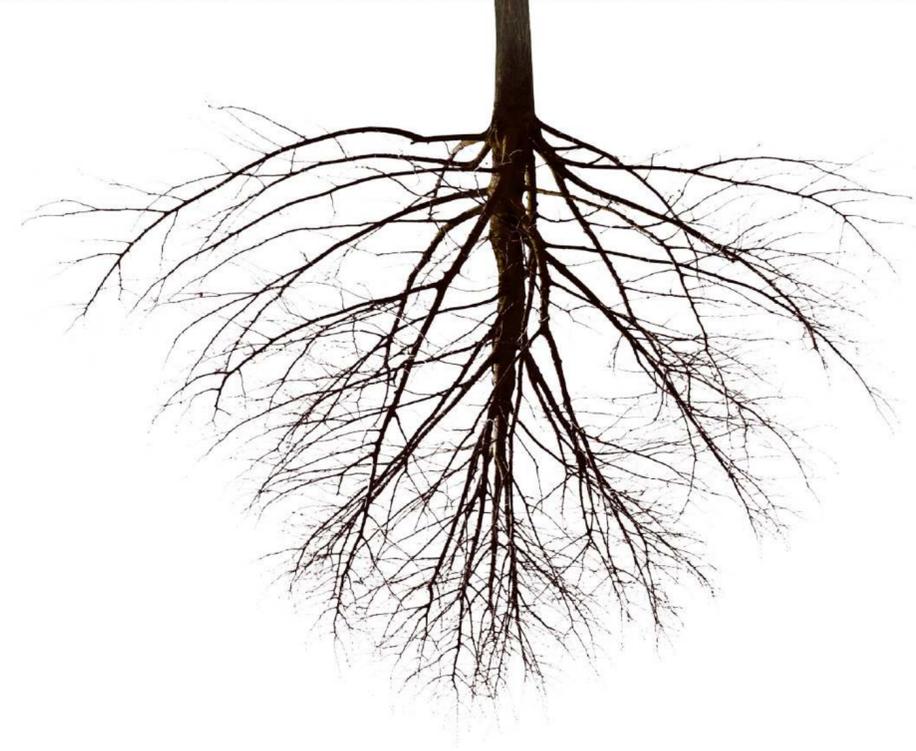
We bring meaning to our jobs and link them to the subsidiary's long-term goals, and we engage in activities that create value for society and the environment.



/OUR BRAND

Accelerates Interaction, Ensures Connectivity

At Alturki we place high importance on our online presence and connecting with the community through our social media channels. Through these channels, Alturki accelerates customer interaction and ensures connectivity and the sharing of information. We recognize a strong engagement across all channels; reflected in our number of followers. Over the past years, the follower base has steadily grown, and engagement especially with the new, connected generation is on the rise:



+135,000
Engaged user on Social media

LinkedIn: 24,663 Followers	Instagram: 1,228 Followers	Youtube: 121 Subscribers
Twitter: 4,391 Followers	Facebook: 840 Followers	Website: 104,775 Visitors

Responsible Investments and Financing

Our investment activities are conducted through three (3) investment arms within the Holding: Our Subsidiaries, our Joint Ventures and “Alturki Ventures”, our Corporate Venture Segment.



OWNERSHIP PERCENTAGES PER CAPITAL ACROSS THE THREE (3) INVESTMENT VERTICALS

Subsidiaries **60%**

Joint Ventures
Only Alturki Share portion **32%**

Alturki Ventures
includes unrealized gain on fair value **8%**

OUR JOINT VENTURES

Through our Joint Ventures, we pool our resources with other businesses to scale-up companies, develop new products, move into new markets and catalyze innovative ideas. To ensure the Holding has a strategic overview of the Joint Ventures’ activities, the same governance system as for the fully owned subsidiaries applies. Further, the Holding strives to obtain the majority of seats on the Board and seeks the statutory rights to nominate the Chairman of the Board and the Finance Director. This strategic accompaniment ensures our values, beliefs, and high sustainable practices are upheld across the portfolio.



ALTURKI VENTURES

Alturki Ventures

Through our Corporate Venture Capital arm “Alturki Ventures”, we aim at diversifying our portfolio and having a positive impact on society by investing and supporting the development of start-up companies. We invest in start-ups that use new technologies and strive to enter new markets to gain a competitive advantage. We support the start-ups with management and marketing expertise, strategic direction, and line of credit.

Over the past years, Alturki Ventures has built a strong foundation through a consistent set of high-quality investments around the globe. Further, the fund can deliver expanded returns by adopting additional venture capital best practices, expanding network access in key geographies, and harnessing the strategic value of the Alturki Holding portfolio. Alturki Ventures’ portfolio reflects the group’s initiatives to fully transform towards sustainable investing and technological innovation. This investment strategy is derived from the Holding’s Golden Circle and upholds the following objectives:

- Generate a new income stream
- Capture and share the “art of the possible” in technology and other major trends
- Drive Internal culture change by enhancing minds, creating speed, and agility and embracing opportunities
- Optimize existing Businesses within the Holding
- Increase access to global innovation network through relationship building



Our belief is that sustainable business practices should not only enhance returns but also tackle local and global socio-economic challenges while maintaining our ethical reputation across Saudi Arabia.

Sustainability at Alturki

-
- 11 Sustainability Framework

 - 12 Engaging with our Stakeholders

 - 13 Materiality 2021

 - 14 The Saudi Vision 2030

 - 15 Alignment of Material Topics

/ SUSTAINABILITY AT ALTURKI

Business Transformation Through Sustainability

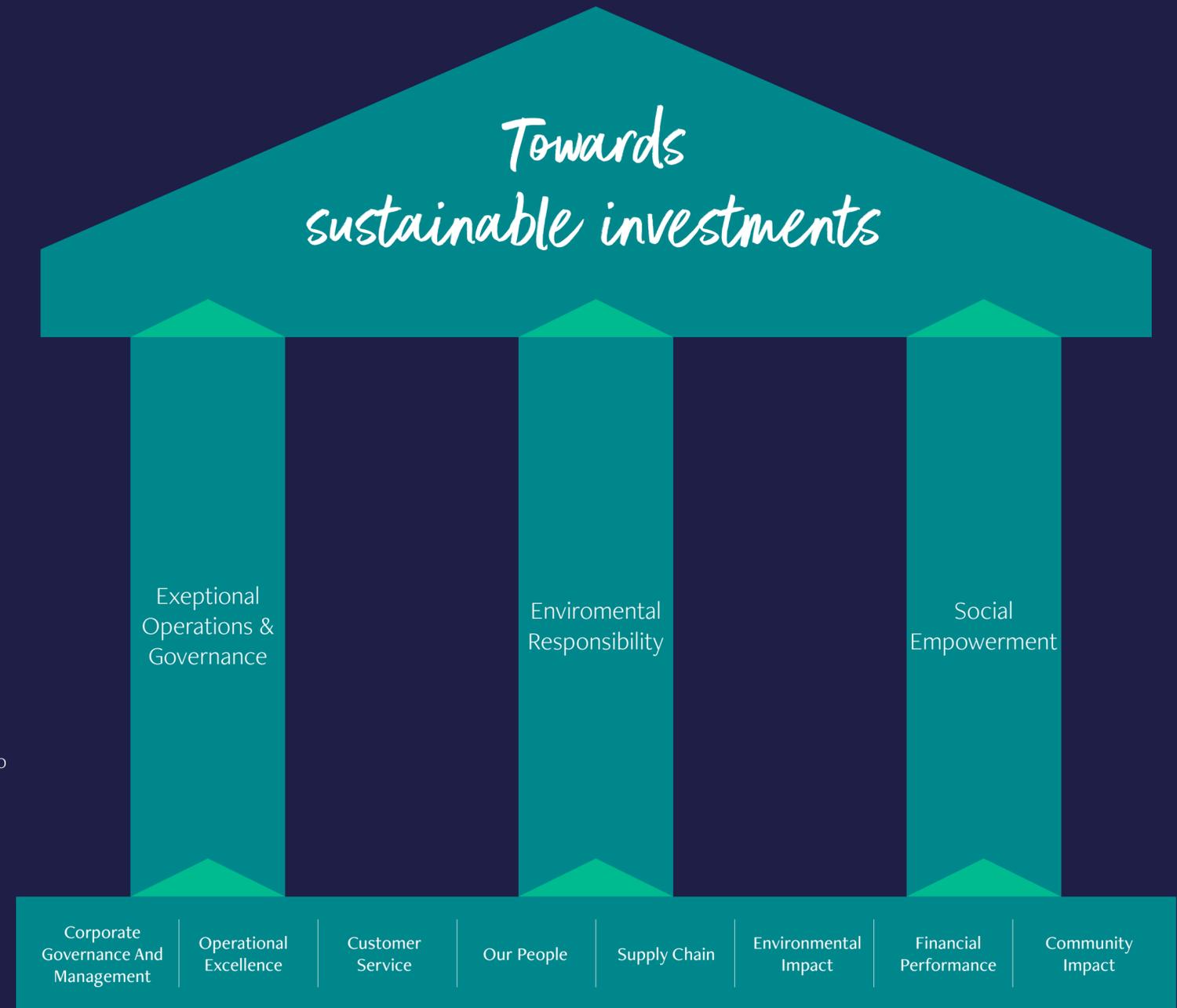
We strive to achieve sustainable growth through the creation of economic value while making a positive impact on our people and the environment in which we operate.

Our belief is that sustainable business practices should not only enhance returns but also tackle local and global socio-economic challenges while maintaining our ethical reputation across Saudi Arabia. Our ambitions for 2020 “Towards Sustainable Investments” have been further amplified throughout 2021. Also, this year we placed an emphasis on enhancing our current business operations with sustainability and thereby creating economic value through responsible practices.

SUSTAINABILITY FRAMEWORK

The Alturki Sustainability Framework does not only function as the basic structure of the sustainability report but also represents the bedrock of the company’s sustainability efforts.

At its foundation lie eight (8) focus areas, each with clear internal targets and KPIs. These support the company’s three (3) sustainability pillars: Exceptional Operations & Governance, Environmental Responsibility and Social Empowerment. The framework guides us while striving towards sustainable business practices across the portfolio and the Holding.



/ SUSTAINABILITY AT ALTURKI

Engaging with our Stakeholders

We define stakeholders as individuals and entities that can be affected by the work and services that our company provides or those who influence our ability to achieve the objectives. Their inputs are crucial in defining our growth and fueling our sustainable development. The list of stakeholders is constantly updated and enlarged as new subsidiaries are acquired, more markets are explored, and new products or services are added to our offerings. In 2021, as part of our diversification strategy, two (2) more subsidiaries joined the Group. As of this year, these subsidiaries, respectively in the field of security and real estate, are included in the Group's stakeholder engagement.

ALTURKI STAKEHOLDERS

ENGAGEMENT METHOD & FREQUENCY

Owners & Board of Directors

- Board Meetings: Four (4) times per year
- Internal communications platforms, emails, calls, and in-person meetings: Regularly or As Needed
- Sustainability Report: Materiality Survey every two (2) years

Employees

- Internal communication platforms, emails, calls, and in-person meetings: Daily or As Needed
- Employee Engagement Survey: Annual or As Needed
- Team meetings: Periodic or As Needed
- Performance appraisals: Annual
- Sustainability Report: Materiality Survey every two (2) years

Subsidiaries (Management)

- Meeting with subsidiary management teams: Periodic or As Needed
- Internal communication platforms, emails, calls, and in-person meetings: Daily or As Needed
- Reporting on business development practices: Periodic or As Needed
- Sustainability Report: Materiality Survey every two (2) years

Bank & Lenders

- Internal communication platforms, emails, calls, and in-person meetings: Daily or As Needed
- Sustainability Report: Materiality Survey every two (2) years

Community Partners

- Meetings with nonprofit organizations and community groups: As Needed
- Community needs assessment through specific stakeholders: As Needed
- Sustainability Report: Materiality Survey every two (2) years

/ SUSTAINABILITY AT ALTURKI

Materiality 2021

Ongoing engagement with the Group's key stakeholders is fundamental to understand how material topics are perceived and if there are changes in prioritization.

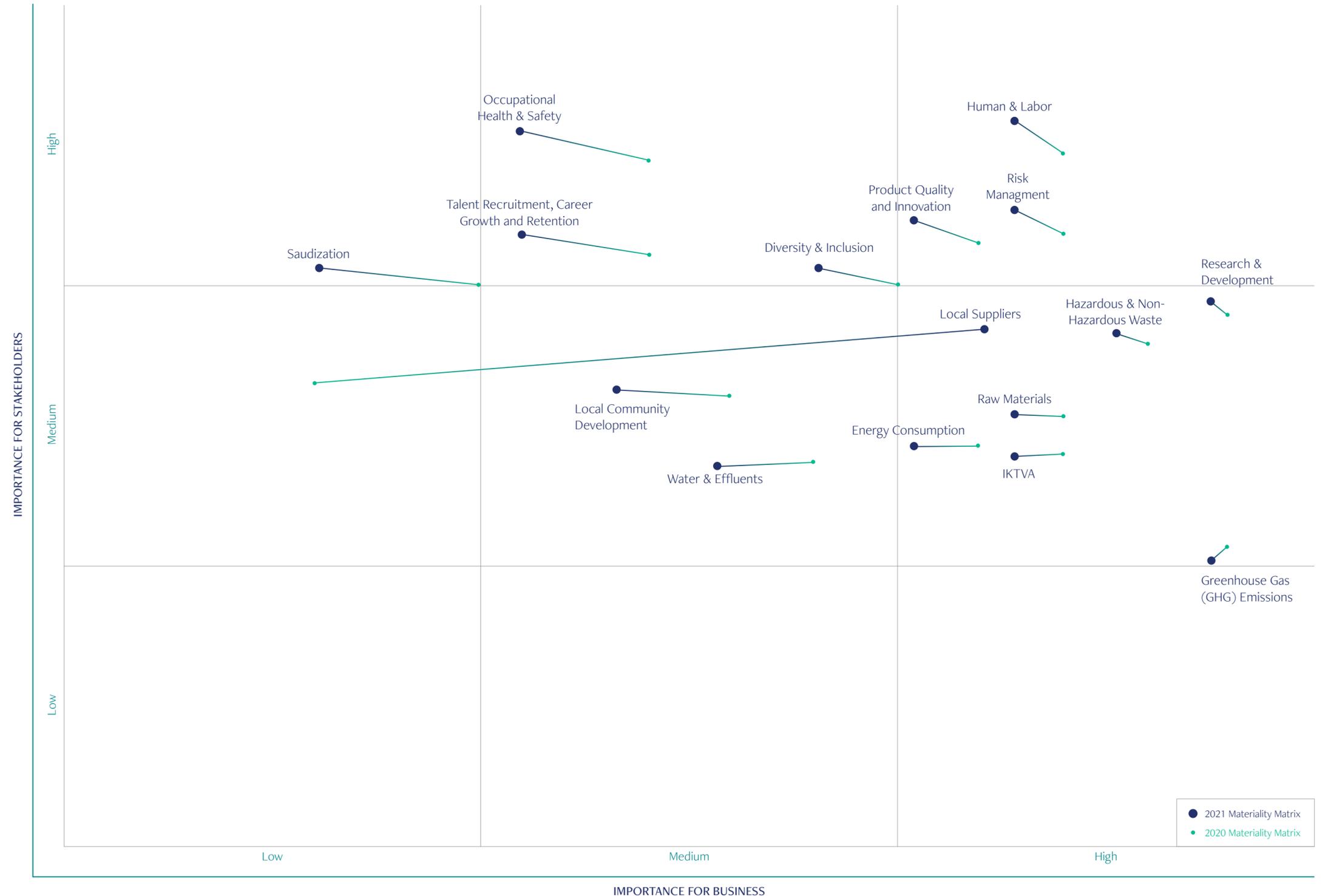
The specific material topics are defined on a group level. However, to consider the diverse subsidiaries and shed more light on their respective industries, the 2021 Sustainability Report takes a closer look at sustainability within the operations of our subsidiaries.

Materiality Matrix

The materiality matrix illustrates the importance of each defined topic to our business and our external stakeholders.

The topics in the top right corner are seen as the most material ones. After revising the topics in 2021, we grasped that supporting "Local Suppliers" has not been addressed thoroughly in previous years. To increase the importance of supporting KSA-based businesses, we shifted the topic further to the right on the materiality matrix and addressed it as a core part of the materiality exercise and its integrated data collection process. Apart from revising "Local Suppliers", the materiality matrix remained unchanged. This decision was based on industry benchmarking and our approach to conducting the materiality exercise every two (2) years. However, the relevance of the topics was confirmed through comprehensive stakeholder engagements. Our alignment with the Saudi Vision 2030 and the UNSDG goals remains consistent in 2021.

MATERIALITY MATRIX





The Saudi Vision 2030

Alturki supports the Saudi Vision in all three (3) pillars: Ambitious Nation, Thriving Economy and Vibrant Society and caters to the strategic objectives under each pillar:

THE SAUDI VISION THEMES	Ambitious Nation	Thriving Economy	Vibrant Society
DESCRIPTION	<p>An ambitious nation applies efficiency and responsibility at all levels in order to deliver the Vision, including building an effective, transparent, accountable, enabling and high-performing government</p>	<p>A thriving economy provides opportunities for all by building an education system aligned with market needs, gives the youth the skills for jobs of the future, and creates economic opportunities for entrepreneurs, small enterprise as well as the large corporation</p>	<p>Our vibrant society is characterized by strong roots and a solid foundation that emphasize moderate Islam, national pride, Saudi heritage, and Islamic culture while offering world-class entertainment options, sustainable living, care in the community, and efficient social and health care systems</p>
ALTURKI'S CONTRIBUTION	<p>Enable Social Responsibility:</p> <ul style="list-style-type: none"> □ To create long-term impact across the community, Alturki allocated 5,3 M SAR to 22 different NGOs and initiatives in 2021 □ The updated Code of Conduct sets the highest level of ethical and transparent business operations 	<p>Develop Human Capital in line with Labor Market Needs:</p> <ul style="list-style-type: none"> □ In 2021 three (3) events and two (2) programs were supported under “Vocational training”, a key strategic pillar of Alturki’s CSR activities <p>Improve readiness of Youth to Enter the Labor Market:</p> <ul style="list-style-type: none"> □ Under our dedicated Internship program, a total of 21 interns were onboarded in 2021 <p>Increase employment:</p> <ul style="list-style-type: none"> □ We employ a total 935 Saudi nationals across the Alturki Holding, an increase of 252 compared to 2020 □ Our 151 newly hired female employees show our dedication to diversify the labor market <p>Grow and Diversify the Economy:</p> <ul style="list-style-type: none"> □ On an ongoing basis, relevant subsidiaries and the Holding work closely with Saudi Aramco and participate in IKTV. Operations are overseen by our dedicated Aramco Account Director □ With the integration of a new subsidiary in the sectors of Security Technology we continue diversifying our portfolio and cater to the growing economy at large 	<p>Strengthening the national identity:</p> <ul style="list-style-type: none"> □ As a sponsor of the Sharaqiya Festival, an integrated festival preserving Saudi heritage, Alturki contributes to upholding national values and conserving national belonging <p>Improve Healthcare Service:</p> <ul style="list-style-type: none"> □ Vision 2030 emphasizes digitization of the healthcare sector as an important area set to improve the quality. Alturki’s subsidiary, Inma Tech, digitalizes the space by being the leading technology solution provider that supports the provision of elevated healthcare for all Saudi citizens. □ In 2021, Inma Tech integrated a low-code automation platform and a live collaboration AR technology for operating and diagnostic rooms into their portfolio

Alignment of Material Topics to the UNSDG Goals

The UN Sustainable Development Goals (SDGs) set a “blueprint to achieve a better and more sustainable future for all”.

The global framework for countries, businesses and other stakeholders addresses society’s most important challenges and encourages collaboration to achieve a better and more sustainable future by 2030. Below is illustrated how Alturki’s material topics align to seven (7) of the SDGs and what actions are being taken in achieving the goals:

Alignment with the Alturki Sustainability Framework	Material Topics in 2021	Description	Reference	SDG Alignment
Exceptional Operations and Governance	Risk Management	Manage inherent and expected health, social and environmental risks across our operations	“Exceptional Operation & Governance”, page 16	
	Product Quality and Innovation	Ensure we respond to the highest standard of quality and invest in innovative, sustainable solutions	our “Driving digital transformation” pillar found on Our Website	
	Research & Development	Invest in R&D to innovate our business and find solutions that contribute to the Kingdom’s sustainable development	“Saudi ReadyMix”, page 60	
Environmental Responsibility	Raw Materials	Manage and remain transparent on our use of raw materials (amount, handling, etc.)	“Material Consumption” page 24	
	Hazardous and Non-Hazardous Waste	Implement policies and procedures to handle operational waste and recycling	“Waste Management” page 24	
	Water and Effluents	Manage and remain transparent on water consumption (by type) and programs to reduce it	“Water Management”, page 24	
	Energy Consumption	Manage and remain transparent on energy usage and sources of energy	“Energy Consumption”, page 23	
	Greenhouse Gas (GHG) Emissions	Account for the company’s overall GHG emissions and strategic approach to reducing the environmental footprint	“GHG Emissions”, page 23	
Social Empowerment	IKTVA	Improve internal procedures to ensure higher scoring in the IKTVA program	“IKTVA”, page 30	
	Saudization	Conduct initiatives and educational support to increase the number of Saudi nationals in our workforce	“Our People”, page 27	
	Local Suppliers	Create sustainable and local supply chains that consider environmental, social, economic and ethical impacts	“Our Supply Chain”, page 29	
	Local Community Development	Implement methods, policies, programs and services that support the development of local communities	“Community Impact”, page 31	
	Human & Labour Rights	Ensure that human and labor rights are respected across our operation and encourage transparent communication to respond to employee concerns and needs	“Health & Safety”, page 29	
	Occupational Health & Safety	Reduce incidents and injuries among our workers by providing the necessary tools and training regarding health and safety	“Health & Safety”, page 29	
	Diversity & Inclusion	Practice non-discrimination and provide fair and equal opportunities for employment, career growth and prosperity	“Our People”, page 26	
Talent Recruitment, Career Growth and Retention	Implement a clear and structured system to recruit skilled professionals, develop internal capabilities and ensure retention	“Our People”, page 26		

Exceptional Operation & Governance

- 17 Board Committees
- 19 Corporate Sustainability Governance
- 20 Sustainability Committee
- 21 Risk Management

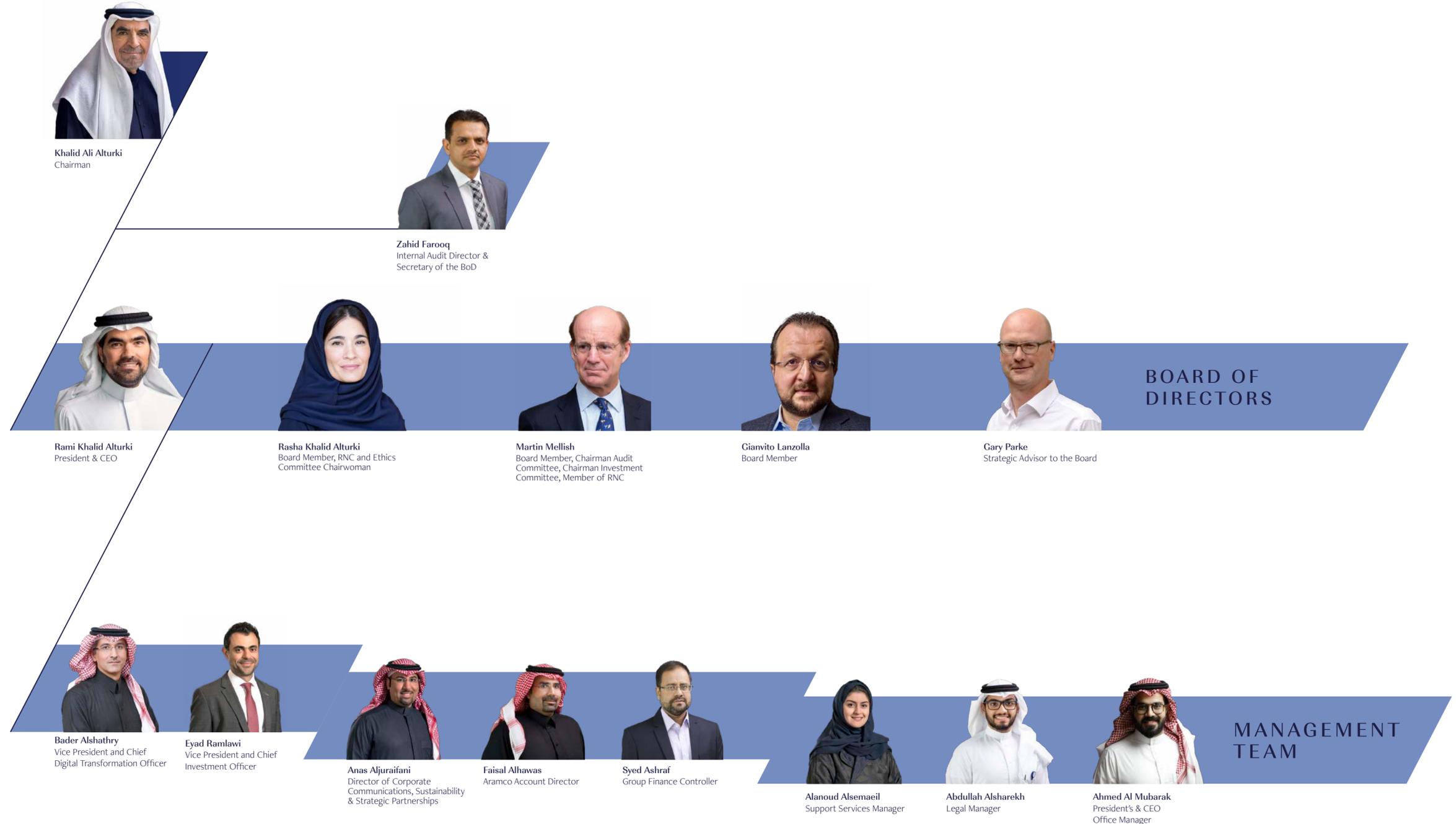
/ BOARD COMMITTEES

Organizational Structure

The shareholders of Alturki, overseen by the company founder, who sits as board chairman, elect the Board of Directors. The Board appoints the President & CEO of Alturki, who then becomes a De officio member of the Board.

Other board members include executive and non-executive members nominated by the Chairman as per Remuneration and Nominations Board Committee recommendations.

The President & CEO develop and manage the Alturki portfolio based on high-level strategic objectives. An Internal Audit Director audits Alturki on behalf of the Chairman of the Board and the Alturki Audit Committee. The Delegation of Authority (DOA) document formalizes the fiduciary delegation of decision-making rights from the shareholders (Alturki Board) to Alturki and subsidiary management.



Code of Conduct

The Alturki Code of Conduct (CoC) intends to establish standards and guidelines for expected employee behavior with regards to dealing with our people, maintaining a safe and healthy work environment, understanding and obeying the rules and regulations, maintaining the highest standards of business practices and observing ethical behavior.

It also sets out expectations for our people to protect company assets and resources, ensure information security and be committed to behaving ethically. Alturki believes in being an integrated institution that considers the actions of a single employee to have corresponding ramifications on the institution and its reputation. It is expected that stakeholders and all employees are familiar and comply with the Code. Breaches of the Code are unacceptable and may result in disciplinary action, termination, litigation, or dissolution of business relations.

The policy was updated in 2021 to safeguard the highest ethical standards within the Holding and across our portfolio. It continues to ensure that the code does not only provide guidance but acts as a public statement. The code of conduct, separately defined for business partners, employees and suppliers, is publicly available on [Our Website](#).

Governance Policies

Compulsory policies are approved by the Holding and implementation is required across the subsidiaries. The policies are usually in the following areas:

Accounting and treasury	Strategy development, budgeting and performance appraisal	Critical digital technology infrastructures
Sustainability policies	Corporate communication	Talent management
Nationalization	Salary, bonus and incentive schemes (including LTI and STI)	Legal compliance

Board Committees

As of 2021, we integrated one (1) additional committee into our board structure: The Ethics Committee now functions alongside the three (3) established committees: (i) Audit; (ii) Remuneration & Nomination; (iii) Investment.

Audit Committee:

The Audit Committee reviews significant accounting and reporting matters and regulatory pronouncements to understand the potential impact on financial statements. The committee met four (4) times in 2021 and its main responsibilities were met:

- Reviewed accounting policies and procedures and ensured compliance with rules and regulations
- Reviewed internal controls over financial reporting
- Reviewed proposed audit approaches for internal audits and approved internal audit plans
- Draft recommendations for the Alturki BoD

Remuneration & Nomination Committee:

The Remuneration and Nomination Committee is established to ensure that reward policies support our performance culture, reflect business affordability and market needs and encourage employee accountability.

Investment Committee:

The Investment Committee's role and responsibilities include approving and reviewing the investment strategy and policy, measuring and assessing investment performance, studying, and evaluating investment opportunities. To demonstrate our commitment to being a responsible organization, we gradually increase the focus on ESG integration into our financing activities. The Committee is appointed and chaired by the President who defines its role and responsibilities, tenure, and authority. The investment committee did not meet in 2021.

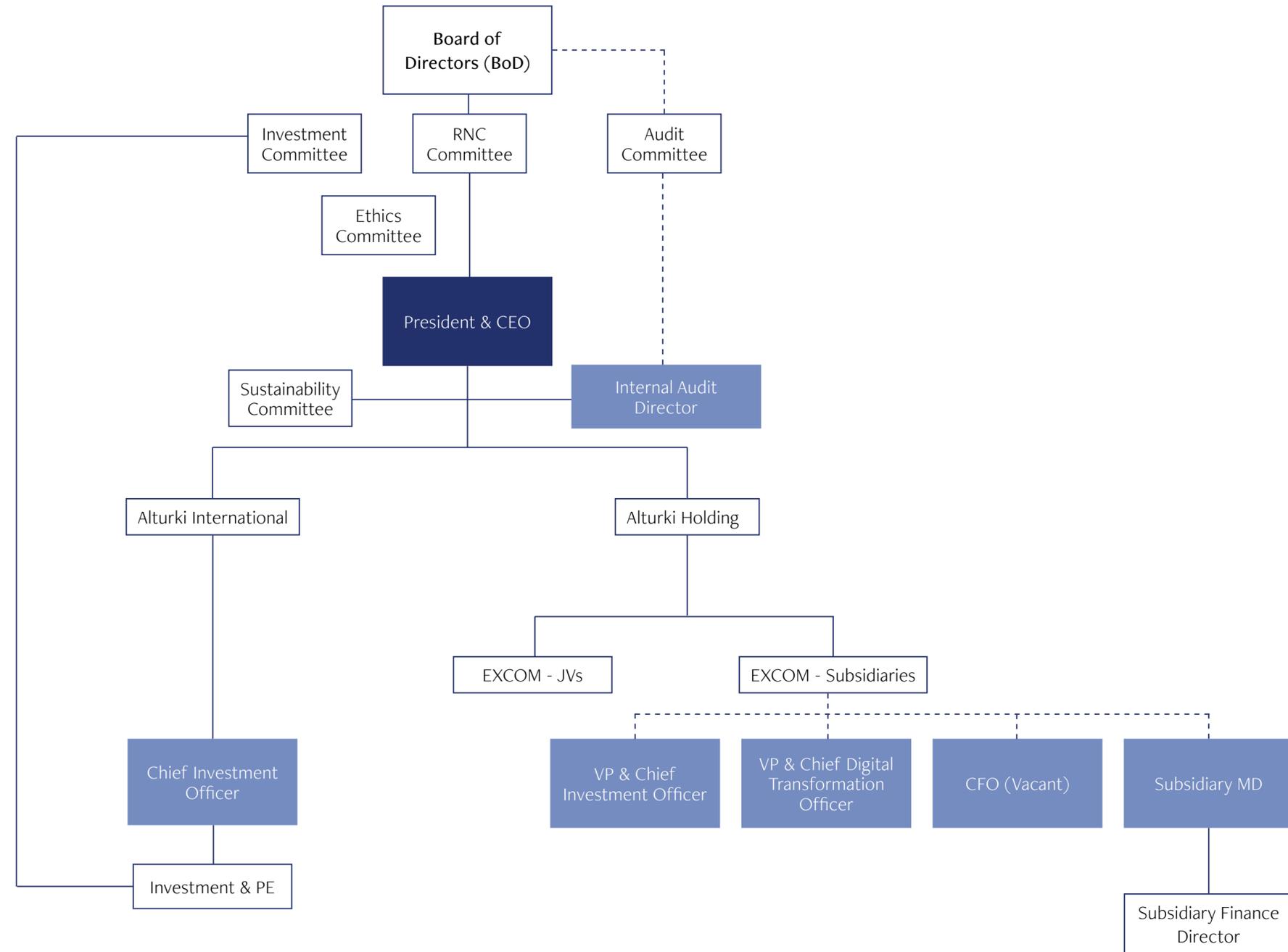
Ethics Committee:

Its responsibility is to oversee compliance with the Code of Conduct (CoC) and to investigate any ethical violations within the Holding and its subsidiaries. The Committee is setting new state-of-the-art ethical standards when striving for operational exceptional operations and governance.

Corporate Sustainability Governance

At the Management level, we have a dedicated Sustainability Committee chaired by the President & CEO and our Sustainability and Strategic Partnership Director.

Across our subsidiaries, we have appointed Sustainability Representatives. The list of representatives is updated on an annual basis. Their input is essential in understanding and managing sustainability-related topics specific to the diverse industries of the subsidiaries. Through regular training and engagement sessions, their skills and knowledge are enhanced, and commitment is safeguarded:



Sustainability Committee

Sustainability at Alturki is primarily led by our Sustainability Committee, established at the Management level. The committee overlooks our sustainability strategy and integration roadmap guiding our management and operations to establish sustainability across our Group. The responsibilities of the Committee lay within three (3) dimensions:

Community and Social Responsibility:

The Sustainability Committee ensures that our impact initiatives and programs are working towards human development and fall under our defined social focus areas. A continuous review of Alturki's policies and initiatives on community engagement and social responsibility ensures excellent performance and achievement of targets.

Health & Safety:

Ensuring the safety and well-being of our most valuable asset, our employees, is vital. The committee ensures health and safety targets are met and key information and recommendations regarding the topic are spread across the Holding and its subsidiaries.

Environment:

The Committees' responsibilities are managing and reviewing key initiatives and policies that essentially safeguard the company's future by mitigating all non-financial risks and minimizing our impact on the environment.

Risk Management

Part of our sustainability framework entails the measuring, managing, and monitoring of risks inherited by our business operations.

As the building and construction material industry makes up the majority of our portfolio, we place a focus on specifically identifying and managing our environmental risks and addressing our environmental footprint. The specific risks depend on the nature of the business, ranging from water, energy or waste management to material sourcing or GHG reduction.

Our managerial approach to environmental topics and respective data is stated under “Environmental Responsibility” on [page 22](#).



Environmental Responsibility

- 23 Energy Consumption
- 23 Greenhouse Gas (GHG) Emissions
- 24 Material Consumption
- 24 Waste Management
- 24 Water Management

Environmental Responsibility

As in previous years, we are committed to fully support the KSA Vision 2030 on environmental sustainability and achieving the United Nations Sustainable Development Goals (SDG). We also align with Saudi Arabia's commitment to the Paris Agreement under the United Nations Framework Convention on Climate Change.

We acknowledge that especially the subsidiaries operating in the building material and construction industry have a significant environmental footprint. The careful management of natural resources is, therefore, necessary to address the arising footprint. Our subsidiaries have policies, regulations, systems, and procedures in place to ensure they effectively monitor and manage their specific environmental impact. Further, we require all our subsidiaries to report on their environmental data and KPIs, defined under the Alturki Sustainability Roadmap. This year, throughout the Holding and its subsidiaries, an increase of energy, GHG, water, and waste consumption is reported. These changes are a result of increased production, especially compared to the significant slow-down in 2020, and the integration of further subsidiaries.

Energy Consumption

In 2021 Alturki and its subsidiaries consume Petrol and Diesel for on-road vehicles and stationary machinery such as generators. This year, there has been no use of petrol for off-road machinery nor liquified petroleum gas recorded. We monitor our usage and frequently and strive to introduce new technologies, processes and regulations to control and minimize our consumption. Among the subsidiaries, the biggest consumer of petrol, diesel, and electricity is Saudi ReadyMix.

ENERGY SOURCE	USAGE	2019	2020	2021
Petrol (Liters)	On-Road Vehicles Owned or Leased by the Company	4,458,146	3,847,662	11,440,373
	Off-Road Machinery Owned or Leased by the Company	3,448	2,150	-
	Stationary Machinery & Generators	6,132	1,813	3,000
Diesel (Liters)	On-Road Vehicles Owned or Leased by the Company	22,702,499	10,484,219	11,878,501
	Off-Road Machinery Owned or Leased by the Company	3,645,807	1,777,813	1,539,121
	Stationary Machinery & Generators	2,498,265	1,065,239	7,253,073
Liquefied Petroleum Gas [LPG] (M ³)	On-Road Vehicles Owned or Leased by the Company	30,100	13,200	-
Electricity (Kwh)	Purchased from the National Utility Company	23,918,098	17,737,306	18,221,681

Greenhouse Gas (GHG) Emissions

Alturki continues its commitment to reducing GHG emissions by measuring and managing its carbon footprint and by investing in new technologies.

Based on the GRI Standards, we divide the emission data into Direct (Scope 1) Emissions, including petrol and diesel consumption from vehicles and machinery owned and leased by the company, and Indirect (Scope 2) emissions, including electricity consumption.

EMISSION TYPE	ENERGY SOURCE	USAGE	2019	2020	2021	
Scope 1 Direct Emissions*	Petrol (Liters)	On-Road Vehicles Owned or Leased by the Company	11,005	9,498	28,239	
		Off-Road Machinery Owned or Leased by the Company	9	5	-	
		Stationary Machinery & Generators	15	4	7	
	Diesel (Liters)	On-Road Vehicles Owned or Leased by the Company	66,119	30,534	34,595	
		Off-Road Machinery Owned or Leased by the Company	11,542	5,628	4,873	
		Stationary Machinery & Generators	7,188	3,065	20,871	
	Liquefied Petroleum Gas [LPG] (M ³)	On-Road Vehicles Owned or Leased by the Company	180	79	-	
	Total GHG Emissions Scope 1			96,060	48,815	88,586
	Scope 2 Indirect Emissions**	Electricity (Kwh)	Purchased from the National Utility Company	19,071	14,143	13,076
Total GHG Emissions Scope 2			19,071	14,143	13,076	
Total GHG Emissions (Scope 1 & 2)			115,131	62,958	101,662	

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Scope 2: CO2 emissions are reported following the location-based method, which uses grid average emission factors. Conversion factors relevant to KSA come from the electricity/heat emission factors published by the International Energy Agency (IEA 2010).

Material Consumption

Given the different sectors in which our subsidiaries operate, we purchase numerous types of materials to fulfill production requirements and meet client expectations. For this year's report, we included twelve (12) different materials. These have been identified on their intensity and the use we make of them, as well as consideration of their impact on the environment given the production system and the raw material supply chain. Compared to previous years, the nature of the materials disclosed changed due to changed and improved tracking mechanisms across the Holding and due to changes in the business models and operations across subsidiaries.

TYPE OF MATERIAL	2019	2020	2021
Cement	1,130,552	607,110	9,353,615
Aggregate	3,214,926	1,831,441	3,553,000
Sand	2,252,939	1,451,973	2,332,539
Fly Ash	-	-	108,182
Microsilica	-	-	104,583
Regen Ground Granulated Blast furnace Slag (GGBS)	-	-	34,256
Sulpho-ted -phthalene formaldehyde condensate (SNF)	5,751	8,828	7,500
Poly Carboxylate	1,892	2,766	3,900
Paint	-	-	3,800
Sodium Lignin	1,619	1,733	2,200
Thinner	-	-	770
Steel Plates	300	360	2,770

Waste Management

Once materials are purchased and utilized, all our subsidiaries and the head office monitor and ensure a correct and environmentally friendly waste management process. Most of our waste is handled by specialized third-party companies that operate in the Kingdom and adhere to the environmental laws and regulations.

With an increase in production in 2021 especially at our subsidiary Saudi Ready Mix, the waste consumption also increased. We acknowledge that there is a lot we can do to reduce and reuse our waste. Our aim is to constantly work on our data collection systems across subsidiaries, implement changes and identify areas where attention is required.

WASTE CATEGORY	WASTE TYPE	2019	2020	2021
Non-Hazardous Waste	General Waste	1,432	1,845	2,120
	Tires	410	470	95
	Rejected Concrete	17	17	36,817
	Dumped Concrete	-	-	6,386
	Metal Scrap	20	22	206
Hazardous Waste	Engine oil	35	37	96,617
	Batteries	116	107	75
	Oil / Lubricants	582	560	24,270

Water Management

At Alturki, we recognize the fundamental role of water in our everyday life, especially considering that we are located in one of the world's driest countries. We are determined to continue our efforts to reduce water consumption to ease the burden on freshwater consumption; mainly derived from desalination plants around the country.

WATER SOURCE	2019	2020	2021
Utility Water Consumption (m ³)	949,366	781,534	1,056,346
Chiller Water (m ³)	-	-	1,200,000

We believe that all people should have equal access to opportunities and potential for career progression.

Social Empowerment

- 26 Our people
- 28 Remuneration and Talent Management
- 29 Grievance Mechanism
- 30 IKTVA

/ SOCIAL EMPOWERMENT

Our People

Having qualified and motivated employees is a prerequisite for success at Alturki. Acknowledging and developing the talents of each is therefore at the core of our company values; characterized by trust, transparency, meritocracy, and gender equality.

We continue to nurture this through our unique corporate culture model that is based on the underlying values of “PERFORM”, an acronym for Passion, Excellence, Respect, Fun, Openness, Reliability, and Meaning.

When managing our workforce, we place a special emphasis on having diverse teams as it is a competitive advantage and a powerful asset for business success. Enabling equal access to opportunities, nurturing development, and supporting career progression is essential in every part of our HR management. The dedicated managerial approach is ensuring we can offer a thriving workplace that enables our capable, committed, and productive employees to grow on a professional and personal level.

Workforce Profile

Full-time Employees

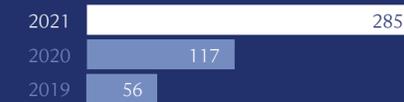
Total employees



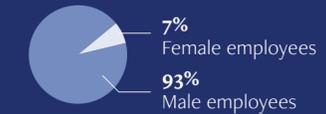
Male employees



Female employees

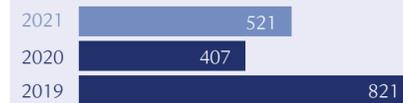


2021 Percentage

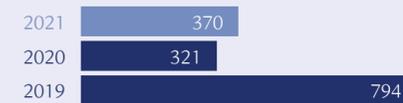


New Hires

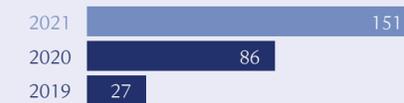
Total Employees



Male employees



Female employees



2021 Percentage



Top Management

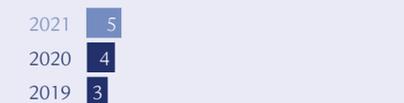
Total employees



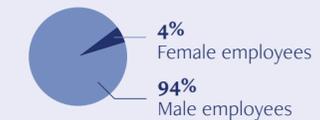
Male employees



Female employees

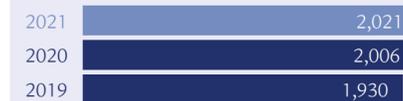


2021 Percentage



Employee Seniority within the Company

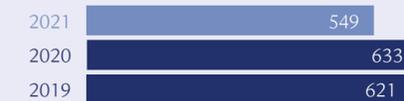
0-4 years



5-9 years



10-14 years



15 years or more



Employee Age

18 - 24



25 - 34



35 - 44



45 - 54



55 and above



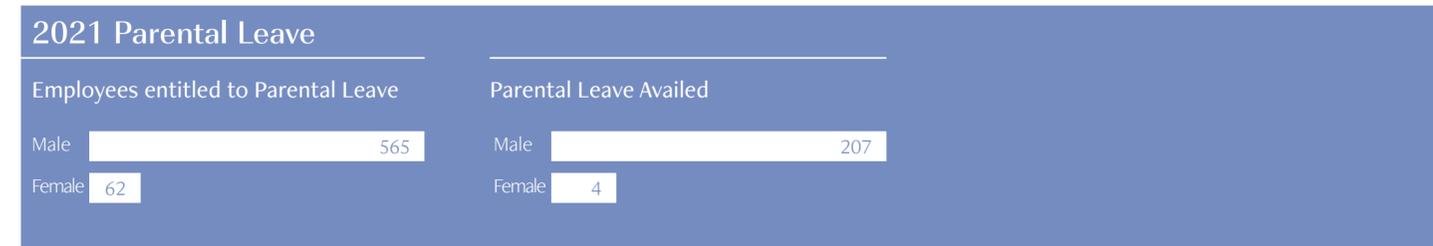
Saudization

Our workplace reflects the multicultural environment of Saudi-Arabia and the entire Gulf region:



Parental Leave

Alturki provides the benefits of parental leave in accordance with the Saudi labour law to the Entitled employees:



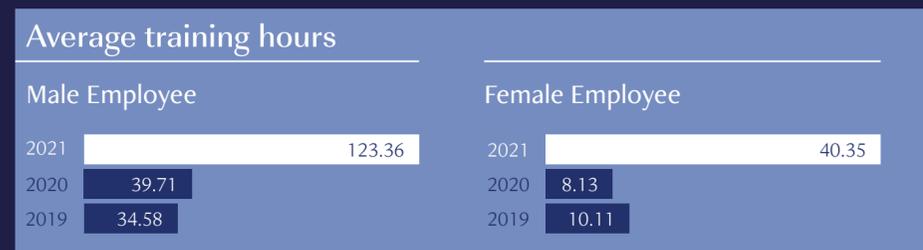
Training and Development

At Alturki Holding as well as within each subsidiary, we offer on,- and offline learning programs to enhance skills and knowledge on a range of subjects.

As our industries require highly technical knowledge and solid health and safety measures, ongoing training programs are essential to keep our competitive edge and safeguard the competencies of each employee, especially those working on construction sites and operating heavy machinery. Apart from enhancing technical skills, we place a focus on building a variety of soft skills, including leadership and managerial skills.

Upon starting new projects with existing clients or when beginning with new clients, our employees go through all required training, including the project site orientation with a focus on health and safety. Further, all employees are encouraged to pursue higher education when attaining a certain managerial level.

Training programs are required before worksite permits can be granted and a minimum of 12% of each subsidiary's workforce must annually go through training and development. This year, the average training hours for all employees greatly increased, mainly due to changed business models across subsidiaries:



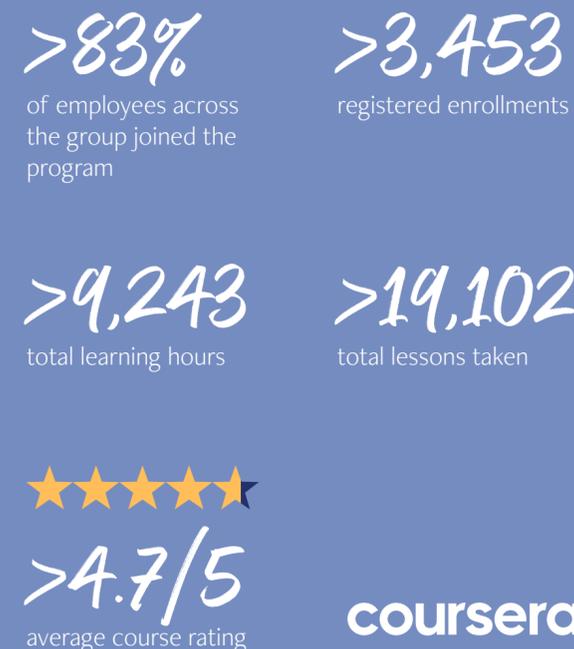
Our Talent Development program

The “Hemmah” program develops and improves the productivity of our employees and helps achieve targets while growing our employees’ careers to meet their own aspirations. The program is designed around four (4) pillars that emphasize our focus on learning & development:

- 
01. قادة : Provide development opportunities to high performing employees to prepare them for leadership positions and enhance the skills of our current leaders
- 
02. خبير : Enhance and upgrade core skills crucial to our businesses
- 
03. طويق : Attract and retain highly talented Saudis and provide them with opportunities to develop and grow within our group of companies
- 
04. تمكّن : PDP (Professional Development Program) Development activities are designed to ensure employees have all competencies to maximize their efficiency

Online Training Programs

In partnership with Coursera, we offer various industry-relevant online courses. Key figures of 2021 are:



/ SOCIAL EMPOWERMENT

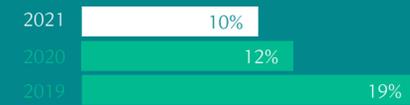
Remuneration and Talent Management

Attracting, developing, and retaining the right talent is a priority at Alturki. We believe that an empowered, informed and forward-looking workforce is crucial for the sustainability and success of our organization. Ongoing efforts are reflected in our decreasing turnover rate from employees:

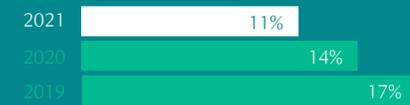


Turnover rate

All Employees



Male employees (%)



Female employees (%)



Our Interns

In 2021 we have onboarded 21 interns across the Holding under the Alturki Internship Program and have offered full-time positions to 25% of these. Most of our interns were employed as Accountants, followed by Mechanical Engineers, in HR, and in Supply Chain. The overall satisfaction rate by interns is at 90%.

Walaa Plus

As part of our dedication to employee well-being, we offer a special online benefit program: Walaa Plus. The online platform allows employees to access special discounts for a range of services including 430 online shops, over 160 restaurants and coffee shops, 32 fitness providers and numerous shops for customer goods. 50% of our employees already utilize the platform and over 3,000 transactions have been completed so far.

/ SOCIAL EMPOWERMENT

Grievance Mechanism

In order to maintain equality and ensure justice for all employees, Alturki is providing clear guidance regarding the submissions of grievances. All employees are entitled to submit a grievance to the company's administration due to any action taken against them.

Cases shall be raised within (15) working days from the days of grievance cause. Whenever a grievance is submitted, the HR Manager should form a Grievance Committee that includes the members of the HR team and managers and supervisors of the concerned individual's unit. The committee and HR managers are responsible for collecting and reviewing all necessary documents and information in collaboration with the concerned individual and reaching a final verdict in compliance with the drafted policy.

Health & Safety

For Alturki the Health and Safety of our employees is a top priority. Given the business nature of some of our subsidiaries, we have strict Health & Safety protocols, procedures, and training in place to minimize potential risks and correct unsafe acts. As an ongoing response to the Covid-19 pandemic, we continue to have rigorous protocols and actions in place to ensure the safety of our employees.

Please refer to our [Sustainability Report 2020](#) to learn more about Alturki's Response to Covid-19

This year, we are especially proud to report that we increased our average H&S training per employee by 5% and that we did not experience any fire incident on any of our sites:

	2019	2020	2021
Number of lost time injuries (LTIs)	21	13	28
Lost Time Injury Frequency Rate (LTIFR)	2	1	11
Number of lost days from LTIs	314	89	273
Lost Time Injury Severity Rate (LTIFSR)	17	2	11
Number of near misses	90	72	32
Number of permanent disabilities	0	0	1
Number of fatalities	0	2	1
Average health and safety training hours per employee	1,064	1,277	1,342
Number of toolbox training attendees	4,166	4,880	5,027
Number of unsafe acts	167	140	451
Number of unsafe conditions	2,387	2,012	2,669
Corrected unsafe conditions	2,386	1,857	2,531
Fire incidents	7	3	0

HEALTH & SAFETY POLICY

The Alturki HSE Guidelines ensure that proper policies and management systems are in place, at our offices as well as in our production sites. Due to each subsidiary's different business activities, the Alturki HSE Guidelines prescribe essential program requirements only. Although not a requirement, companies are encouraged to pursue the ISO Management System Certification in (Safety ISO:18001) and Quality Management Systems (ISO:9001).

Alturki actively conducts ongoing safety initiatives, training programs and safety materials with a philosophy of continuous improvement through the adoption of a program of inspections, auditing and reporting. The policy requires the use of Personal Protective Equipment (PPE) to be worn by workers who are exposed to known hazards. We regularly conduct safety inspections to detect, eliminate and minimize health hazards, unsafe work conditions and the environmental impact of our operations and promote safe work practices. When an incident occurs, we conduct a thorough investigation to determine the cause(s) and adopt corrective actions to prevent a recurrence. Alturki annually conducts an audit program to assess and review our existing programs to improve health and safety.

All workers have the legal right to refuse unsafe work that either puts them in imminent danger, requires them to perform tasks they have not been adequately trained to perform, or makes them privy to safety hazards that could reasonably be avoided with proper safety equipment, procedures, or repairs.

OUR SUPPLY CHAIN

Our Supplier Code of Conduct aims to consolidate our practices of sustainability and ensures fair competition, avoidance of any conflict of interest, and adherence to contractual health and safety measures in delivering goods and services that reliably meet our specifications.

We expect all suppliers to adhere to the high standards put forward in our Supplier Code of Conduct and replicate these principles in their own supply chain. Our principles are applied in the selection and evaluation process of new vendors and when assessing existing ones. We believe that by continuously acting with the highest degree of transparency and ethics, we continue to foster our standing as a trusted partner in the Kingdom and globally.

Suppliers are expected to operate with zero cases of compulsory labor, slavery, or child labor. All employees working for our suppliers must be treated fairly, while their wages, benefits, and work hours must remain within the legal limits of the national labor law. We hold the right to terminate our relationship with any supplier that breaches the contractual terms and conditions.

We believe, as an established Saudi Arabian entity, we must leverage our standing to enrich the local economy. As a vital part of this effort, we aim at sourcing as many materials as it allows from KSA-based suppliers i.e. those providing a trade license issued inside Saudi Arabia, and thereby creating employment opportunities within the local community. Among the Holding and its subsidiaries' supply chain, an average of 78% of suppliers are KSA-based.



iktva
local focus, global vision

IKTVA

With the IKTVA program, Saudi Aramco is taking action to drive additional domestic value creation to support a rapidly changing economic environment and foster future prosperity. The Aramco program aims to capture the value that produces long-term, tangible benefits through quality jobs for the growing Saudi population, innovation, industrial diversification, and increased global competitiveness.

We are delighted to announce that all subsidiaries have a relatively high In-Kingdom Total Value Add (IKTVA) score. Those who conduct business with Saudi Aramco are, apart from Alturki Holding, Sawafi, Arkaz, Inma, Inma-Steel, Samara, and Musanadah. The collaboration is reflecting our effort to localize our suppliers and create new capabilities and opportunities within the Kingdom.

In 2021 there haven't been any programs conducted, however, we are committed to continuously strengthening our relationship with Saudi Aramco and constantly strive for value-creation under the IKTVA program.

Community Impact

33 Quality Education

35 Health & Welbeing

38 Youth and Women Empowerment

40 Vocational Training

Community Impact

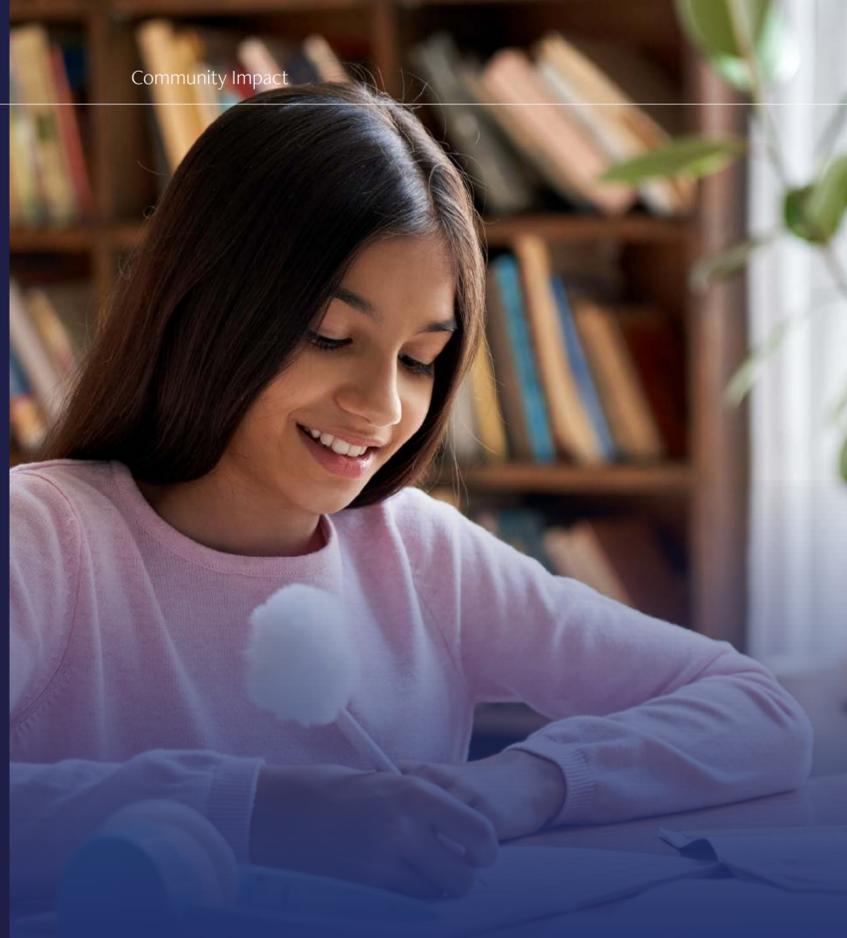
Creating a positive stemmed from the legacy created by our founder who has always ensured that our responsibility extends in parallel by embedding social causes, as part of Alturki's core operating model.

A special focus is placed on the areas of community needs, education, and human well-being, strategically aligning with our "Impact Focus Areas":

Our Impact Focus Areas	SAR Donated	Number of programs	SDG Supported
Quality Education	1,044,103	5	
Health & Well-being	2,346,762	9	
Youth & Women Empowerment	1,550,000	6	
Vocational Training	450,000	2 +3 sponsored events	
Total	5,390,865	22	6 SDGs addressed

This year, Alturki launched its dedicated online portal that invites nonprofit organizations across the Kingdom to submit their proposals for project support via the Holding Company's website. The Sustainability Committee will then select the winning projects after reviewing the submissions, based on specific criteria mentioned on the website and the company's Impact Focus Areas. This digital advancement allows a more structured approach to the community impact strategy and leverages innovation, one key materiality topic for Alturki.

The Alturki Community Impact Program is in line with the Holding's Community Impact Framework, which was designed to guide the company's community investment programs, taking into consideration topics under the KSA Vision 2030 and the UNSDGs. The Alturki Community Impact Program supports the company in balancing annual contributions across the Impact Focus Areas and creating more sustainable value in diverse community segments.



ARAB THOUGHTS FOR TAMAM PROJECT

TAMAM is an educational movement in the Arab world that promotes transforming schools into self-renewing institutions with the capacity to adapt and enhance the transformative role of schools to develop the next generations of leaders.

ALTURKI'S IMPACT

Alturki Holding sponsors the program and educational specialists at Dhahran Ahliyyah School, enabling them to share their knowledge and experience with others in the program.



WUD CHARITABLE ASSOCIATION

The association supports the social development of the Saudi community by offering programs designed for families to grow their quality of life in the areas of economic, social, and financial education.

ALTURKI'S IMPACT

Alturki supports the association's program that provides training and rehabilitation for 50 females. The program raises their capabilities and increases job opportunities. Job creation allows to achieve essential needs and improve the quality of life through independence.



TAHYA AL SAUDIA

In collaboration with "Tahya Al Saudia" by the Ministry of Labor and Social Development and our partnership with Canvash, Alturki Holding developed public art training sessions for kids at Mall of Dhahran under the umbrella of "Masahat Watan", the annual National Day initiative, which contributes to developing the art scenery in the region, supports professional artists, and provides trainings and creative spaces for potential talents as well.

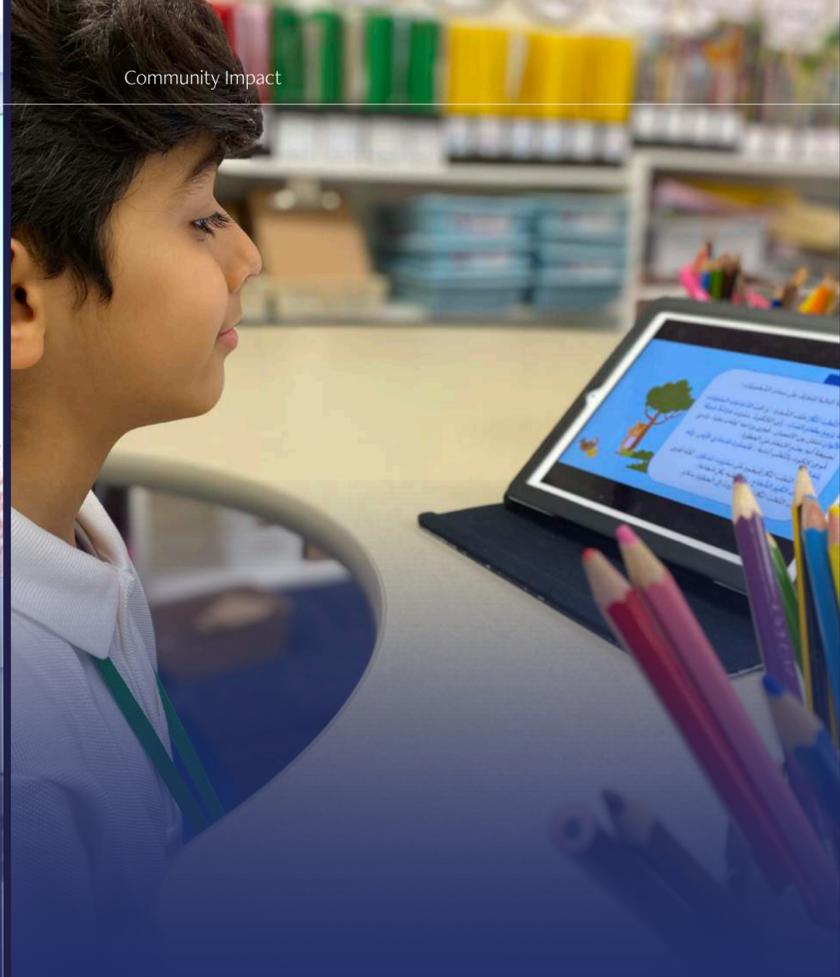
ALTURKI'S IMPACT

The Holding is the custodian of "Masahat Watan" initiative, financially and logistically for six years.



Quality Education

This year over one (1) million SAR were directed towards various schools, programs and foundations dedicated to providing quality education i.e. knowledge and skills to the future Saudi generations.



ملتقى إدارة الدعم النفسي والاجتماعي
 2021
أهلاً وسهلاً
 بكم في الملتقى الثاني
 لوحدة الدعم النفسي والاجتماعي
 (نماء)

السلامة النفسية من مبرهنات
 الرشد والقدرة العقلية في
 التخلص من آفة الخوف والقلق
 وهذه السموم الثلاثة قد
 تكونت من الآراء والتصورات
 من الطفولة في الخلق خصوصاً
 في المراحل الأولى من الحياة
 من التعلق من آفة الخوف
 والقلق
 والتي تعود إلى مؤسسة أهلاً
 بكم في الملتقى الثاني لوحدة
 الدعم النفسي والاجتماعي
 (نماء) في مدينة الرياض
 وذلك في يوم الاثنين الموافق
 2021م الموافق 1443هـ
 الموافق 2021م الموافق 1443هـ
 الموافق 2021م الموافق 1443هـ



NUMOU FOR EDUCATION

For many years the Numou Center for Education has been supported under the community impact initiatives. With the donations by Alturki, the center is able to provide innovative, best-in-class training for teachers, using cutting-edge technologies, at the Dhahran Ahliyya School, the Misk School, the Advanced Learning Schools, and the Mubaraka Foundation.

ALTURKI'S IMPACT
 Alturki Holding extended its financial support to Numou educational programs.



EKHA

The charitable foundation for the care of orphans aims at achieving social and life stability for orphans through the promotion of psychological and social health, supporting financial independence and building capabilities.

ALTURKI'S IMPACT
 Alturki's contributions to Ekhaa were specifically allocated to the Aufuq program. The three (3) months training program includes awareness lectures, counseling sessions and assessment tests targeting three groups: Employees of the institutions, Collaborators (surrogates) and orphans. The goal is to develop personal skills, raise efficiency and productivity, and achieve self-satisfaction



Health & Wellbeing

We see it as our responsibility to act as responsible corporate citizens and allocate parts of our revenue to the support of causes that matter to our community. We believe it provides our social license to operate. In 2021 the largest amount of our donations amounting to over 2 million SAR was directed towards programs improving the health & well-being of society.



SMILE TRAIN

Smile Train is an international children’s charity with a sustainable approach to a single, solvable problem: cleft lip and palate. For 21 years, Smile Train has provided safe and high-quality cleft care for more than 1.5 million children around the world completely free of charge.

ALTURKI’S IMPACT

- Surgeries sponsored in Egypt and Pakistan were performed:
- 31 surgeries to Aiady Alkher for Medical Services
 - 103 surgeries to Taha Plastic Surgery Clinic
 - 23 surgeries to Smile Home Trust



EHSAN - MBS INITIATIVE DURING RAMADAN

Under the vision of Saudi Arabia’s Crown Prince Mohammed bin Salman, the Ehsan initiative supported charitable causes during the month of Ramadan.

ALTURKI’S IMPACT

Alturki’s donations supported the initiative and gave back to the community during the holy month.

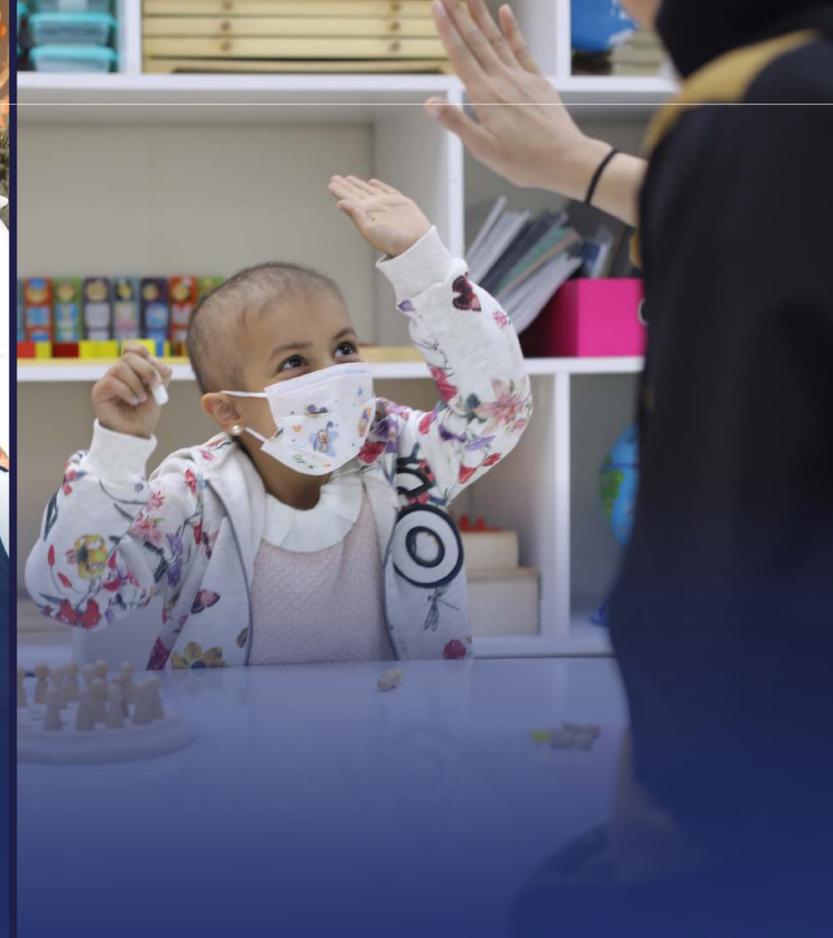


ALBIR SOCIETY

As in previous years, financial support to the Albirr Society in the Eastern Province was performed. The society supports various initiatives that improve the general health and well-being of local communities.

ALTURKI’S IMPACT

Alturki’s supported the association with donations.



EFAA SOCIETY FOR PEOPLE WITH DISABILITIES

At Alturki we recognize the importance of diversity and inclusion and therefore support every year the EFAA Society for People with Disabilities. EFAA provides rehabilitation, counseling services, and education to people with disabilities and special needs.

ALTURKI'S IMPACT

The financial support by the Holding is specifically allocated to carry out maintenance work and make improvements in the facilities.



SANAD - CHILDREN CANCER CENTER

SANAD is dedicated to the treatment and support of children across the kingdom, suffering from cancer. The association supports children's cancer centers in Saudi Arabia with educational programs and financial resources. The support entails providing educational and learning initiatives that educate on cancer practices and how to deal with those affected.

ALTURKI'S IMPACT

Alturki's contributions help cover financial, in-kind resources, and provide social shelter services to the patients and their families.



CHARITABLE ASSOCIATION FOR RHEUMATIC DISEASES - CARD

CARD provides medical, financial, and psychological support for patients and those affected by rheumatic diseases, while also raising community awareness on the topics.

ALTURKI'S IMPACT

Alturki supported this charitable association in the implementation of quality programs and projects to reach the highest level of services for chronic rheumatic patients of all ages around the Kingdom.



AL SHARAQIYA FESTIVAL

The integrated festival defines cultural heritage through various events around the topics of heritage, traditional crafts and professions, rituals, social arts, and architecture. It contributed to preserving the Kingdom’s civilizational and cultural identity, strengthening the well-being of the larger society and boosting the national pride of the local Saudi community.

ALTURKI’S IMPACT

Alturki acted as a golden sponsor during the event.



PACES FOUNDATION

PACES, the Palestine Association for Children’s Encouragement of Sports, provides structured after-school sports activities for Palestinian children between the age of 8-16 years, living in refugee camps, often located in marginalized areas in Palestine, Jordan and Lebanon. The program provides training to adults who work with children on football fields and playgrounds to encourage the health and wellness of all.

ALTURKI’S IMPACT

The donations of Alturki enabled to facilitate a four-month program for 200 children, 50% of whom are girls. The donation will also support the 20 coaches and assistant coaches and 11 community partners that will be involved in the program.





Youth and Women Empowerment

As in previous years, we are committed to creating a system that holistically supports the youth and women by providing specialized content, and professional training, while creating an interactive community of practitioners. This year, six (6) different programs were supported with over 1,5 million SAR.



SHABAB MUJTAMIE

Shabab Mujtamie was launched in March 2017 as one of the community initiatives of Khaled Ali Alturki & Sons Alturki Company. The community initiative aims at raising the productivity of our youth and enhancing their social and economic role. Shabab Mujtamie has three (3) strategic objectives:

01. Promoting and developing research and knowledge in the field of professional youth work
02. Working on the professional development of youth
03. Establishing a vibrant professional community of people to work with the youth

ALTURKI'S IMPACT

Through Alturki's contributions, Shabab Mujtamie is able to provide specialized programs and studies for the professional youth in the Kingdom.

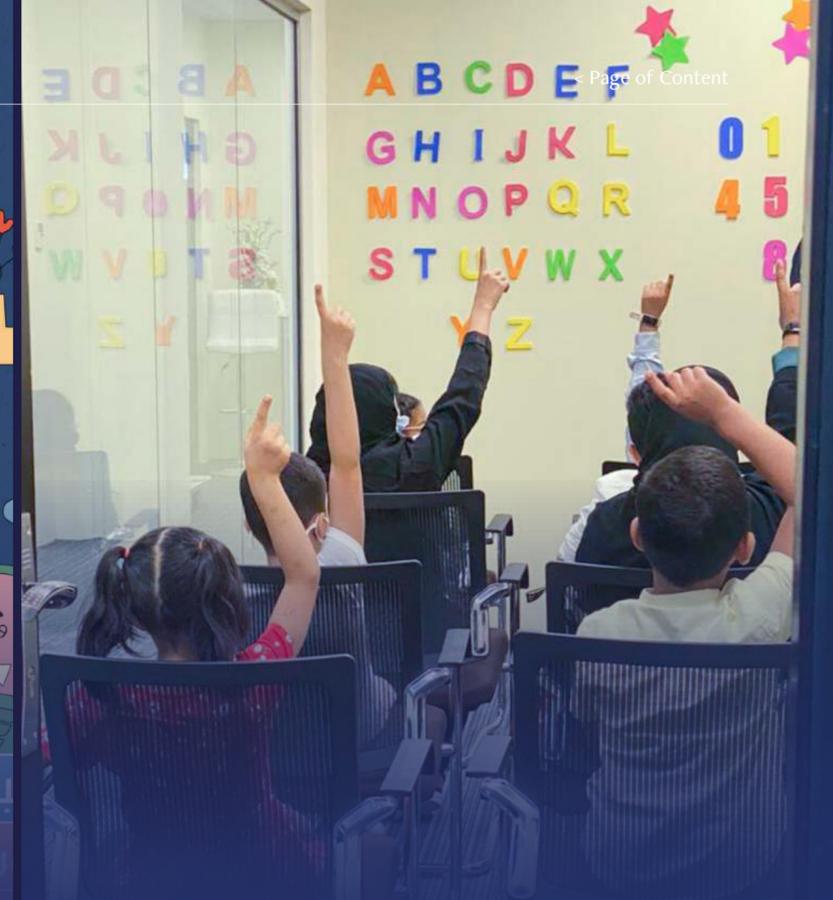


ALNAHDA PHILANTHROPIC SOCIETY

For more than 50 years, the Al-Nahda Philanthropic Society for Women has worked on empowering women by providing them with training, employment and advocacy services. These services allow women to reach their fullest potential and contribute to all areas of society.

ALTURKI'S IMPACT

Alturki is a key enabler of Alnahda's accomplishments in supporting and empowering less fortunate families. Contributions supported Al-Nahda in the launch of the "Education is Right" campaign, which supports students from families who suffer from limited income and thereby helps them complete their educational path.

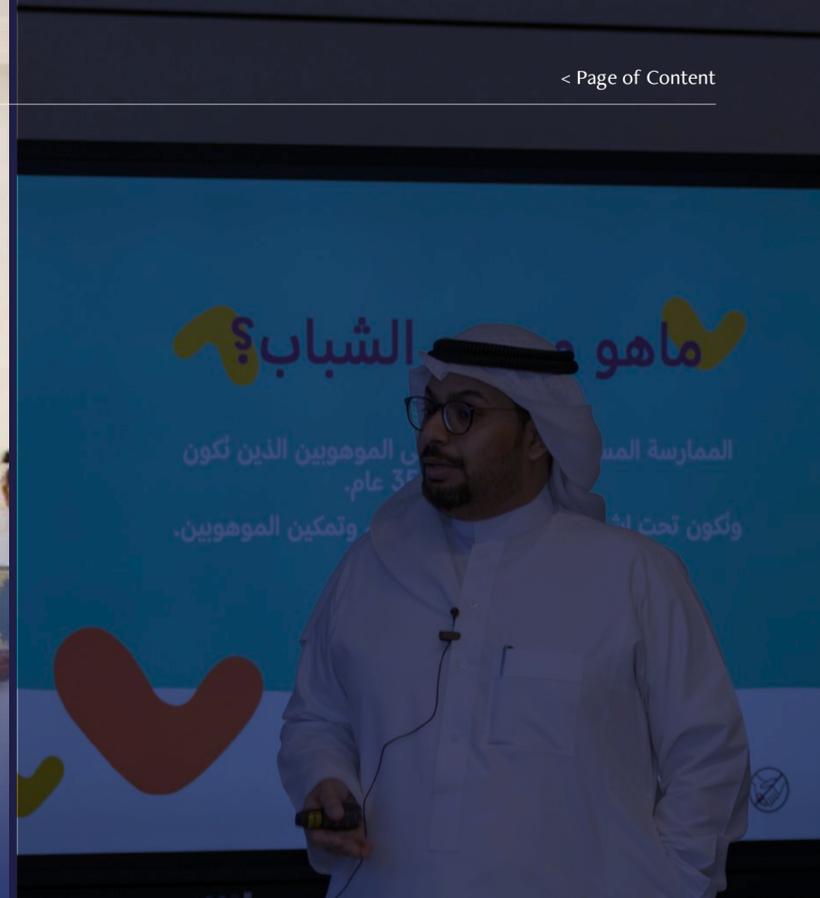


TAMKIN ASSOCIATION

Since its foundation in 2005 the Tamkin Foundation aims to deliver social services to the Somali communities and support them in building their livelihoods. Alturki's donations support Its mission: To establish a society where every man, woman, and child receives adequate social services and better means of livelihood.

ALTURKI'S IMPACT

Alturki's supported the association with donations.



TANMIYAH FOR SOCIAL DEVELOPMENT

Tanmiyah contributes to social development for less fortunate and marginalized individuals.

ALTURKI'S IMPACT

As part of Tanmiyah's Baraem Program, Alturki sponsored 20 children, enabling them to complete a full academic semester. To avoid social discrimination, the sponsored children from less fortunate families were integrated alongside the other registered children in the program.



FATAT AL KHALEEJ

For almost 50 years, this leading society has supported women in the Kingdom through educational and relief programs. The association's ambitions strengthen the position of women in the country and strive for female empowerment.

ALTURKI'S IMPACT

Alturki's contributions allowed the provision of an academic scholarship to a student who is thanks to the donations able to complete a four (4) year Bachelor's program.



NATIONAL COMMITTEE FOR PRISONERS KIDS

The national committee for prisoner kids safeguards the social, political, and judicial inclusion of children with an imprisoned parent. Affected children are provided with psychological, emotional, and social support to help them during these difficult times.

ALTURKI'S IMPACT

Alturki's support allowed the committee to finance day-to-day operations and provide children with adequate assistance.



TARAHUM

The center provides education and supports the mental well-being of children of prisoners and creates a supportive environment that enables them to discover and develop their abilities and motivations on their academic path.

ALTURKI'S IMPACT

Alturki contributes to the integrated initiative that works to enhance personal aspects i.e. knowledge, emotional development, behavior and technical skills through the establishment of an educational center.

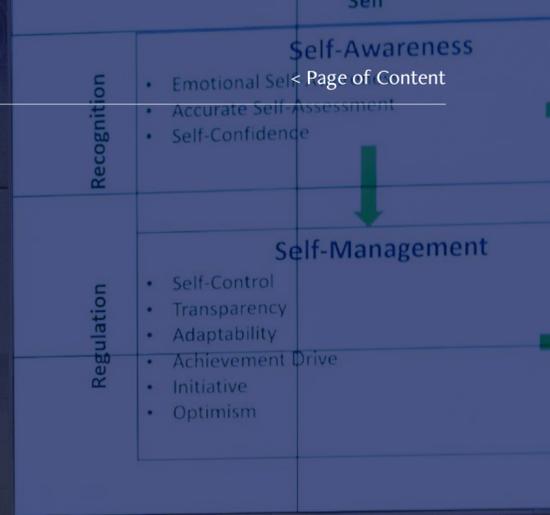
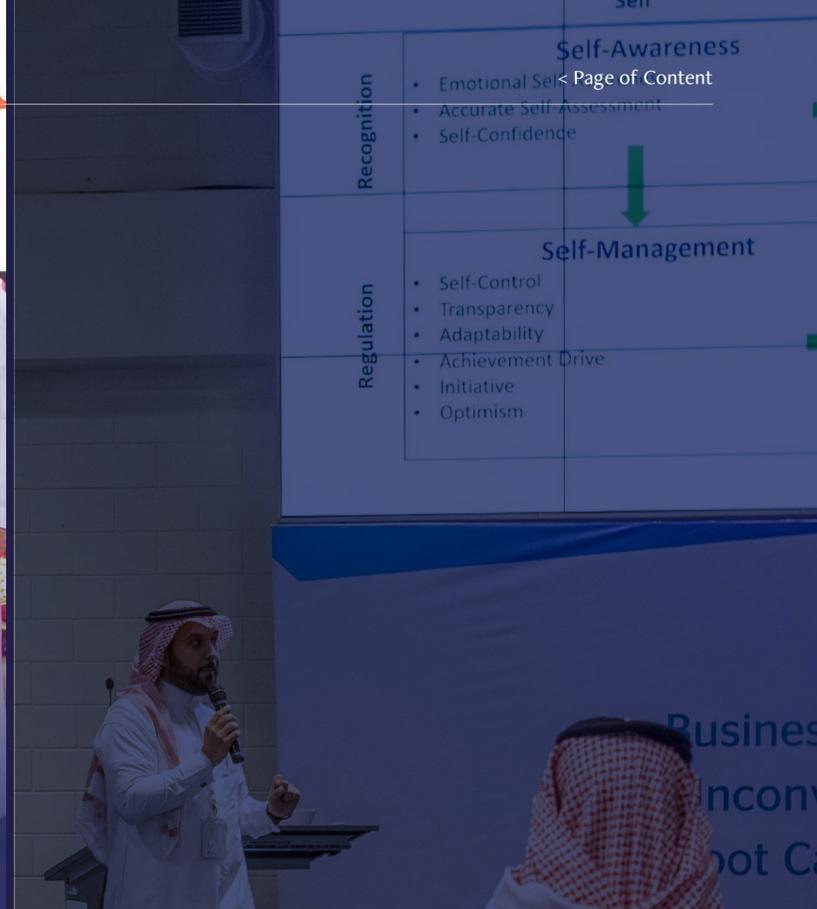


TEDX TALK

Inspirational talk for local students at the King Fahd University of Petroleum and Minerals was supported, allowing to discover "ideas worth spreading"

ALTURKI'S IMPACT

Alturki Holding was a platinum sponsor of TEDx event in partnership with KFUPM.



Vocational Training

We recognize the importance of improving the skills of people to enter the job market and climb the career ladder. For this reason, we keep our commitment to supporting initiatives and programs that prepare individuals to take up employment opportunities. This year two (2) different initiatives were supported and three (3) events were sponsored:



SAUDI ARAMCO'S TANWEEN - ITHRAA

Generously Alturki sponsored Saudi Aramco's Tanween movement with to promote culture and creativity industries engaging professionals, creatives, intellectuals, and young groups seeking knowledge and networking opportunities.

ALTURKI'S IMPACT

Alturki acted as a Community Partner during this event.



COUNCIL OF SAUDI CHAMBER OF COMMERCE

Directed to different initiatives by the Saudi Chamber of Commerce to build commercial solidarity and foster collaboration

ALTURKI'S IMPACT

Alturki Holding sponsored a number of programs organized by the Youth Board of Asharqiyah Young Businessmen Council.

Poster Campaigns

Add text: In 2021, the awareness on five (5) significant CSR initiatives was raised by displaying back wall posters on the headquarters tower. These campaigns supported the following causes:

- ❑ SAUDI NATIONAL DAY
- ❑ BREAST CANCER AWARENESS
- ❑ SHARQIA GETS CREATIVE
- ❑ SHARQIA SEASON
- ❑ G20

Backwall poster for the 91st Saudi National Day displayed in September 2021



Sustainability Highlights from our Subsidiaries

44 Our Subsidiaries

45 Subsidiaries Sustainability Governance Model

46 Arkaz

50 Inma Steel

52 Inma Tech

54 Masheed

57 Musanadah

59 Samara/Sixt

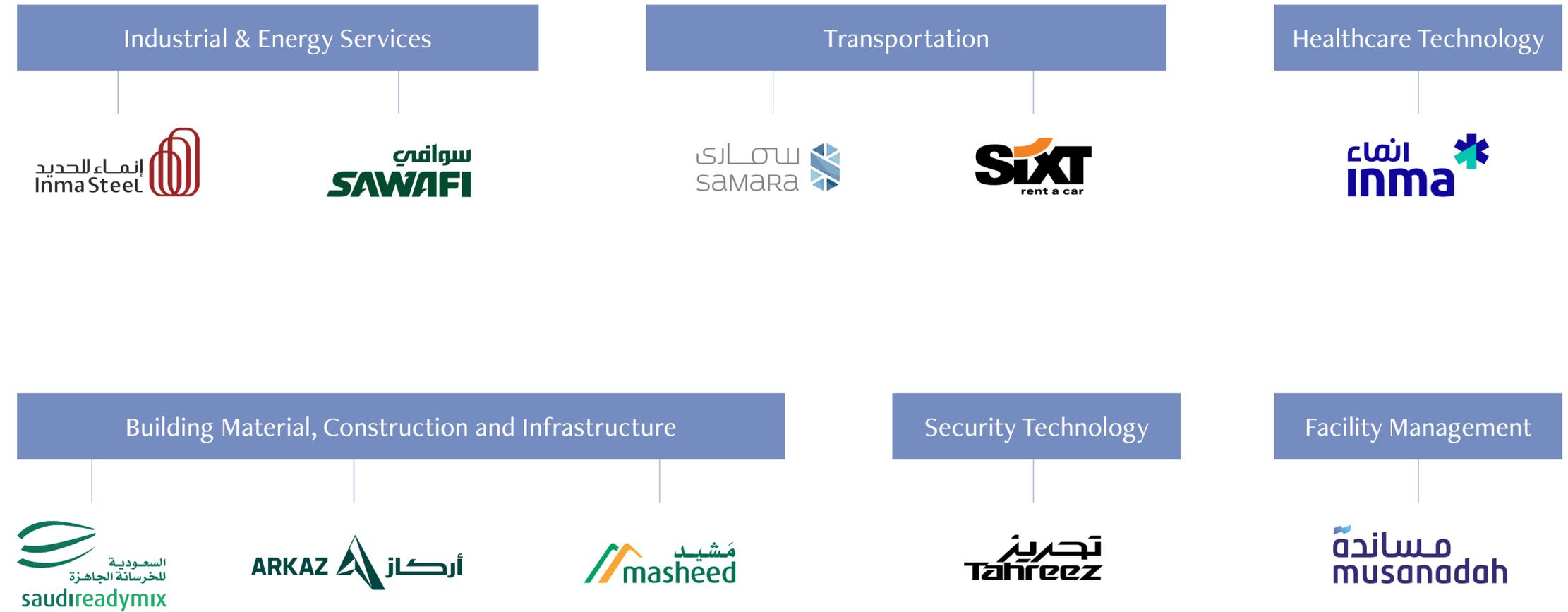
61 Saudi ReadyMix

66 Sawafi

/ SUSTAINABILITY HIGHLIGHTS FROM OUR SUBSIDIARIES

Our Subsidiaries

WE STRIVE TO GROW SUSTAINABLE BUSINESSES ACROSS THE MENA REGION



Subsidiaries Sustainability Governance Model

Having all subsidiaries onboard when embarking on the Holding’s Sustainability journey is crucial. Thereby a solid governance model is critical to ensure compliance and dedication:

Subsidiary Executive Committee

SUPERVISES

Executive committees are responsible for ensuring that the subsidiaries’ sustainability roadmaps, action plans, KPIs and targets are aligned with the Alturki Roadmap

Each Executive Committee is responsible for the following for its subsidiary:

- Review and approve sustainability action plans and targets
- Review sustainability performance during the Committee’s quarterly meetings
- Ensure each subsidiary reports its sustainability performance and communicates the details to the Alturki Sustainability Department

Subsidiary MDs/CEOs & Sustainability Representatives

IMPLEMENTS

Subsidiary MDs and Sustainability Representatives are responsible for implementing the sustainability action plan and ensuring it aligns with the Alturki Roadmap and targets. The MD provides the support necessary to ensure the Sustainability Representative has the authority to implement the action plan

Sustainability Representatives are responsible for the following:

- Ensure implementation of the action plans, strategic initiatives and targets align with the Alturki Sustainability Integration Roadmap
- Report monthly to the MD/CEO and the Alturki Sustainability Manager on the progress of the roadmap’s execution
- Oversee development of a subsidiary annual sustainability-update report
- Promote sustainability among internal and external stakeholders based on the Alturki Sustainability

ACHIEVEMENTS

- Updated sustainability representative list, to ensure transparency and accountability
- 2-full day capacity building workshop conducted for the sustainability representatives across subsidiaries

OUR ALIGNMENT WITH SASB

The Sustainability Accounting Standards Board (SASB) Standards guide the disclosure of financially material sustainability information by companies to investors and other stakeholders.

The Standards identify a number of subsets of environmental, social, and governance (ESG) issues most relevant to financial performance in each industry.

For this year’s report, we derived and showcased the material topics defined by the SASB materiality map per industry of our fully-owned subsidiaries. We are aware that today not all subsidiaries address the topics comprehensively. However, we believe the consideration of the SASB materiality map guides us in shaping our focus along our sustainability journey.



SASB's Key Material Topics

- 47 GHG Emissions
- 47 Water Management
- 47 Sustainable Procedure 2021
- 48 Social Empowerment
- 49 Community Impact

Since its creation more than ten (10) years ago, Arkaz strives to provide unique, innovative, and cost-effective construction chemicals and concrete admixtures. These high-quality solutions, combined with the company values of Performance, Technology, Sustainability, and Reliability, have emerged Arkaz as the leading player in the construction chemical industry.

Exceptional Operations & Governance

For Arkaz, Exceptional Governance means to showcase the highest degree of business ethics and continuously verify compliance through open communication, committees and policies.

By introducing the “Business Continuity Plan”, designed to ensure employee readiness in case of mandatory quarantine requested by the government, resilience against unforeseen events is demonstrated.

ENVIRONMENTAL RESPONSIBILITY

Arkaz implement that environmental protection, especially through the reduction of GHG emissions, should be integrated into all aspects of its management.

GHG EMISSIONS (Tons of CO₂e)

EMISSION TYPE	2021
Scope 1 Direct Emissions*	291
Scope 2 Indirect Emissions **	17
Total GHG Emissions (Scope 1 & 2)	308

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Scope 2: CO₂ emissions are reported following the location-based method, which uses grid average emission factors Conversion factors relevant to KSA come from the electricity/heat emission factors published by the International Energy Agency (IEA 2010).

WATER MANAGEMENT

WATER SOURCE	2021
Utility Water Consumption (m ³)	16,480

Water consumption was reduced by 22% compared to 2020

“SUSTAINABLE PROCEDURE” 2021

The production phase requires a significant input of energy and water and outputs substances potentially harmful to the natural ecosystems.

These factors are acknowledged and systematically addressed by continuously improving its management, especially in accordance with ISO 14001:2015: Environmental Management System. The latest achievement was the introduction of the “Sustainability Procedure”, within Arkaz’s operations and addressing procedures for construction chemicals, climate impact, community and culture, energy, and water, purchasing, transportation, and waste reduction and recycling.

DIGITALIZATION OF THE HR DEPARTMENT

As an effort to reduce paper consumption, the HR department at Arkaz was fully digitalized. It meant that all paperwork, including stamping and signatories, was converted into electronic procedures. It is acknowledged that it is only a small contribution to the environment, however, it is seen as a fundamental step to leverage best practices across departments.

Social Empowerment

To uphold Arkaz's core values, the commitment to the well-being, health, and safety of stakeholders, especially employees, is placed at the core of operations.

As part of ongoing health & safety achievements, the catalog on safety procedures when handling chemical products was updated. Further, in 2021 a focus was placed on inclusion and community engagement:

INCLUSIVE PRODUCTION SITES FOR GREATER GENDER EQUALITY

There is a constant strive to improve occupational health and safety programs, management practices under ISO 45001:2018 and ISO 14001:2015, and exploiting opportunities to push for an inclusive workforce. As an effort to increase the number of females in the workforce, the two Arkaz plants are currently being inspected for renovations that will make the facilities inclusive for both genders. Construction works are expected to start by 2022.

ARKAZ DESERT NIGHT

To strengthen the team spirit employees are regularly invited to special programs and certificates are periodically given out to employees who demonstrate excellency, special performance, or outstanding learning efforts. One (1) initiative was the Desert Night 2021.

Community Impact

At Arkaz three (3) CSR initiatives undertaken in 2021 are highlighted:



TARMEEM

To demonstrate the commitment to reduce inequalities, Arkaz supports Tarmem, an initiative that helps rehabilitate disadvantaged families by restoring their homes and thereby improving living conditions. The support is in supplying special building material and offering engineering consultancy. The target for 2022 and the upcoming years is to further strengthen contributions by dedicating the working hours of employees to volunteering activities at these construction sites.

“The agreement comes in accordance with our plan to focus on building strategic partnerships with other parties involved in the restoration of homes for disadvantaged families that are benefiting from the services. The goal we seek is to create a decent life for them.”

Chairman of the Board of Directors

Eng. Hamad bin Thawab Al Khalidi

DONATION OF REFURBISHED LAPTOPS

In line with the commitment to support “Quality Education”, Arkaz supports children in their digital learning journey while demonstrating social responsibility. Used laptops from employees are collected, refurbished, and then donated to those in need. This year, a total of 6 laptops were donated.

PREPARING STUDENTS FOR THE JOB MARKET

To spread the year-long experiences and best practices of managers and thereby empowering students on their journey towards employment, HR executives are involved in open talks with industrial design students at the college of design Imam Abdulrahman bin Faisal.

With over 25 years of experience as an industrial maintenance service provider, Inma Steel specializes in custom-built process equipment fabrication, and industrial preventive and corrective maintenance services.



SASB's Key Material Topics

- 51 GHG Emissions
- 51 Waste Management
- 51 Social Empowerment

Environmental Responsibility

GHG EMISSIONS (Tons of CO₂e)

EMISSION TYPE	2021
Scope 1 Direct Emissions*	2,347
Scope 2 Indirect Emissions **	1,127
Total GHG Emissions (Scope 1 & 2)	3,474

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Scope 2: CO₂ emissions are reported following the location-based method, which uses grid average emission factors. Conversion factors relevant to KSA come from the electricity/heat emission factors published by the International Energy Agency (IEA 2010).

WASTE MANAGEMENT

WASTE CATEGORY	WASTE TYPE (tons)	2021
Non-Hazardous	General Waste (tons)	265
	Metal Scrap	206

In 2021 three (3) initiatives aimed at reducing the environmental footprint were implemented:

- Waste disposal procedure: All of the produced general waste, amounting to 265 tones in 2021, and all industrial waste is handled by third-party providers, approved by the Royal Commission
- Waste Disposal awareness: Training and orientation is conducted to increase employee awareness on littering and its harmful side effects
- Waste disposal plan and management: Processes for waste segregated through specific coding were introduced to increase recycling efforts

“MADE IN SAUDI”

This National Industrial Development and Logistics Program (NIDLP) program, helps KSA-based businesses grow, by encouraging consumers to buy more locally made products and helping businesses increase exports to priority markets. In 2021, the supply chain of Inma Steel consists of 60% KSA-based suppliers. The initiative is strengthening national communities, diversifying the Kingdom’s economy, and reducing logistics and transportation routes.

Social Empowerment

At Inma Steel, it is believed that investing in a qualified, well-trained, and dedicated workforce is essential when striving for a sustainable business. Six (6) programs were conducted in 2021 to uphold these believes:

- All hands Meeting: MDs are meeting all employees to express their gratitude for contributing to the success of Inma Steel and to keep them informed of the company’s overall performance.
- Celebration of Saudi National Day: National Day Celebrations were conducted where employees met casually, and high performers were recognized by MD during the celebration.
- Thursday Breakfast: Breakfast every other Thursday has been taking place to enhance employee engagement.
- Lunch with MD: New initiative is being arranged to select two employees to have a casual lunch with MD which strengthens boundaries among all levels of the organization. With our first female employee in a top management position, the importance of such exchanges got further amplified.
- Farewell Gatherings: To give an opportunity for employees to mix with colleagues prior to departure, farewell gatherings are conducted with recognition souvenirs and gifts given to departing employees.
- Breast Cancer Awareness Day: Employees were encouraged to invite their female relatives to attend breast cancer sessions and spread knowledge on this important health topic.

In 2021 Inma moved into the healthcare sector by shifting its business model towards providing technological solutions that enhance the quality of patient care while improving hospital safety, security, and operational effectiveness. By taking healthcare solutions to the Digital Age, Inma commits to aligning with the KSA Vision 2030, while advocating for a gender-equal and respectful work environment and catering to sustainability, an integral part of Inma Tech's business strategy.

Since 2019, the management system of Inma is ISO 9001:2025 certified, covering sales, supply, and project management of Healthcare IT solutions, low current, building energy management and security systems. Efforts to uphold ISO standards continued throughout 2021.



SASB's Key Material Topics

53 Digital Innovation to enhance product quality

Digital Innovation to enhance product quality

To facilitate knowledge sharing and elevate the level of healthcare quality in the Kingdom, Inma signed two outstanding (2) agreements in 2021:

- Partnership with a health technology platform that advances surgical care by facilitating live collaboration between surgeons via AR technology
- Partnership agreement to support healthcare providers in improving their digital innovation and optimize their outcomes through a Low-Code automation platform



In 2021 Inma Tech is especially proud of the following sustainability highlights:

- Reduced petrol consumption by 32% of on-road vehicles owned or leased by the company
- Due to the changed business model, priorities had to be redefined. Tailoring and expanding training sessions were part of it. Consequently, an increase of average training per employee from 2 hours in 2020 to 22 hours, for both our 26 male and 1 female employee were accounted for.

32%

Reduced petrol consumption in 2021

The core business of Masheed is the trading of building materials, including cement, lumber, and cementitious material. The quality and ethical sourcing of materials are of the highest importance when catering to customers, partners, employees, the environment, and communities.



SASB's Key Material Topics

- 55 GHG Emissions
- 55 Social Empowerment
- 56 Talent Management
- 56 Employee Health & Safety

Environmental Responsibility

Masheed is aware of the environmental and social impacts it has due to the nature of its operations. In 2021, the environmental focus was on energy management and its reduced usage:

GHG EMISSIONS (Tons of CO²e)

EMISSION TYPE	2021
Scope 1 Direct Emissions*	190
Scope 2 Indirect Emissions **	306
Total GHG Emissions (Scope 1 & 2)	496

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Scope 2: CO2 emissions are reported following the location-based method, which uses grid average emission factors Conversion factors relevant to KSA come from the electricity/heat emission factors published by the International Energy Agency (IEA 2010).

Energy consumption was reduced by 19% since last year through the following initiatives:

- Installation of LED lights across office buildings
- Spreading the culture of electricity conservation by encouraging employees to close all lightings and disconnect wires when not in use

Environment safety

In Masheed's fully owned warehouses, the environmental license to operate (Category One) was obtained in 2021 and the target is to renew the licenses in 2022.

Social Empowerment

OUR PEOPLE" HIGHLIGHTS IN 2021

>23%

increase in the percentage of workers who have worked for more than 5 years

>1%

increase in the number of young talents working at Masheed

>1%

increase in new female employees

>100%

increase in the number of internship students

TALENT MANAGEMENT

With the Alturki Holding Company's vision, aligning with the Kingdom of Saudi Arabia's 2030 vision for sustainability and "Saudization", Masheed is eager to hire fresh graduates to increase citizens' productivity and reduce unemployment. By partnering with the Prince Muhammad Bin Fahd University, Masheed offers internships to students and eventual work opportunities upon completion.



HEMMAH TRAININGS

Alturki Holding has established the "Hemmah" program to enhance the career and personal development of workers by offering knowledge in the digital era. At Masheed the contribution to this program is seen as essential for overall company success. In 2021, it can be reported that a total of 945 hours of training were completed on Coursera, with an average of nine (9) courses completed, and a highly positive feedback from employees.



CREATING AN INCLUSIVE WORKPLACE FOR PEOPLE OF DETERMINATION

In 2021 Masheed obtained the Bronze Certificate of Compatibility and the "Mowaamah" certificate system. It is an optional system receiving financial consideration when developing an inclusive work environment for people of determination. Adapting working hours and providing an environment suitable for everyone's needs is crucial to showcase the best practices of diversity and inclusion.

HEALTH & SAFETY

Masheed is keen to uphold the highest health & safety standards for its employees. In 2021, four (4) initiatives were undertaken to strengthen this commitment:

- Creation of an Operation Committee including managers from line, occupational H&S, operations, and the warehouse. Meetings are held on a monthly basis to discuss crucial H&S topics, showcase transparency and optimize communication.
- Enhancing education on occupational H&S for our security guards in partnership with OSHA Academy
- Corrective measures to resolve the only unsafe condition case that exists in 2021 and take actions to prevent such issues in upcoming years
- Daily Safety Talks are performed to discuss topics related to physical health, environmental health and mental health. Daily conversations improve the communication between warehouse workers and warehouse supervisors and increase the psychological comfort of the worker.



SASB's Key Material Topics

- 58 Energy Management
- 58 Water Management
- 58 Our People

As facility management services provider, Musnadah masters' developments of residential communities, industrial warehouses and commercial offices and offers a full range of services that not only meet client needs but also utilize best industry practices.

Environmental Responsibility

ENERGY MANAGEMENT

ENERGY TYPE	2021
Total Petrol Consumption (liters)	231,053
Total Diesel Consumption (liters)	271,308
Total Energy Consumption (KwH)	2,347,701

WATER MANAGEMENT

WATER SOURCE	2021
Utility Water Consumption (m3)	64,817

Our people HIGHLIGHTS IN 2021

>109

newly hired employees
consisting of 15 women

10%

increase in female
employees

>30%

of local employees in our
workforce, an increase of 4%
compared to 2020

ساريا
samara



SASB's Key Material Topics

60 Water Management

60 Community Impact

Samara Land Transportation Services Co. launched in 1982 and became one of the most unique providers of car rental, corporate lease, and limousine services. In early 2020 – SIXT, the German-based international provider of high-end mobility services, appointed Samara as its franchisee in Saudi Arabia. SIXT is one of the largest car rental companies in the world with a diverse fleet of 280,000 cars, in around 110 countries. The partnership leverages SIXT's extensive experience in mobility and Samara's experience in mobility service experience in the Kingdom of Saudi Arabia.

WATER MANAGEMENT

WASTE CATEGORY	WASTE TYPE	2021
Non-Hazardous	Tires (tons)	95
Hazardous	Engine Oil (liters)	96,617
	Batteries (tons)	25

Community Impact

In 2021 Samara supported six (6) initiatives, especially in the areas of female empowerment, national identity, and community well-being:

- As part of the International Women Day, Samara supported the Saudi female-oriented business brand Blink, by giving female customers a gift with each purchase and a 20% off on car rentals
- Since September 2021, five (5) female drivers were already hired in the Limousine fleet. Such is reflected in an 2% increase of female employees out of a total workforce of 616.
- As transportation sponsor for KFPM Samara supported their logistics and helped in the delivery of TEDx events by KFPM
- Free mileage as part of the “Umrah package” designed for customers who rented a car to perform Umrah in Makkah during Ramadan
- During 91st Saudi national day, customers were offered a 91SAR reduction on their rental
- The Zahra association for Breast cancer was supported from donations by employees, collected during Ramadan

SPONSORSHIPS

- Samara registered as a platinum sponsor in the Logistic forum 2021 with Al Sharqiyah Chamber
- Sponsorship by injecting a fleet to support the logistics during the global event of Formula 1





SASB's Key Material Topics

62	GHG Emissions
62	Water Management
62	Material Management
63	Social Empowerment
64	Employee Health & Safety
65	Community Impact

Saudi ReadyMix Concrete Co. (SRMCC) is the leading KSA producer and supplier of ready-mixed concrete. By operating in the construction material sector, an inherited significant environmental footprint arises. As this footprint is the largest among all subsidiaries across the Holding, we place a special emphasis reporting on its impacts in 2021.

Environmental Responsibility

The right resource management especially of the three (3) most used materials i.e. cement, aggregate and sand, alongside optimizing water and energy efficiency is essential.

By constantly improving its processes SRMCC aims at reducing its negative impacts on the environment. Due to an increase in production, however, the overall resource consumption also spiked in 2021.

This year, there was no absolute reduction in material, water or waste consumption as the production capacities greatly increased after the drastic slowdown in 2020. However, electricity usage was reduced by 23% compared to last year.

23%

Reduction in electricity usage

GHG EMISSIONS (Tons of CO₂e)

EMISSION TYPE	2021
Scope 1 Direct Emissions*	56,867
Scope 2 Indirect Emissions **	5,318
Total GHG Emissions (Scope 1 & 2)	62,185

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

**Scope 2: CO₂ emissions are reported following the location-based method, which uses grid average emission factors Conversion factors relevant to KSA come from the electricity/heat emission factors published by the International Energy Agency (IEA 2010).

WATER MANAGEMENT

WATER SOURCE	2021
Utility Water Consumption (m ³)	900,000

MATERIAL MANAGEMENT

MATERIAL TYPE	2021
Cement	1,188,615
Aggregate (tons)	3,553,000
Sand	2,332,539
Microsilica	25,336
Fly Ash	74,427
Regen Ground Granulated Blast furnace Slag (GGBS)	34,256

Supplementary cementitious materials (SCM's)

Using one (1) ton of ordinary cement emits around one (1) ton of CO₂ into the atmosphere. An alternative is to use Supplementary cementitious materials (SCMs). In 2021, Saudi ReadyMix used a total of 134,019 tons of these environmental-friendly materials and was thereby able to avoid emissions of around 130 thousand tons of Co₂.

Research & Development for Greener Production

Aware of the significant environmental footprint of its activities, Saudi ReadyMix is constantly working on developing innovative solutions in its in-house R&D center. The center has been accredited by the American Concrete Institute (ACI) as an official training center in Saudi Arabia.

The accreditation allows the center to conduct training courses for ACI certification programs. Three (3) training courses and certification exams in Concrete Field-Testing Technician - Grade I have been completed in 2021. It is planned to extend the training courses with two (2) additional programs in Concrete Strength Testing Technician and Self-Consolidating Concrete Testing Technician.

The R&D center has developed a special mortar solution for manhole application in coordination with the Eastern province municipality under the name (EPM+). The mortar solution provides a unique performance around the manhole such as perfect level, crack-free, settlement-free, excellent strength, and high durability. Performance trials have been conducted in different areas across the Eastern province.

Four (4) major research and product development studies have been conducted by the R&D center in 2021:

- Developing green concrete solutions for megaprojects
- Study on the effect of local natural pozzolans on the concrete properties
- Study on the use of limestone powder in concrete to produce cost-effective and self-compacting concrete mixes
- Study on the use of Garnet material in concrete

Action for Waste Reduction

SRMCC has rolled out a survey to identify the most relevant waste types the employees and departments are producing and set reduction targets. The survey covered main topics including transportation, inventory, movement, waiting, overproduction, over-processing and defect handling.

Environmental Certifications

Environmental Product Declaration (EPD)

EPD is an independently verified and registered document, issued by the BRE Global, that communicates transparent and comparable information about the life-cycle environmental impacts of products. In 2019 Saudi Readymix received the declaration for the complete range of its Readymix concrete products in all its factories and looks into renewing the certificate in the upcoming year.

SASO Certification

Two (2) of the company's factories are accredited by the Saudi Standards and Metrology Organization to use the Saudi quality mark, and four (4) other factories are in the final stage of receiving the certification. The ambition of the SASO program is to certify that goods exported from Saudi Arabia meet quality, safety, and security requirements and thus protect consumers' health and safety, as well as the environment.



Social Empowerment



STRENGTHENING THE LOCAL ECONOMY

91% of Saudi ReadyMix suppliers are KSA-based. It not only shows a strong commitment to the Saudi economy but also strengthens SRMCC's position as a leading cement producing company.

COURSERA TRAININGS

SRMCC has participated in the Coursera global online training which is part of the Alturki "Hemmah" Program. In 2021, SRMCC achieved an 89.5% completion rate in the online trainings.

SAUDIZATION

SRMCC is aligned with the new updated Nitaqat program by the Ministry of Human Resources and Social Development (MHRSD) that started at the end of 2021. Regarding nationalization efforts, SRMCC is already complying with most of the professions. Current processes are ongoing to achieve the required percentages for both Saudis with Technical Professions and HSE Profession. Hereby attracting female talents is a focus point.

EMPOWERING THE YOUTH

As a part of the "Purpose awareness and Activation Campaign" more than five (5) universities and over 100 students were hosted at SRMCC sites where non-systematic educational programs for civil engineering were given. The visit's program focused on Saudi Readymix's history, showcased the Research & Development Center, and explained the concrete production process.

HEALTH & SAFETY

The Health & Safety department reported a 45% reduction in motor vehicle accidents in all regions. It was possible by a revised HSE process:

- The GPS department monitors each trip and in case of unsafe driving, the safety department is informed
- After each incident a strong incident investigation is undergone and alerts are circulated across employees through WhatsApp, e-mails and pop-up message
- In case of an incident, the driver must undergo driving training and is subject to a driver assessment

45%

reduction in motor vehicle accidents

Community Impact

In 2021, SRMCC gave back to the community and promoted well-being through five (5) initiatives:

01. Together with the employees “100 factories during the past 40 years” were celebrated. The factories supplied more than 100 million cubic meters of ready-mix concrete to the most iconic projects in the Kingdom.
02. As part of the World Blood Donation Day, a donation campaign was organized on-site and more than 50 people donated their blood for a good cause.
03. Saudi Readymix collected donations from its employees and was able, in collaboration with a local charity, to donate more than 10,000 SA to orphans.
04. SRMCC x Local Art To raise awareness on the International Children’s International Day, more than 300 art-sets were printed and distributed to children across the country. The sets included dry premixed concrete for kids and their parents to experiment with.
05. To support uprising artists and promote “Made in Saudi” products, Saudi ReadyMix cooperated with Saudi artist Randa Alsuhaibani to develop a creative concrete product. By only adding water, a high-performance, and fast-setting concrete can be created, and handmade sculptures can be made at home.





SASB's Key Material Topics

- 67 GHG Emissions
- 67 Water Management
- 67 Social Empowerment

Established in 2013, Sawafi emerged as a leader in upstream technologies. It delivers quality services through highly differentiated technology products that enhance productivity in the upstream oil field industry. Sawafi's success is driven by a diverse team of professionals who bring international expertise, together with a deep understanding of the local market, and who are fueled with the passion to consistently deliver superior service quality.

Environmental Responsibility

At Sawafi technology is seen as the greatest opportunity in providing sustainable solutions that do not only support the own sustainability journey but also the kingdom's move towards a greener future.

As part of Sawafi's mission to localize world-class Oil Field Services Solutions in Saudi Arabia, partnerships with pioneering technology companies across the globe are formed. Sawafi made global acquisitions and is currently transferring this technical knowledge to the local talents, with the aim of leveraging technological innovation to reduce the current environmental footprint, including GHG emission levels and water usage. The current footprint is the following:

GHG EMISSIONS (Tons of CO²e)

EMISSION TYPE	2021
Scope 1 Direct Emissions*	31

*Scope 1: GHG emissions for Scope 1 have been calculated using the carbon conversion factors published in the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories.

WATER MANAGEMENT

WATER SOURCE	2021
Utility Water Consumption (m3)	45

Social Empowerment

OUR PEOPLE

Universities are a key enabler for technological innovation that builds startups and empowers the private sector. Sawafi recognizes this importance and therefore works together with the Saudi Government to shape Saudi's future leaders through programs such as Tamheer and HADAF that support young Saudis to add more value to the sector and empower their career success. By training three (3) local students and thereby enabling them to obtain their graduation, Sawafi further contributed to talent development and youth empowerment in the kingdom.

HEALTH & SAFETY

- The installation of new fire systems, equipment and fire extinguishers across offices improves the readiness in case of an emergency
- The number of toolbox training attendees increased from 24 in 2020 to 192 in 2021

GRI Standards Content Index

GRI STANDARDS CONTENT INDEX

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

The service was performed on the English version of the report.

GRI Standard	Disclosure	Page Number(s), URL reference, or notes.	UNGC Principles	
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
Organizational Profile	102-1	Name of the organization	5	
	102-2	Activities, brands, products, and services	5	
	102-3	Location of headquarters	Alturki Business Park,, Prince Faisal Bin Fahad Rd., P.O.Box 31775, Alkhobar, 31952 Kingdom of Saudi Arabia	
	102-4	Location of operations	3, 5	
	102-5	Ownership and legal form	Private Company	
	102-6	Markets served	5	
	102-7	Scale of the organization	5	
	102-8	Information on employees and other workers	26	
	102-9	Supply chain	29	
	102-10	Significant changes to the organization and its supply chain	No significant changes	
	102-11	Precautionary Principle or approach	19	7
	102-12	External initiatives	12	
	102-13	Membership of associations	3	
Strategy	102-14	Statement from senior decision-maker	4	
	102-15	Key impacts, risks, and opportunities	5	
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	5	
	102-17	Mechanisms for advice and concerns about ethics	29	
Governance	102-18	Governance structure	16, 33	
	102-19	Delegating authority	16	
	102-22	Composition of the highest governance body and its committees	16	
	102-23	Chair of the highest governance body	16	
	102-26	Role of highest governance body in setting purpose, values, and strategy	16	
Stakeholder Engagement	102-40	List of stakeholder groups	12	
	102-41	Collective bargaining agreements	Collective bargain in not permitted under KSA labour law	3
	102-42	Identifying and selecting stakeholders	12	
	102-43	Approach to stakeholder engagement	12	
	102-44	Key topics and concerns raised	12	
Reporting Practices	102-45	Entities included in the consolidated financial statements	3	
	102-46	Defining report content and topic Boundaries	3	
	102-47	List of material topics	15	
	102-48	Restatements of information	No significant changes	
	102-49	Changes in reporting	No significant changes	
	102-50	Reporting period	01.01.2021-31-12.2021	
	102-51	Date of most recent report	2020	
	102-52	Reporting cycle	Annually	
	102-53	Contact point for questions regarding the report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	3	
	102-55	GRI content index	63	
	102-56	External assurance	The Sustainability report has not been assurance by an external third party	

GRI Standard	Disclosure	Page Number(s), URL reference, or notes.	UNGC Principles
Material Topics			
GRI 200 Economic Standard Series			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	27
	103-2	The management approach and its components	27
	103-3	Evaluation of the management approach	27
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	27
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	29
	103-2	The management approach and its components	29
	103-3	Evaluation of the management approach	29
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	29
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18
	103-2	The management approach and its components	18
	103-3	Evaluation of the management approach	18
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	18
	205-2	Communication and training about anti-corruption policies and procedures	18
GRI 300 Environmental Standard Series			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	24
	103-2	The management approach and its components	24
	103-3	Evaluation of the management approach	24
GRI 301: Materials	301-1	Materials used by weight or volume	24
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	23
	103-2	The management approach and its components	23
	103-3	Evaluation of the management approach	23
GRI 302: Energy 2016	302-1	Energy consumption within the organization	23
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	24
	103-2	The management approach and its components	24
GRI 303: Water and Effluents 2018	303-5	Water consumption	24
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	23
	103-2	The management approach and its components	23
	103-3	Evaluation of the management approach	23
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	23
	305-2	Energy indirect (Scope 2) GHG emissions	23
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	24
	103-2	The management approach and its components	24
	103-3	Evaluation of the management approach	24
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	24
	306-2	Management of significant waste-related impacts	24
	306-3	Waste generated	24

GRI Standard	Disclosure	Page Number(s), URL reference, or notes.	UNGC Principles
GRI 400 Social Standard Series			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	26
	103-2	The management approach and its components	26
	103-3	Evaluation of the management approach	26
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	26
	401-3	Parental leave	27
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	29
	103-2	The management approach and its components	29
	103-3	Evaluation of the management approach	29
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	29
	403-2	Hazard identification, risk assessment, and incident investigation	29
	403-3	Occupational health services	29
	403-4	Worker participation, consultation, and communication on occupational health and safety	29
	403-5	Worker training on occupational health and safety	29
	403-6	Promotion of worker health	29
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	27
	103-2	The management approach and its components	27
	103-3	Evaluation of the management approach	27
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	27, 28
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	26
	103-2	The management approach and its components	26
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	26
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	56
	103-2	The management approach and its components	56
	103-3	Evaluation of the management approach	56
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56

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