

45
YEARS
ANNIVERSARY



Driving Progress, Shaping Sustainability

Sustainability Report 2023

صافولا
SAVOLA

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Savola is one of the leading strategic investment holding companies in the MENAT (Middle East, North Africa and Turkey) region, with a portfolio of leading brands in the food and retail sectors.



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OVERVIEW

How We Add Value

Savola Group (Savola or the Group) is a trusted and respected brand with a nearly 50-year track record. We are committed to diversifying and expanding our portfolio of leading food and retail companies through value built on values.



Strategic Points

Capability Building

Performance Monitoring and Management

Dynamic Capital Allocation

Selling and Distribution Expenses

Long-Term Strategic Planning

Sustainability

Governance



Our Business

Panda, Afia, USC and IFI

15,959 Employees

Sales and Distribution Expenses – SAR 2.78 billion

6 Major Manufacturing Markets

50+ Export Markets



Value Created in 2023

- Revenue – SAR 26,818 million
- Net Profit – SAR 899 million
- Shareholders' Equity – SAR 8,451 million
- 400+ million Potential Customers (Group)
- Great Place to Work Certified for the Fourth Year
- Member of The Valuable 500 Initiative
- Female Workforce of 1,314
- Recognized for Excellence in Corporate Governance
- Savola World Foundation Programs and Contributions
- Contributing to the achievement of the Saudi Vision 2030 Goals



At a Glance

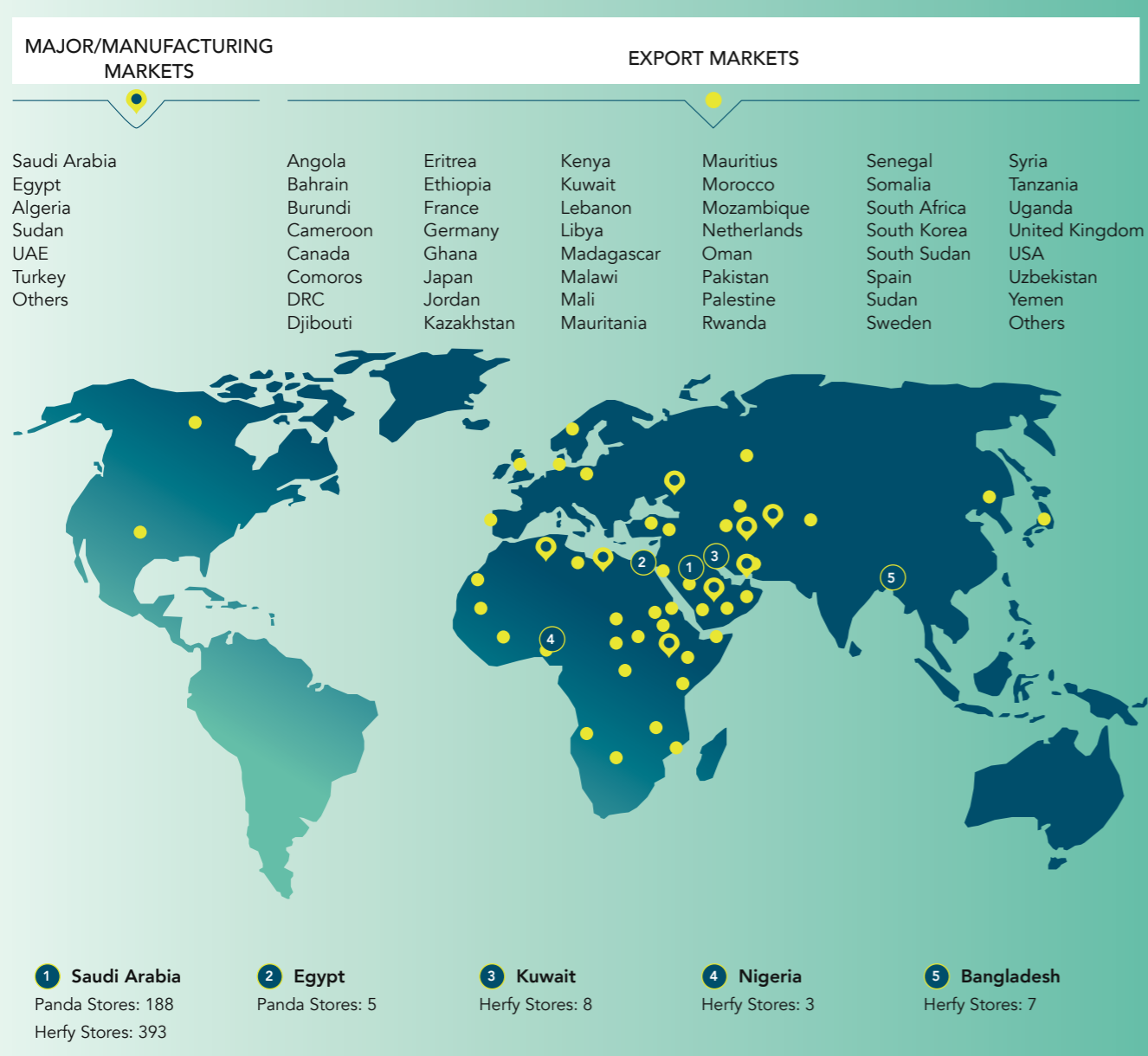
Savola Group is one of the leading strategic investment holding companies in the Middle East, North Africa and Turkey (MENAT) region, with a portfolio of leading brands in the food and retail sectors.

Since 1979, through our diverse and expanding portfolio of investments in leading food and retail companies, Savola has built a reputation for creating value for our stakeholders by staying true to our corporate values.

Investors across the Kingdom of Saudi Arabia and around the world trust us for our strong performance and specialist market knowledge. Our commitment to sustainability

impact through the Group's environmental efforts, the Savola World Foundation, also sets us apart.

We own and run Saudi Arabia's largest grocery network. We also manufacture popular household products such as edible oil, sugar, pasta, bakery goods, frozen meals, spices, nuts and snacks, which we sell to satisfied consumers in more than 50 countries.



Food Investments Portfolio



Our food vertical is made up of a portfolio of investments in large, branded categories across the MENAT region. Savola Foods Company is a leader in basic branded, consumer-packaged goods, which are produced in more than 6 countries and exported to over 50 markets, many of which are market leaders in their categories. We are committed to strategic growth and continue to innovate in our markets, building on our range of established products and diversifying into higher-value items.

Our long-term strategic investments in the food sector also generate profits for our shareholders.

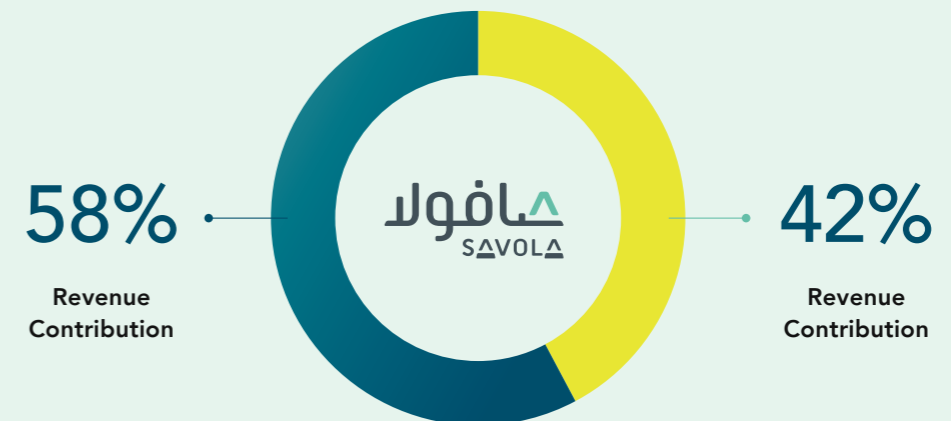
Once we have secured regulatory approval, and following a SAR 6.0 billion rights issue, we will distribute our entire 34.52% shareholding in Almarai, the Middle East's leading food and beverage company, to eligible Savola shareholders. This will unlock value for Savola's shareholders, who will benefit from one of Savola Group's most successful investments.

Retail Investments Portfolio



Our retail vertical is headed by Panda Retail (Panda), a modern 188 store grocery chain in Saudi Arabia with 5 stores in Egypt, which serves more than 95 million customers annually. Panda boasts a proud history, a leading market share and formidable geographic reach.

Our 49% shareholding in the Herfy Food Services Company makes us its largest shareholder and demonstrates our long-term strategic investment in the retail sector and in one of the leading restaurant, industrial bakery and meat processing businesses in Saudi Arabia.



2023 Sustainability Highlights



Business



Savola Foods Company was voted a Great Place to Work in both the Kingdom of Saudi Arabia and Asia

Gross profit reached **SAR 5,443 million** for the year, an **increase of 11.7%** from the previous year

Community



Princess Seetah Bint Abdul Aziz Award in Social Work
- Environmental Sustainability Pillar



The **2023 Yumnak program** successfully closed investment and financing deals worth

SAR 39,457,000 signing **5 commercial partnership** contracts for companies



The Savola World Foundation participated in the Ministry of Human Resources and Social Development's second annual volunteer forum, presenting **Modern trends in volunteer work towards effective and sustainable youth development** - a working paper on the Ata'a program

Hemam initiative, under the patronage of Governor of Makkah region, HRH Prince Khalid Al-Faisal – recognition for creating the **user-friendly environments for people with disabilities**

Participation in the **Arab Regional Conference** on the **integration of persons with disabilities** into the labor market

People



United Sugar Company receives **Gold Mowaamah Certificate** and **Panda Retail Company** receives **Bronze Mowaamah Certificate** for work environments that are adapted to, and support people with disabilities

70%
Saudization rate

85%
Employee Engagement score with

100%
participation rate

84%
Employee retention rate

Environment

FAO Regional Conference – Working paper to showcase **MENAT best practices** in the management of food loss and waste



SFC has reduced Scopes 1 and 2 greenhouse gas emissions by **15%** between 2019 and 2023

Panda has connected more than **90%** of retail outlets to the **Saudi Consolidated Electric Company grid**

Panda introduced **digital leaflets** to replace its own in-store leaflets

Sector



جائزة الملك خالد KING KHALID AWARD

King Khalid Award for Non-Profit Sector Excellence - IT Pioneers Track



Panda signs **Joint Cooperation Agreement** with the Saudi Export Development Authority, in support of the "Saudi Made" initiative

Savola Group CEO's Statement

"Savola Group's Workplace Employee Engagement, Wellness and Cultural Improvements pillars provide the framework for creating an inclusive and caring workplace."



Waleed Khalid Fatani
Group Chief Executive Officer



Net Profit 2023

+21.0%

Total Assets 2023

+1.3%

Shareholders' Equity 2023

+2.4%

This Sustainability Report sets out Savola Group's sustainability achievements in 2023, as well as the progress made towards reaching our longer-term sustainability goals. As the leading company in Saudi Arabia's food and retail industry, we are committed to driving progress and shaping sustainability in the sector. This commitment aligns with the theme of this year's report.

Our activities are funneled through 3 committees, made up from our Executive Management team, that focus on government relations, corporate social responsibility (CSR) and the environment. These areas echo and actively contribute to the key elements of the Kingdom's national transformation program, a vibrant society, a thriving economy and an ambitious nation.

The Savola World Foundation, governed by a Board of Trustees that includes representatives from both the Group and subsidiary companies' Executives, is a unique and independent entity. It is dedicated to implementing the Group's corporate social responsibilities, in alignment with Saudi Arabia's Vision 2030 and the UN's Sustainable Development Goals.

The environment

Within the Group, across all our locations in the MENAT region, we are actively implementing measures to introduce renewable energy sources and to reduce greenhouse gas emissions.

A key focus area within the Group is the reduction of waste. Our Panda stores and Savola Foods Company (SFC) both re-direct plastic, metals and cartons for re-purposing rather than to landfills. Panda, specifically, recycled 10% of the material it uses – some 18,084 tons – and received an award for its work in recycling wooden pallets. SFC, on the other hand, recycled 27,737 tons of oil

waste into soap, biofuels or chemical and poultry feed. 179,688 and 37,178 tons of sugar and pasta waste, respectively were also converted into useful products.

Food Waste Management and Reduction Award

Given that the bulk of Savola's business is about food production and sales, we continued to maximize our Negaderha Food Waste Management and Reduction Program as our flagship project. This program won the Princess Seetah bint Abdul Aziz Award in Social Work under the Environmental Sustainability Pillar. In addition, the Negaderha Food program also featured at the Food and Agricultural Organization (FAO) regional conference, during which the Savola team presented a working paper on best practices.

Reducing consumption of scarce resources to preserve our environment

On a Group level, Savola's dedication to preserving the environments we control are being actualized by the implementation of logical energy upgrades that have delivered a significant impact on our business. For example, Panda significantly reduced its power needs by replacing fluorescent lighting with 80% more efficient LED lights.

To reduce the Group's consumption of paper, Panda reduced the use of in-store leaflets with digital versions. As a market leader, we set a new standard for eco-conscious operations in the retail industry.

ISO environmental certification

Savola renewed its ISO 14001 certification in 2023, continuing its commitment to world-class standards of sustainability management and helping with our reporting on impacts and outcomes.

Governance and risk

Strong governance and ethical standards are cornerstones of Savola Group's sustainability policies. These are underpinned by the Savola Corporate Governance Code, first developed in 2004, which supports decision-making and institutionalization while promoting justice, competition and openness within the Group.

Central to this foundation is managing risk, which is performed within a framework based on best-practice ERM techniques and ISO 31000. This framework houses a consistent set of processes that enables risk information to flow and inform risk-related decisions.

People and community

Savola Group has, for a long time, acknowledged its responsibility as an active member of the community to improve people's lives and enhance their surroundings.

Alongside the Negaderha program, our Ata'a Volunteering Program collaborates with universities, non-profit institutions and private sector companies to create and implement volunteer opportunities for Savola Group employees. In 2023, this involved 60 volunteer employees contributing more than 300 volunteer hours in a manner that positively impacted more than 500 community stakeholders.

Helping others to help themselves

Each year, the Panda Caravan collects donations from our own workforce. In 2023 these contributions were turned into 300 Sallati Cards (Panda coupons) that were distributed to disadvantaged families and charities across the Kingdom. These enabled them to purchase essentials for the Ramadan period.

Yumnak Program – supporting SMEs

Small businesses serve as the foundation of economies and employment and therefore we prioritize these entities within the ambit of the Kingdom's Vision 2030. The Group's Yumnak program, launched in 2022, contributes significantly to this initiative. This year the Yumnak program facilitated successful investment and financing deals worth SAR 39,457,000, while delivering 5 commercial partnership contracts for emerging companies in the food and retail sector.

In the workplace

Savola Group's Workplace Employee Engagement, Wellness and Cultural Improvements pillars provide the framework for creating an inclusive and caring workplace. We are pleased to report that this year's Tower survey revealed that 82% of our people are satisfied with the work and life balance they can achieve, with a 90% satisfaction rate that the Group is a fair employer. Employee engagement improved significantly in 2023 to 85% compared with 78% in 2019.

People with disabilities

The Group continues to champion the creation of positive working environments for people with disabilities. These efforts are not confined within the Group, but also through our participation in the Arab Regional Conference on the integration of persons with disabilities into the labor market. Savola Group is also a training partner in the Hemam initiative for friendly environments for people with disabilities.

Inclusivity and diversity

Savola Group remains committed to inclusivity and diversity. This includes increasing the number of and roles of women in our workforce and establishing a females-only lounge designed and equipped for exclusivity and comfort.

Saudization

We are proud that 70% of the Group's employees are Saudi nationals, enabling us to maintain our position as a leader in our industry.

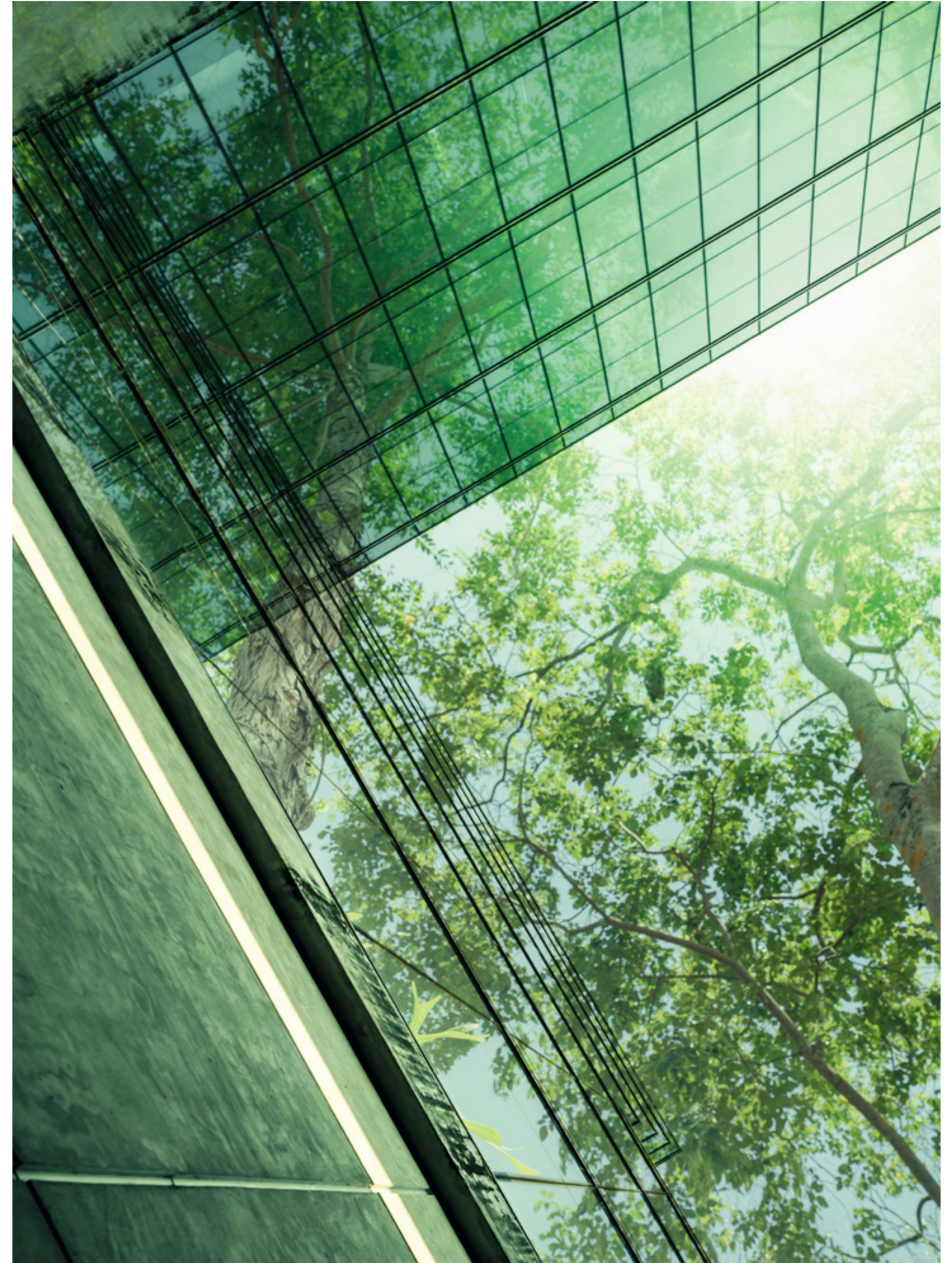
Our workplace focus is reinforced by both of our subsidiary companies - Savola Foods Company and Panda - receiving various awards recognizing them as great places to work at, and for their work environments that accommodate people with disabilities.

Savola Group continues to set the standard for our sector as a pioneer in ESG, sustainability and corporate responsibility. This is evidenced by our extensive community engagement and flagship programs such as Negaderha and Ata'a, as well as an increasing number of one-off initiatives.

Finally, I extend my thanks to the Chairman and the Board of Directors, to our Executive team and our workers, for their support and commitment to sustainability over the year under review, and into the future.

Waleed Khalid Fatani

Group Chief Executive Officer





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Our Approach to Sustainability

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OUR APPROACH TO SUSTAINABILITY

Savola Group takes a rigorous, collaborative and strategic approach to corporate sustainability.

We are committed to creating broad and lasting value for our stakeholders, throughout the Kingdom of Saudi Arabia and in the territories where we operate. In order to achieve this, our sustainability framework provides a clear roadmap for success across a wide range of material areas with our social responsibility activities largely implemented through the Savola World Foundation.



Managing Environmental, Social and Governance Impacts

The Group's management structure incorporates teams that look after all of Savola Group's sustainability impacts.

In 2021, Savola Group formed 3 management committees comprising members of our Executive Management to drive sustainable impact and knowledge exchange across the Group:

Government Relations Committee

To unify and build the Group's connections with government, this Committee develops a comprehensive government relations strategy with clear objectives and tactics. It also establishes and maintains relationships with key ministries, Emirates, and relevant government sectors.

Corporate Social Responsibilities (CSR) Committee

The CSR Committee, which is comprised of the Executive team at the Group and subsidiaries, aims to strategize the Group's CSR work into clear and common purposes and align the Group's efforts, creating competitive advantages through Savola World Foundation programs and related CSR activities.

Environment Committee

The Environment Committee develops a strategic plan for the implementation of the Group's Environmental Policy. It oversees all environmental activities, including those involving energy, water, waste management systems, recycling, emissions and transport.

Savola World



As noted, the Savola World Foundation is responsible for implementing the Group's CSR

initiatives. A game changer for corporate sustainability practice across the MENAT region, the Savola World concept was formed in March 2017 to create value for Savola Group's stakeholders by promoting socially and environmentally responsible practices. Since its inception, this CSR program has grown and diversified by engaging customers and other stakeholders. It has forged strong partnerships to promote socially responsible behavioral change across the sustainability pillars of Community, Employees, Environment, Sector and Business.

At the end of 2019, in alignment with international best practices in corporate foundations, Savola Group entrenched sustainability and CSR by establishing the

standalone Savola World Foundation. This is a non-profit organization that falls under the supervision of the Ministry of Human Resources and Social Development and is fully funded by the Group. Managed by the Board of Trustees, the Savola World Foundation will continue to grow and diversify to maximize impact. In close collaboration with a broad network of highly qualified, internationally acclaimed experts, the Foundation focuses on social awareness campaigns, coaching and consultancy, training, events management, research and studies, social impact and accreditation.

Savola Group (the founder) allocates an annual budget to fund and support the Savola World Foundation. It will also seek funding to form partnerships with government and private sector entities to champion environmental, social and governance objectives of Savola Group and the Kingdom of Saudi Arabia, in line with the goals of Saudi Vision 2030.

Savola Group CSR Strategic Objectives

- Improve company social image and position Savola as the CSR game changer
- Establish Savola's competitive edge in scalable and sustainable CSR
- Communicate Savola's CSR practices to reinforce Savola's ethical brand positioning
- Aim for measurable social return on investments for our sustainability and CSR activities
- Boost external relationships with key stakeholders

Our Focus Moving Forward

In the coming years, the Savola World Foundation will continue to build on its early successes, by extending its strategy based on a new vision. This will include launching new sectoral-based programs that will be aligned with its new strategic direction, the priorities of Saudi Arabia Vision 2030 and the UN's Sustainable Development Goals.

Alignment with Global and National Initiatives

Saudi Vision 2030



As an organization with long-term objectives and an increasing ability to achieve our targets, we are committed to Saudi Vision 2030 in every aspect of our business.

In terms of our nationalization program, we support the Vision 2030 goal of decreasing unemployment rates and are proud to be a leading force for Saudization in our sector. To this end, we have continued our collaboration with the Human Resources Development Fund – Tamheer program – through skills development, to ensure that Saudi citizens can compete in the marketplace.

In compliance with the Ministry of Housing’s vision for Saudi families to access appropriate housing, our home loan benefit supports our Saudi employees to secure housing inside the Kingdom through local bank financing, and in compliance with Shariah regulations.

Our drive to match the Kingdom’s vision of technology is key to our future strategies. We have promoted digitization and automation throughout the organization, from internal processes to production and retail, and will continue to forge ahead in line with the government’s targets.

We have enhanced our volunteer culture to assist in meeting the 2030 objective of 1 million volunteers by the end of the decade. Our CSR Committee continued to combine Savola Group and its OpCos’ efforts to provide and encourage volunteering activities, and according to our Tawer employee survey in 2023, we achieved a 90% employee satisfaction rate with their contribution to the community.

Among the volunteering activities that took place this year, our Ramadan initiatives embodied the spirit of the Holy Month. We encouraged and facilitated various events in collaboration with charity organizations such as Namaa Society and sold 162,615 Ramadan Boxes through our Panda stores.

For World Blood Donor Day, in collaboration with the Ministry of Health, we continue to participate in blood donation initiatives. With the support of King Fahad General Hospital, we operated an in-house lounge for an impressive number of volunteers.

In our Volunteer Your Knowledge program, a collaboration between Savola Group (Savola World), its OpCos and the Dallah Academy, our employees shared their knowledge to help new graduates answer job-related questions and concerns.

Furthermore, Savola Group and its OpCos encouraged its employees to participate in the annual King Abdulaziz University Career Fair, which was sponsored by Prince Badr bin Sultan Al Saud. The Savola specialists delivered lectures showcasing their expertise in various areas with the goal of empowering students and assisting them in recognizing the skills, talents, and knowledge required to enter the job market.

To support the Savola World Yumnak program, we encouraged the Group’s senior employees to provide support, direction and guidance to local startup companies. Their advice enabled them to gain expert insights into the administrative, strategic, planning, financial, marketing and technical fields with a view to increasing growth opportunities and to attract investments.

We have closely aligned Savola Group’s sustainability efforts with the long-term success of the Kingdom of Saudi Arabia. As Saudi Arabia’s blueprint for the future, Saudi Vision 2030 is based on 3 pillars:

1. A vibrant society
2. A thriving economy
3. An ambitious nation

In line with the Saudi national agenda, Savola Group’s growth strategy focuses on sustainable performance, directly benefiting the Kingdom’s socio-economic development, and reflecting the country’s strengths and capabilities, as follows:

A Vibrant Society

Long-term initiatives for which we have received recognition, include the Makeen, Sela, Tawer and our housing loan programs — for Saudi employees. To develop advanced talent capabilities and build a workforce for the future and provide opportunities for Saudi professionals we have embedded the Takaful insurance and the Tawoon Fund at the heart of Savola Group’s human capital development initiatives.

A Thriving Economy

To build a more dynamic and robust economy, Savola Group has identified growth opportunities through strengthening relationships with carefully selected partners, shareholders and investors. The network of companies within Savola Group has made us eligible for inclusion in the MSCI (Morgan Stanley Capital International) Emerging Market Index, as part of the Saudi Stock Exchange (Tadawul).

An Ambitious Nation

Savola Group operates according to the principles of a high-performance, transparent, effective and accountable governance system. Its goal is to achieve financial prosperity, which will ultimately satisfy the economic and social aspirations of the Saudi Vision 2030.

Specific Efforts aimed at Achieving the Saudi Vision 2030

- Complying with and supporting nationalization programs in management and non-management roles across Savola Group.
- Supporting the new generation of Saudi talent (e.g. Panda’s Is’ham training program).
- Recruiting high-caliber Saudi talent.
- Increasing Saudi product exports to regional markets.
- Improving quality of products sold in Saudi and abroad.
- Maintaining inclusion in MSCI’s Emerging Market Index.
- Ongoing certification of Savola Group as a Great Place to Work.
- Continuing to address food waste reduction through the Negaderha initiative and our global partners.
- Involving Group employees in social initiatives and volunteering, which also promote personal and professional growth.
- Supporting women and ensuring work-life balance for all employees.
- Offering health benefits and encouraging employee participation in sports activities.
- Ongoing recognition of Savola Group for the high quality of its service.



United Nations Sustainable Development Goals (UNSDGs)

The 17 Sustainable Development Goals (SDGs) were adopted by the UN General Assembly in 2015 as part of the 2030 Agenda for Sustainable Development, aiming to eradicate poverty, protect the planet, and promote peace and prosperity for all.

At Savola, our strategic direction takes into consideration international frameworks and global initiatives, and we have aligned our sustainability strategy with the SDGs. Our actions can contribute to maximizing the effective positive impact; and we carefully address any potential negative impact from our operations.

We have identified 10 SDGs that are most relevant to sustainability in Savola Group:

Relevant SDGs	How We Contribute and 2023 Highlights
 2 ZERO HUNGER	Zero hunger Savola Group has the unique position in the Kingdom enabling it to combat hunger at scale. In 2023, we continued to make an impact through our ongoing efforts to mitigate and reduce food waste in the Kingdom, through our groundbreaking food waste management program, Negaderha. Panda also donated Ramadan Food Boxes to families in need around the country and maintained its long-standing collaboration with the Namaa Association, which encourages consumers to purchase food baskets that are subsequently distributed to needy families.
 3 GOOD HEALTH AND WELL-BEING	Good health and wellbeing Savola Group's diverse and ever-expanding range of healthy and nutritious products ensures that citizens, residents and visitors to the Kingdom have a wide selection of products available to them. We continue to source and develop health and wellness-focused products, among others, fine sugar, spray oils and specialty fat products. Acknowledged as one of the Great Places To Work® in the Kingdom of Saudi Arabia, we prioritize our employees' health and well-being by investing in a wide range of health services, health campaigns and wellness seminars.
 4 QUALITY EDUCATION	Quality education In keeping with our position as a top employer in the Kingdom and throughout the world, Savola Group invests in the development of each of our workers. We take a proactive approach to acquiring, developing and maintaining top talent, with a special emphasis on Saudi nationals, who account for 70% of our total staff. We also take pride in being able to offer our staff an educational stipend for their children.
 5 GENDER EQUALITY	Gender equality As we believe that diversity makes us stronger, we are committed to ensuring equality, diversity and inclusion. Our fair hiring policies ensure that we provide equal opportunities for women at every level. Our proactive initiatives attract, engage and empower our female employees to our supportive work culture and environment. In 2023, our female workforce across the Group was 1,314.
 8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth Savola Group's value based corporate culture is designed to empower and support our employees, reinforcing our position as a leading Saudi company and employer. We are proud of our ongoing contribution to job creation and the economic growth of the Kingdom, throughout Saudi Arabia and the region. Our diverse efforts to retain key talent in mission critical roles continued during 2023, through our Long-term Incentive Program (LTIP) for top Executives. These Executives achieved the Group's strategic objectives by completing the fourth tranche of our share buyback, during which Savola acquired 2,182,858 shares for SAR 79,999,999. Panda's Rowad Development program, launched in 2021, continues to prepare Saudi nationals for long and meaningful careers and for more senior supervisory roles.
 10 REDUCED INEQUALITIES	Reduced inequalities We are dedicated to eradicating inequity throughout the Group, as demonstrated by our uncompromising efforts to promote diversity and cultivate a greater sense of understanding among employees and stakeholders. Our Gold Mowaamah Certification status is an acknowledgment of our efforts and dedication to supporting individuals with disabilities. As we continue to embrace and incentivize the Saudi workforce at Savola, we are proud to say that 70% of the Group's employees are now Saudi nationals.
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production We place a great deal of emphasis on promoting sustainable food consumption and establishing the bar for ethical food production in the Kingdom. Our award-winning Negaderha initiative continued raising awareness, involving and mobilizing people and resources around this. Additionally, thanks to our collaboration with the Saudi Grains Organization (SAGO) and Panda's "Can't Miss" initiative, our emphasis on reducing needless waste continues to have a major influence throughout the year.
 13 CLIMATE ACTION	Climate action Savola Group is committed to operating responsibly and sustainably to minimize our impact on the environment. We continually improve how we plan, prioritize, measure and account for our environmental impact, energy consumption and waste management to the benefit of current and future generations through existing and new initiatives, collaborations and activities.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, justice and strong institutions Savola Group has a zero-tolerance approach to corruption and bribery through our comprehensive and robust corporate governance processes, strong risk management function, and an open and accountable corporate culture. We have a best-practice governance structure through our Audit Committee, Internal Audit Departments, Governance and Compliance Bodies to mitigate risks. Our Tawer program promotes open communication and transparency by providing an open channel for listening to our staff and reporting concerns via our Integrity Hotline and an external audit partner that examines the Group's financial statements. Our annual Sustainability Report supports our commitment to openness and engagement with stakeholders.
 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the goals Savola Group is committed to forming, strengthening and diversifying strategic relationships that have the potential to contribute to sustainable development. Our collaborative approach with both government and private sector organizations within the Kingdom of Saudi Arabia and across our geographic footprint, lays the groundwork for even greater impact, evidenced by our inclusion in the MSCI Emerging Markets Index and our status as the first Saudi company to join the International Labor Organization's (ILO) Global Business and Disability Network. Furthermore, via our Ata'a program, Savola Group provided 300 volunteer hours to 500 beneficiaries around the Kingdom.

Global Standards and Charters

We consult a wide range of external sources to ensure an integrated, comprehensive approach to sustainability and to incorporate it into the various aspects of our business. These include international sustainability standards and frameworks (such as GRI, CDP and DJSI Index) as well as general guidelines, regional legislation and sector best practice.

In addition to the Saudi Vision 2030 and the SDGs, as mentioned, Savola Group also endorses several international charters and standards which include:

-  The GRI Standards for Sustainability Reporting as developed by the Global Reporting Initiative (GRI).
-  Ministry of Labor: Labor Law Charters and Principles.
-  The Saudi Standards, Metrology and Quality Organization (SASO).
-  The International Financial Reporting Standards (IFRS).
-  The Saudi Food & Drug Authority (SFDA).
-  The General Authority of Meteorology and Environmental Protection (PME).
-  The Saudi Authority for Industrial Cities and Technology Zones (Modon).
-  The Capital Market Authority: Regulation.
-  Standard & Poor's Transparency and Disclosure Standards.

Our Focus

Through our diverse activities, we will continue our focus on, and commitment to, the relevant UN Sustainable Development Goals and the goals of Saudi Vision 2030. To accelerate the impact of the Group's sustainability programs, initiatives and activities, contributing to a better world and a thriving, broad-based national economy, we will continue to build capabilities and partnerships with relevant stakeholders.

Stakeholders




As one of the Middle East, North Africa and Turkey (MENAT) region’s strategic investors in the food and retail sector, we account to a wide range of stakeholders. These include the Group’s subsidiaries, workers, suppliers, local community, partners, consumers, customers, investors, shareholders and the government. Each has specific interests and expectations from Savola Group.



Engaging with our Stakeholders




At Savola, we try to add value to the communities in which we live and work. Consequently, we respect our stakeholders’ feedback and participate in regular dialogue to ensure that their requirements and expectations are met. Cultivating and maintaining a two-way dialogue is crucial for mutual understanding and strategic decision-making thus stakeholder engagement provides critical insights that contribute to the development and implementation of our sustainability plan.

We acknowledge that working to address social and environmental concerns is a significant task, and we hope to get a better grasp of existing challenges and upcoming sustainability trends via collaboration and interaction with stakeholders.

The table below gives a high-level overview of our stakeholders, and how we communicate with them about social and environmental concerns.

	Stakeholders	Key Concerns	Engagement Type
	To achieve long-term, profitable growth, we collaborate closely with investors and shareholders within a framework of responsible and ethical business practices.	<ul style="list-style-type: none"> • Positive return on investment. • Reputation management. • Risk management. 	<ul style="list-style-type: none"> • Participate in shareholders’ General Assembly and Extraordinary General Assembly Meetings. • Investor relation programs for investors. • Financial results. • Financial and non-financial reports on Tadawul website and in the published media. • Department for shareholders’ affairs. • Email subscription center and investor relations app.
	Investing in long-term relationships with our suppliers and forming strategic supplier alliances guaranteeing value generation at every level of our extended value chain.	<ul style="list-style-type: none"> • Transparent bidding process. • Smooth invoicing and payment processes. 	<ul style="list-style-type: none"> • Strengthening relationships with business partners. • Integrated social and environmental considerations into the supplier selection process. • Adherence to the Code of Conduct and ethical values. • Support local suppliers in the Kingdom of Saudi Arabia.
	To focus on synergies while simplifying decision-making and resource allocation, and to strengthen our position as the leading investment holding firm.	<ul style="list-style-type: none"> • Board of Directors. • Subsidiaries, Boards and Committees. • Regular meetings for strategic and operational direction. 	<ul style="list-style-type: none"> • Clear CSR guidelines from HQ. • CSR champions assigned across all functions. • Clear goals, direction and strategy. • Support and tools for improving performance.

	Stakeholders	Key Concerns	Engagement Type
	To work consistently to foster a work culture that encourages open communication, camaraderie and great performance for our valued workers.	<ul style="list-style-type: none"> • Job security. • Fair compensation and benefits. • Opportunities to develop. • Ethical conduct. 	<ul style="list-style-type: none"> • Program for training and employing people with disabilities. • Initiatives to measure employee engagement, enhance the work environment and bring employees and their families together. • Programs for women empowerment and employment. • Employee assistance. • Health benefits and seminars. • Volunteering opportunities.
	To collaborate with community members, non-profit organizations, charity institutions, workers, suppliers, and other stakeholders on innovative projects and long-standing programs that have a positive impact and improve community wellness.	<ul style="list-style-type: none"> • Engagement and involvement in decision making. • Investment in local communities. • Supporting local enterprises. 	<ul style="list-style-type: none"> • The “Leave the Change for Them” charity initiative allows Panda customers to donate the small change from their purchases to charities across the Kingdom of Saudi Arabia. • Makeen program to train and employ people with disabilities. • Cooperating and supporting other social institutions to design educational, health and social programs. • Internship opportunities for undergraduates. • Board of Trustees of Savola World
	To prioritize understanding and addressing the requirements of customers while also exceeding their expectations. By putting them at the center of our operations and supplying excellent items through trusted brands, we can support our customers’ lifestyle choices.	<ul style="list-style-type: none"> • Fair prices. • Ethical business conduct. • Creating value for society’s different economic segments by providing value for money products and services, and world-class quality experiences. 	<ul style="list-style-type: none"> • Business development process. • Market and satisfaction surveys. • Customer care departments. • Traditional media channels, social media and online portals. • Website.
	To take the lead in sustainability and consistently uphold the Group’s principles.	<ul style="list-style-type: none"> • Positive return on investment. • Reputation management. • Risk management. 	<ul style="list-style-type: none"> • Board of Directors meetings. • Shareholders General Assembly. • Board Committees. • Engagement with Executives. • Financial and non-financial reports. • Setting the company’s strategic direction and plans. • Approving policies and procedures including Corporate Governance Code.

Stakeholders	Key Concerns	Engagement Type
NGOs 	To help meet unfulfilled social needs among the most disadvantaged elements of society.	<ul style="list-style-type: none"> Supporting local causes. Funds and financial support. Partnerships to contribute to social and economic development. Volunteering activities. Social and environmental initiatives.
Partners 	To develop solid ties with recognized partners, with whom we may collaborate to produce good value.	<ul style="list-style-type: none"> Fair dealings. Openness and transparency. Participate in innovative sustainability initiatives. Develop new programs and solutions. Utilize strengths to make a positive impact. Collaboration agreements (MoUs).
Government and Regulators 	To comply with national and international rules and regulations; to work in a responsible manner that contributes to the progress of the country and business performance, allowing us to benefit the community while also contributing to a healthy environment.	<ul style="list-style-type: none"> Compliance with laws and regulations. Respond to government requests and participate in government programs. Local employment opportunities. Collaborate with government stakeholders to advance common citizenship goals. Support Saudi Vision 2030 and SDGs. Publish quarterly financial results. Support government efforts and enhance national food security.



Materiality

Determining Areas of Focus

In today's increasingly linked world, organizations may report on a wide range of economic, environmental and social challenges. Because we operate in a complex and uncertain business environment, completing a material evaluation enables us to identify sustainability issues that are important to both the Group and our stakeholders. Identifying content subjects also guides strategy and communication.

Materiality Process

Our Sustainability Report is built around material subjects that represent Savola Group's economic, environmental and social consequences and affect the decisions of our stakeholders. In 2019, a review of Savola's competitive environment yielded a list of prospective material subjects, which was updated in 2021. Although these concerns are still contextually important to Savola in 2023, material matters might shift in relevance over time as stakeholders' interests and expectations alter in a dynamic working environment.

As a result, we conducted an extended materiality evaluation in 2023 and updated our materiality analysis to ensure that it appropriately represents current stakeholder interests and sustainability concerns.

As part of the research process, we:

- Worked with a variety of internal and external stakeholders to determine the most important sustainability concerns for our company and stakeholders.
- Consulted a range of international standards, frameworks and best practice examples to create and conduct our materiality evaluation in compliance with the GRI standards' principles, particularly the materiality principle.
- Considered national, regional and global challenges, trends and approaches.

Key steps of the process include:



Material Topics

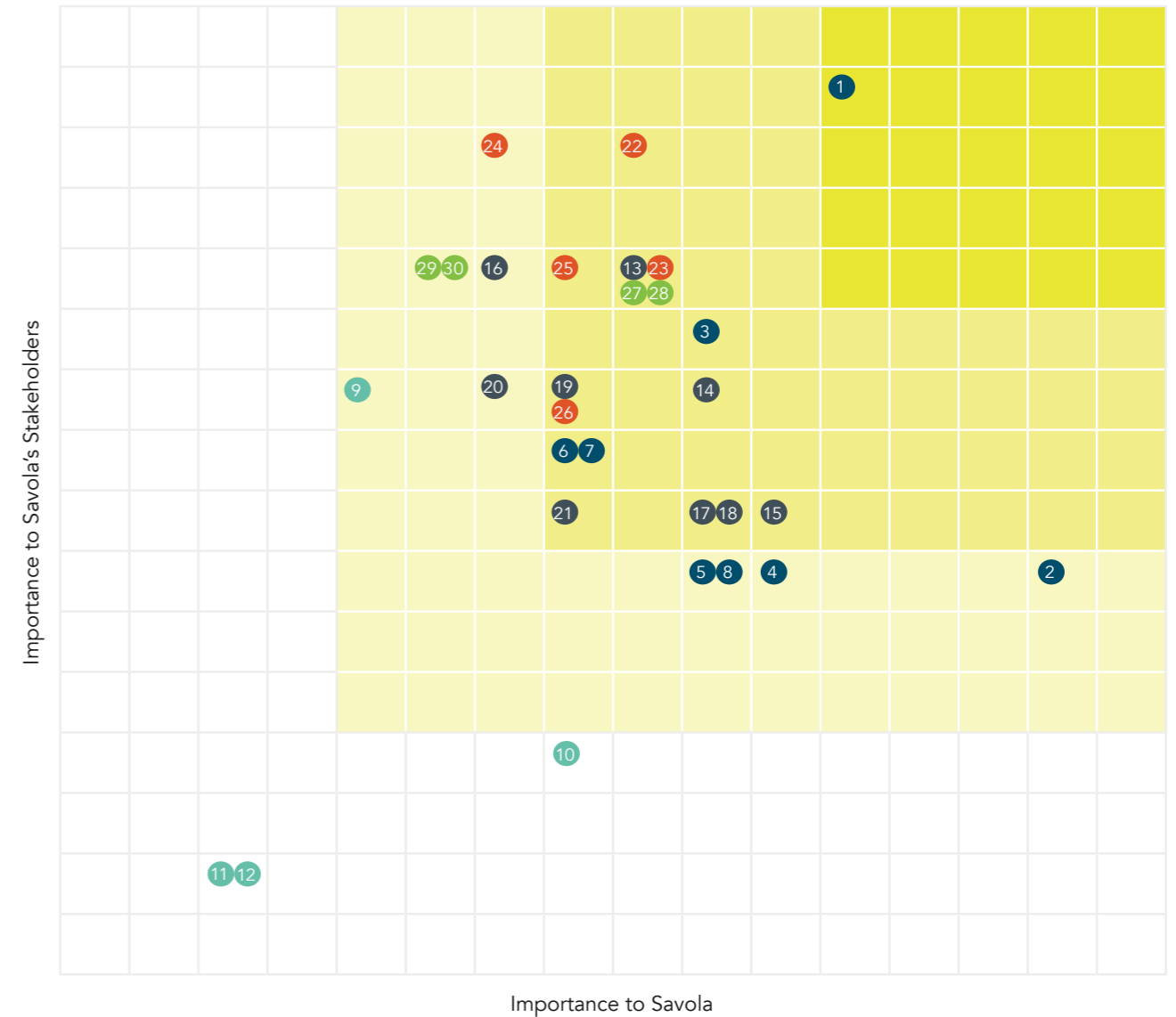
The materiality process identified 30 material topics that were categorized under 5 strategic pillars: business, sector, employees, environment and community as follows:

Business and Governance	Employees
 <ol style="list-style-type: none"> 1. Organizational ethics and values 2. Corporate governance 3. Market presence 4. Risk management and business continuity 5. Economic performance and financial stability 6. Sustainability governance 7. Relations with stakeholders 8. Anti-corruption and bribery policies and practices 	 <ol style="list-style-type: none"> 18. Occupational health and safety 19. Employee wellness 20. Equal opportunity and fair working environment 21. Employee development, training and education 22. Local employment/Saudization
	Environment
	 <ol style="list-style-type: none"> 23. Compliance with environmental legislation 24. Using water responsibly 25. Resource management and minimizing waste 26. Action to protect the environment
Products and Services	
 <ol style="list-style-type: none"> 9. Product quality, including colorants, preservatives, hormones and antibiotics 10. Customer satisfaction and complaints management 11. Putting customers first 12. Consumer health, wellness and nutrition 13. Savola's product portfolio 14. Adhering to international quality standards 15. Responsible sourcing of raw materials 16. Supporting local suppliers 17. Product labeling 	
	Community
	 <ol style="list-style-type: none"> 27. Food waste reduction information and training 28. Compliance with social legislation 29. Indirect economic impacts 30. Local community initiatives

Materiality Matrix

The materiality evaluation resulted in the creation of our materiality matrix, which depicts the priority of our identified material subjects.

The materiality matrix is a very useful tool for risk management and opportunity identification. Our sustainability approach at Savola is based on maximizing positive effect; the materiality matrix enables us to focus our energy and actions on influencing global change and attaining the SDGs and Saudi Vision 2030.



Responsible Business Framework

The framework within which Savola Group operates is summarized below:



Our Business

- Effective Governance
- Anti-Corruption and Bribery
- Corporate Strategy and Investments
- Ethics and Values
- Risk Management and Business Continuity
- Partnerships and Stakeholder Relations
- Economic Performance and Market Presence
- High Standards and Compliance



Our People

- Equal Opportunity and Fair Working Environment
- Employee Development, Training and Education
- Employee Wellness
- Occupational Health and Safety
- Local Employment/Saudization
- Diversity and Inclusion



Our Community

- Food Waste Reduction
- Local Community Initiatives and Contributions
- Volunteering
- Social Impact



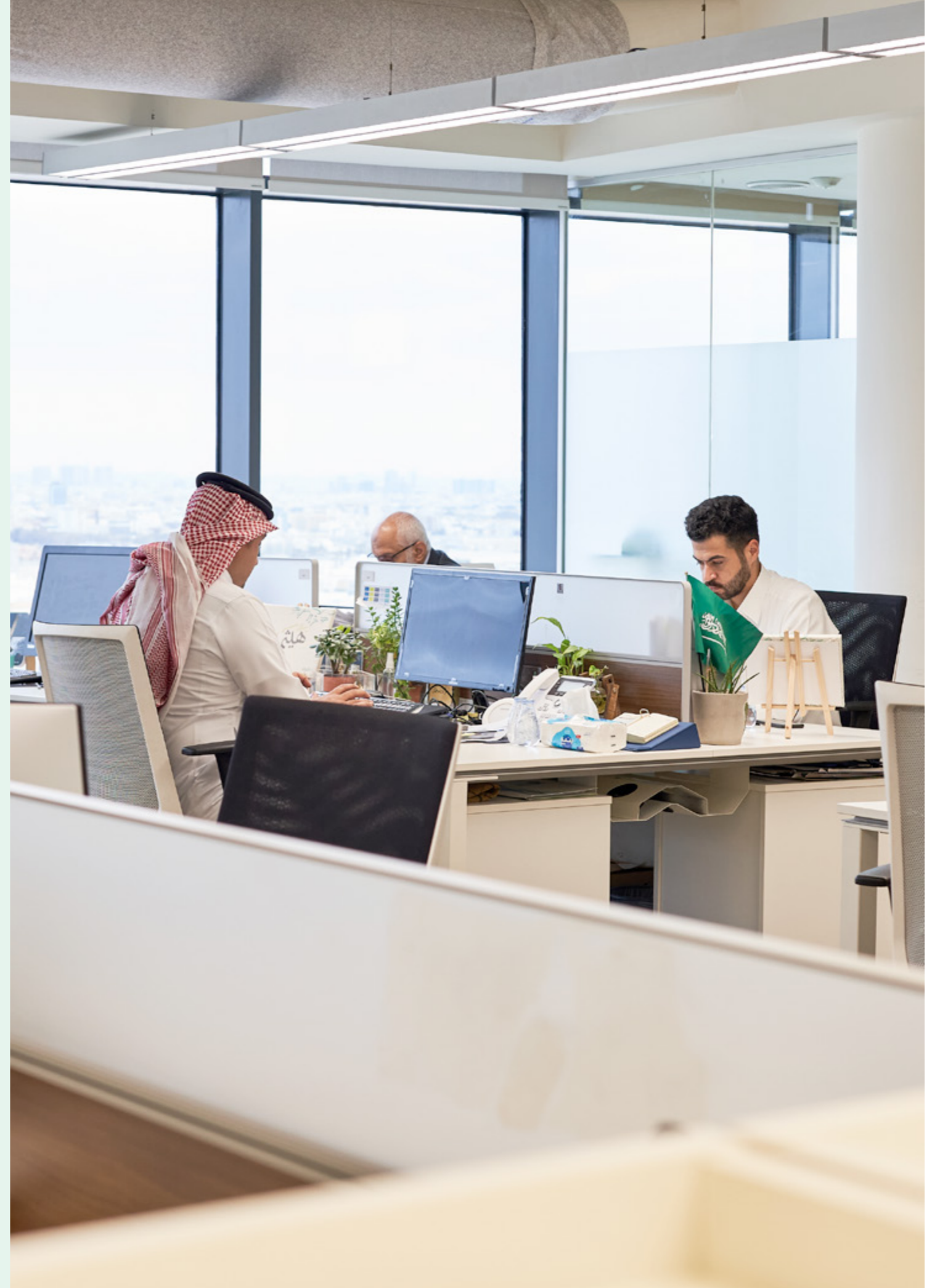
Our Environment

- Water
- Resource Management
- Energy and Fuel Consumption
- Emissions



Our Sector

- Consumer Health and Nutrition
- Responsible Communication and Marketing
- Product Quality and Innovation
- Shop Accessibility
- Customer Service
- Quality and Satisfaction
- Product Packaging and Labeling
- Responsible Sourcing and Procurement
- Local Suppliers





3

Our Business

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OUR BUSINESS

The Group's strategy and operations throughout Savola are in line with ESG and sustainability commitments, standards and best practices.



Food Investments

The Group's food investment portfolio did well in 2023. Savola Foods Company's overall expansion in Saudi Arabia and Egypt yielded strong results. Almarai's key categories and channels also fared well, and favorable results from its main markets of Saudi Arabia and the UAE improved Al Kabeer's performance.

MAJOR MARKETS			EXPORT MARKETS			
Saudi Arabia	Angola	Djibouti	Kenya	Mauritania	Palestine	Spain
Egypt	Bahrain	Eritrea	Kuwait	Mauritius	Rwanda	Sweden
Algeria	Benin	Ethiopia	Lebanon	Morocco	Senegal	Tanzania
Sudan	Burundi	France	Liberia	Mozambique	Sierra Leone	Uganda
UAE	Cameroon	Germany	Libya	Macedonia	Somalia	United Kingdom
Turkey	Canada	Ghana	Madagascar	Netherlands	South Africa	USA
Others	Comoros	Jordan	Malawi	Oman	South Korea	Others
	DRC	Kazakhstan	Mali	Pakistan	South Sudan	

Retail Investments

Panda's return to profitability in 2023 was driven by the success of its Customer Experience Revival (CXR) program and improvements in margin, as well as management of the operating expenses and general and administrative costs. Savola became the 100% shareholder of Panda, following its acquisition of a minority stake. Herfy achieved a 136.5% net profit increase, as a result of lower expenses and a decrease in financing expenditure.

	Panda Stores		Herfy Stores in KSA
Saudi Arabia	188		393
	Hyper Store	Supermarket	
	15	173	
	Panda Stores		Herfy Stores
Egypt	5		
Kuwait			8
Nigeria			3
Bangladesh			7

Our Journey

Growth and Diversification

1979 – 2009

1979
Savola is established, with a paid-up capital of SAR 40 million and 50 employees.

1981
Savola's edible oil refinery in Jeddah, the first in Saudi Arabia, begins operations.



1982
Launch of Afia premium corn oil. By the late 1980s, Savola captures 70% of the Saudi edible oil market.

1991 40% IN ALMARAI

Acquisition of a 40% shareholding in Almarai.

1992
Savola becomes a publicly listed company on the Saudi Stock Exchange (Tadawul).

Savola Bahrain and Savola Egypt commence edible oil operations.

1993
Joint venture with Tate & Lyle to establish United Sugar Company, Saudi Arabia's first sugar refinery.

1995
AFIA
Afia International Egypt is formed through the merger of Savola Egypt and SIME Derby Egypt.

Savola Foods establishes an edible oil factory in Egypt.

1998
Savola enters the retail sector, following its merger with Azizia Panda.

Savola gains a 70% stake in Herfy through the Panda merger.

2003
Savola Foods establishes edible oil businesses in Morocco and Sudan.



2004
Panda launches the Hyper Panda format.

2005
Savola establishes Kinan Real Estate, subsequently divesting 70% through private placement.

2006
KAEC
Savola invests in King Abdullah Economic City (KAEC) and Knowledge Economic City as a founding shareholder.

2008
Panda acquires Giant Stores and opens its first central distribution center in Riyadh.

2009
Panda acquires Géant Stores operations and expands its network to 152 locations.

2010 – 2017

2010
MAKEEN
Savola launches its first CSR program, 'Makeen', to train and empower people with disabilities.

Herfy is listed on the Saudi Stock Exchange (Tadawul) with Savola retaining 49% of its shares.

2011
HAWKAMAH
Standard & Poor's, Hawkamah and the International Finance Corporation rank Savola 2nd among top-listed companies in the Arab world for governance and transparency.

Savola Foods enters the pasta market by acquiring El Maleka Company and El Farasha Company in Egypt.



2013
Savola's first Sukuk issuance (SAR 1.5 billion).

SAR 5.34 BILLION
Savola acquires Al Muhaidib's shares in Panda (18.6%) and Savola Foods (10%) in exchange for the issue of 33.9 million new Savola shares through a capital increase to SAR 5.34 billion.

2015
Savola Foods enters the seafood business with global seafood leader, Thai Union, to launch the famous John West brand in 12 markets across the MENAT region.



Savola Foods launches Afia Distribution Company in Saudi Arabia.

2016
Savola unveils a new brand identity, symbolizing its evolution to a strategic investment holding company.

Savola receives the Sa'afa Award from the Integrity and Transparency Foundation.

2017
Savola sells a 2% stake in Almarai, as part of its capital re-allocation, whilst remaining the largest shareholder with a 34.52% stake.



Savola ranks top 10 for transparency in corporate governance, environment and social practices in MENAT by S&P and Dow Jones indices and Hawkamah.

Savola launches its 2nd CSR program, 'Negaderha'.

Savola Foods commissions a new factory in Jeddah to manufacture specialty fats for the B2B market.

Savola Foods establishes a joint venture in Iraq with Aves to create Bonus Food Company LLC, which is engaged in the refining and packaging of edible oils and vegetable ghee.

2018 – 2022

2018
AL KABEER
Savola acquires a majority stake (51%) in Al Kabeer, one of the region's leading frozen foods companies.

2019
Savola issues the 2nd tranche of Sukuk, pursuant to a new program in an aggregate amount of SAR 1 billion.

Savola among the 31 companies added to MSCI (Morgan Stanley Capital International), as part of Tadawul's inclusion into the MSCI Emerging Markets Index.

TOP-LISTED
Standard & Poor's, Hawkamah and the International Finance Corporation rank Savola 4th among top-listed companies in the Arab world for governance and transparency.



2020
GREAT PLACES TO WORK®
Savola named among Top 20 Great Places To Work® in the Kingdom of Saudi Arabia.

RANKED TOP 10
Savola ranked top 10 among all non-financial sector companies traded on Tadawul in the Corporate Governance Index (CGI) by Al Faisal University's Corporate Governance Center.

Savola was among the 'Top 100 companies in the Middle East' for 2020 according to Forbes Middle East, ranked 14th in the Kingdom of Saudi Arabia and 39th in the Middle East.

2021 VALUABLE 500

Savola Group joined The Valuable 500 global initiative which aims to enhance the inclusion of persons with disabilities through the business sector as a major driver of social change.



100% OF BAYARA
Savola Foods acquired 100% of Bayara for USD 260 million, in line with its ABCD growth strategy focused on expansion into high growth, value-added food categories with propositions directed towards the younger population. Bayara is a leading company specialized in nuts, spices, dried fruits and snacks, and is based in the UAE with over 3 decades of success and a wide distribution network across the Middle East and Africa.



2022
KNOWLEDGE ECONOMIC CITY
Savola Group agrees to sell its shares in Knowledge Economic City and Knowledge Economic City Developers Company Limited to Taiba Investment Company for SAR 459 million.

Savola Foods begins expansion into the bakery category in Egypt by acquisition of bakery assets in line with its ABCD growth strategy.

EMPLOYER OF CHOICE
Savola is recognized by the Chartered Institute of Personnel and Development as an 'Employer of Choice'.

Panda Retail Company was ranked as the 1st Grocery Retailer and the 2nd Retailer in the Middle East as part of the Brand Value 2022 Report, published by Brand Finance.

2023

2023
Savola Foods Co. exited its operations in Morocco and Iraq.

Savola Foods launched Bayara World stores, which are Bayara's retail stores in the United Arab Emirates, and strengthened the range of nuts, spices and legumes in the Kingdom of Saudi Arabia under Savola Foods' flagship brand Afia.

Al Kabeer rebranded its identity with a new distinguished appealing look and feel.

The Group acquired the minority stake in Panda Retail making it 100% owned by Savola.

Business Model and Strategy

A focused model that aims for sustainable growth



Savola Group is a strategic investment holding company with an investment program focused on the food and retail sectors. It aims to create value by enabling and accelerating growth levers for its portfolio by achieving scale and profitability.



Our Strengths

Strategic Focus

Savola focuses its operations through a long-term consumer trend-driven lens, aiming to dynamically allocate capital to generate long-term value growth.

Strong Governance Framework

Throughout the Group's history, building shareholder trust by prioritizing a robust governance and transparency framework.

Infrastructure and Consumer Access

Through the Group holdings, we own Saudi Arabia's largest consumer distribution network, retail space and brand portfolio in the country and touch millions of consumers across all our markets.



Our Challenges

Challenging macro-environment in operating countries, where some introduced economic reforms that may have a negative impact on the purchasing power of consumers.

Change in consumer behavior, where consumer preferences and tastes may change, impacting current products and business models.

Limited number of transactable assets from the perspective of an investment holding whose key directive is to allocate capital.

High relative valuation of food assets, in view of scarcity of sizeable assets that fit strategically with Savola Group's investment mandate, as well as other factors including the economic and business cycles and their impact on such assets.



How We Add Value

Leadership and Governance

The Group's focus as a strategic shareholder is to implement best practices across its portfolio to:

- Align stakeholder incentives.
- Select the right leaders and management teams to deliver on strategic and operational targets.

Setting Targets and Monitoring Performance

Savola is building the tools required for effective performance management across its portfolio. This includes both short-term and long-term operational and financial KPIs, periodic reviews and a proactive approach that prioritizes the long-term best interest of the business.

Capital Allocation

The Group aims to maximize returns on investments by deploying or redeploying capital to enhance shareholder returns and create additional value by gaining access to segments with long-term potential in the consumer space. The primary objective is to generate sustainable excess returns over the cost of capital.

Long-Term Strategic Planning

The Group believes that in addition to managing our capital and operating companies for performance and long-term sustainability at the subsidiary level, our role is to look at our markets, our holdings, and our operations with a view to realizing our ambition of profitably maximizing the share of consumer spend across our markets over the long-term.



Our Corporate Values

Our values underpin everything we do. They are a blueprint for the actions we take as individuals, as a team and as a company, every day. Since the Group was founded in 1979, this is how we do business:

Personal Values

Tawado: Confident humility; Having the confidence to perform our responsibilities while having the humility to minimize our ego.

It'qan: Relentless pursuit of perfection; The ability, willingness, desire and intention to do our best to ensure that work is completed to the best standards.

Azm: Fierce resolve; Apply what we learn to improve ourselves.

Iq'tida: Apprenticeship; To seek out, interact with, and learn from, those who know more than we do.

Group Values

Ihsan Al-Dhan: Trust; Trusting others' intentions without doubting them.

Mu'azarah: Care; Providing support to our colleagues to help enable their success.

Qabool: Acceptance; Acknowledging diverse people and their views.

Iq'bal: Approaching; Improving what we do by applying what we have learned from interactions with others.

Corporate Values

Taqwa: Conscientiousness; Fulfilling our responsibility to external parties.

Amanah: Honesty; Fulfilling of our responsibilities to investors.

Mujahadah: Personal control; Achieving the personal discipline necessary to fulfill our responsibilities.

Birr: Caring justice; Fulfilling of our responsibility to our colleagues and the company employees.



Transparency and Reporting

Savola Group is committed to ensuring proper internal controls across Savola, compliance with rules and regulations and providing stakeholders with transparent and credible information. This strengthens its relations with them, as well as enhances Group performance and decision-making processes.

In addition, we will ensure timely and accurate disclosure is made on all material matters, including the financial situation, performance, governance, reporting of rules pertaining to disclosure of information, methods of classification of information and the frequency of disclosure, taking into account conflicts of interest.

Business Ethics and Integrity

Savola Group steadfastly maintains a Code of Conduct and Ethical Values that influence every aspect of our business. The Code, which covers the actions of the entire Group and its subsidiaries, sets legal and ethical standards of conduct and acts as an ethical cornerstone for all employees, allowing them to recognize risks and act accordingly. The Code is therefore fundamental to the duties and responsibilities of Savola Group's employees and covers all key aspects of legal and ethical standards of conduct, including conflicts of interest, gifts, harassment, nepotism, employee relations, sales, confidential information, the environment, corruption and bribery.

The Principles of our Business Ethics

All of our relationships and interactions are governed by our ethics, namely: honesty (Amanah), conscientiousness (Taqwa), caring justice (Birr) and personal control (Mujahadah).

Honesty

- Always tell the truth, no matter what situation we might find ourselves in or how beneficial lying might appear in the short-term.
- Always fulfill our promises and obligations.
- Always honor our pledges to others.
- Always commit to resolving conflicts with respect and objectivity.

Conscientiousness

- Is the decision legal and have we checked its legality with the appropriate parties or references?
- Even if the decision is legal, will I be able to publicly admit to it and stand by it?
- Do I feel comfortable with the decision?
- Do I feel that what I am doing is not only legal but fair?

Caring Justice

- Provide managers, subordinates and colleagues with clear and accurate feedback.
- Acknowledge the accomplishments and achievements of others, both financially and non-financially.
- Ensure that those we are responsible for develop in accordance with their needs and the needs of the organization.
- Promote the progress of others, especially if they are deserving of this progress.

Personal Control

- Realize our full potential.
- Achieve a life of balance and satisfaction.
- Drive towards self-improvement and increasing self-discipline.

Compliance with Laws, Rules and Regulations

Savola Group adheres to strict corporate governance and regulatory standards and enforces a robust legal structure resulting in:

- Zero incidents reported for legal action regarding competition, monopoly or related outcomes.
- Zero penalties or precautionary attachments imposed by the Capital Market Authority or by any other supervisory, regulatory or judicial body.
- Zero cases of non-compliance for any breach or loss of customer data.

Savola Integrity Hotline

Integrity is one of our core values and is critical to our economic success. To safeguard our workers and stakeholders, we established the Integrity Hotline in 2018, which is an impartial and secure service that covers all regional operations. The Integrity Hotline is a private reporting system monitored by the Audit Committee and the Board of Directors. The Hotline, in combination with the Whistleblowing Policy, provides a secure and trustworthy means for reporting concerns about workplace behavior. The Integrity Hotline may be reached at www.hotline.savola.com.

Panda Speak Up Program

Panda operates the Speak Up program to enable all employees to report misconduct and unethical acts. The platform strengthens trust with our stakeholders, which forms a key aspect of Panda's strategy.

Number of Cases Reported and Investigated in the Group

	Number of cases reported		Number of cases investigated	
	2023	2022	2023	2022
Savola Group	4	3	4	2
Savola Foods Company	37	42	10	21
Panda	2,371	1,423	2,371	1,423

In 2024, we will continue to empower our employees to exercise independent professional judgment and act according to our values and ethics. Our value system and advanced business tools, including the Integrity Hotline, guide and support all employees to act in a manner that enhances our relationships with stakeholders and contributes to our reputation.

Strong Organizational Culture and Values

Our principles are the cornerstone of Savola Group and are critical to our success and longevity. They also serve as a framework for decisions we make as individuals and as a team. Every day, when our workers interact with our partners and other stakeholders, they follow our values, beliefs, and their own unique judgment. Since the Group's inception in 1979, our beliefs, principles and governance

structures have helped to safeguard us from any conflicts of interest.

The 3 defining, interdependent pillars of our organization's ethos are individual, team and organizational traits and values, as follows:



Robust Corporate Governance

Strong governance and ethical standards serve as the cornerstone for our sustainability policies and success. Savola's reputation and exceptional performance are built on our Corporate Governance Manual, Committee Charters, Bylaws, Code of Conduct and Ethical Values, authority matrix, and other internal Corporate Governance policies and controls, which are all regularly updated to reflect the most recent requirements and amendments issued by relevant regulators.

The Group has a Corporate Governance (CG) Manual which was developed and approved for the first time in 2004 and has been updated in line with the CG regulations issued by the CMA and international best practice in CG and transparency. The Company has reviewed and updated its CG framework and policies during 2017-2019 following the issuance of the Corporate Governance Regulations in February 2017 and the amendment issued in 2018, and all updates were approved by the competent administrative bodies, whether the Board of Directors or the General Assembly (where applicable).

During the year 2023, the company also reviewed and updated its bylaws, charters, and corporate governance policies, in light of the new companies law, which became effective as of January 19, 2023 and the changes were approved by the competent bodies, whether the Board or the Shareholders General Assembly (where applicable).

In addition, we adopt international best practices, such as Standard and Poor's (S&P) guidelines for disclosure and transparency. These practices ensure the high standards of accountability and compliance demonstrated by our Board of Directors, Executives and employees.

Savola Group's narrative revolves around trust and integrity. We have always aspired to excellent ethical behavior in all our interactions. The Savola Corporate Governance Code, which was initially formed in 2004, outlines precise norms, methods and procedures for the company's interactions with the boards and committees of its holding company and subsidiaries. The code supports decision-making and institutionalization while promoting justice, competition and openness within the Group.

To ensure and monitor the implementation of Corporate Governance requirements, the Board allocated corporate governance to the Remuneration and Nomination Committee's (RNC) responsibilities.

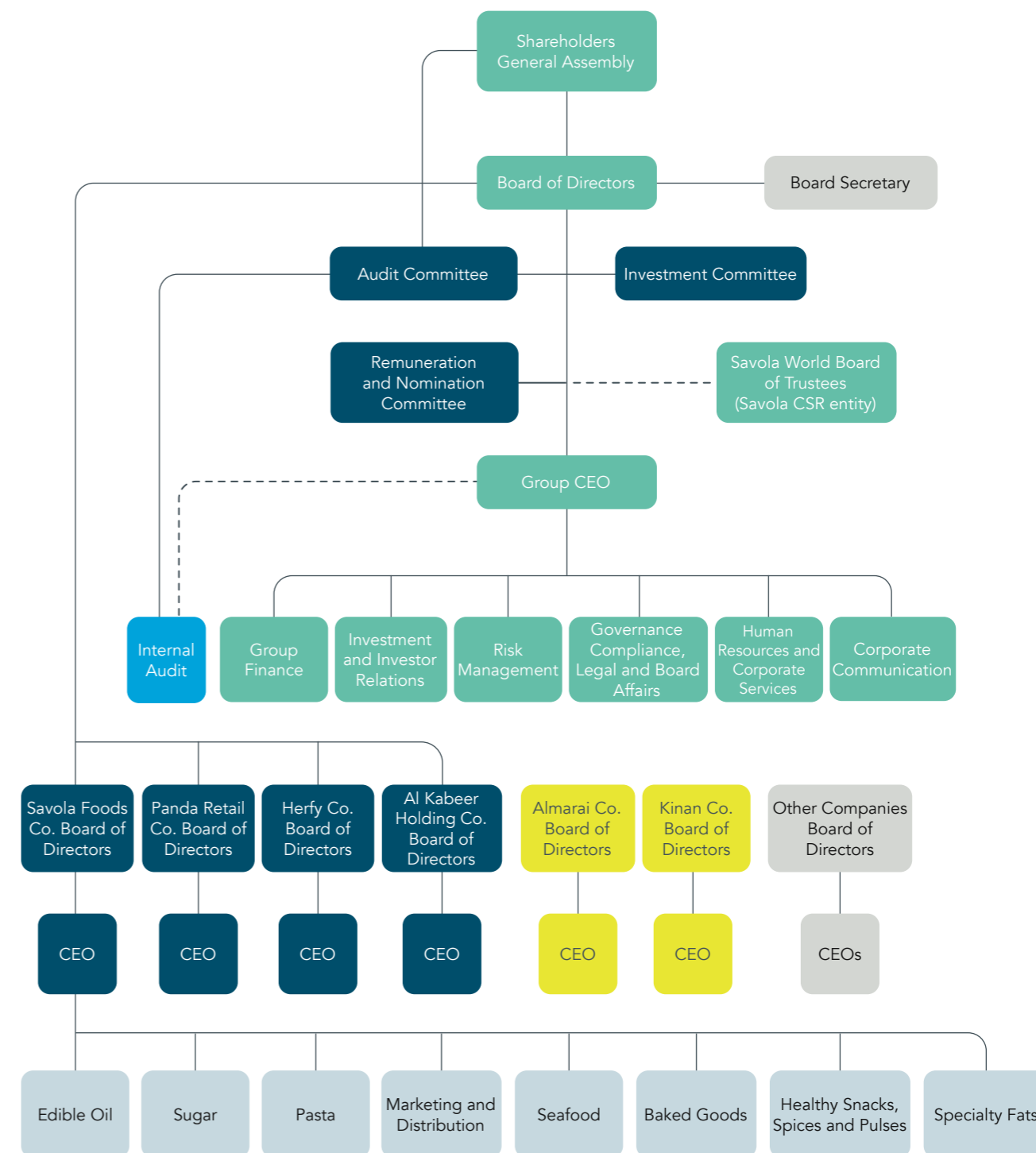
The Board of Directors, the Executive Management and a dedicated Corporate Governance Department oversee corporate governance requirements. Savola Group's Corporate Governance Manual is available on our [website](#).

Savola Group Board of Directors

Our Board of Directors is the Group's highest-level governing body, responsible for determining strategic direction, goals and objectives, as well as monitoring their execution. It shapes and oversees the Group's ethical culture while also protecting the rights of stakeholders in accordance with its Charter.

The Board consists of 11 highly skilled Non-Executive and Independent members. Leading by example, the Board promotes honesty and accountability while adhering to the ideals of openness, disclosure and responsibility. For more details about the roles, responsibilities and members of the Board of Directors, please refer to the 2023 Annual Report and Savola's website: www.savola.com.

Organizational Structure



Effective Risk Management

Savola Group is subject to a number of risks and uncertainties as a result of its concentration on investments in the food and retail sectors, as well as its large range of goods.

To ensure long-term value for our partners, investors, workers, customers, communities and other stakeholders, the Group employs rigorous risk management processes that are primarily centered on training and prevention.

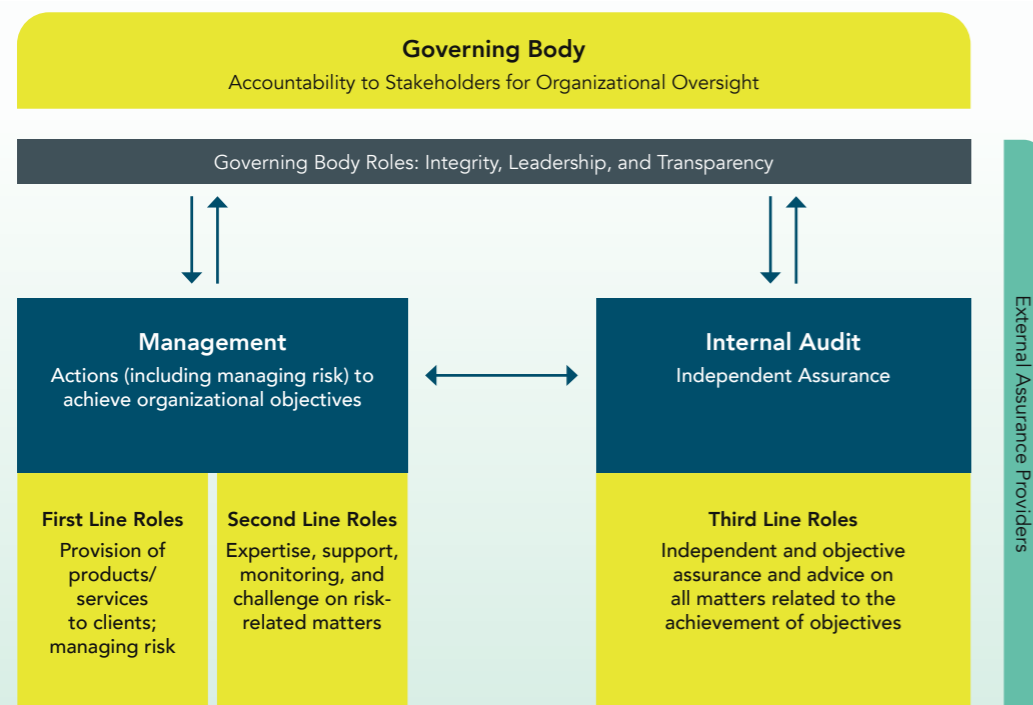
Savola Group's Board of Directors and compliance authorities seek to mitigate risk by ensuring the correct implementation of internal controls.

An external partner audits the Group's financial statements once a year, and the shareholder's General Assembly analyzes and approves finances, remuneration, related party transactions and Group performance. In accordance with our principles, all workers are held to the highest ethical standards and are dedicated to acting in the best interests of the Group and society at large.

Savola operates a "Three Lines Model" to ensure accountability across the Group for governance, monitoring, reporting and management of risks, and the control environment.

Each of the Three Lines Model plays a distinct role within Savola's wider governance framework. The Board, management, and auditors are the primary stakeholders served by the Three Lines Model, and they are the parties best positioned to help in ensuring that the Three Lines Model are reflected in Savola's risk management and internal control processes.

Three lines Model

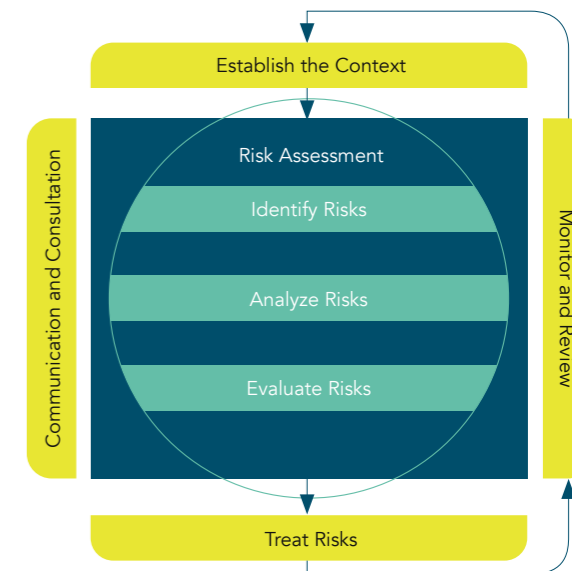


Key:
 ↑ Accountability, Reporting
 ↑ Delegation, Direction, Resources, Oversight
 ↔ Alignment, Communication, Coordination, Collaboration

Enterprise Risk Management Framework

In line with the market best practices, Savola has an integrated Enterprise Risk Management (ERM) framework to support the success of the business and achievement of its strategic goals through a collaborative risk management environment that proactively identifies, monitors and mitigates risks. The framework has been developed in line with current leading ERM practices and ISO 31000.

In developing the ERM framework, the focus was to design a process that addresses Savola's business needs while remaining simple and pragmatic. Savola ERM framework outlines the series of activities that Savola uses in identifying, assessing and managing its risks. The framework ensures that risk is being managed through a common set of processes at Savola, which enable the flow of risk information to the person with the authority and responsibility for making decisions pertaining to the activity associated with the risk. By establishing a common language and set of tools, Savola's risk management process can be replicated at any level within the Group.





4

Our Community

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OUR COMMUNITY

As a highly active member of the community, Savola Group has the ability, influence and resolve to improve people's lives and enhance their surroundings. We have a responsibility to change society for the better and act as a catalyst for change for the environment, and for those who are less privileged than ourselves.

Our ongoing support, unique campaigns and initiatives engage people from around the region and raise awareness of some of the most pressing issues that need addressing. Our positive impact is a source of pride to and an endorsement of Savola Group's dedication to a better world.

Our remit is to provide the means for members of our community to reach their potential and to act as a regional pioneer for a sustainable environment.

Panda's dedicated consumers have also consistently demonstrated kindness and generosity via projects like Leave the Change for Them, which offers so much to people in need. Our Panda Caravan concept continues to be tremendously effective.



Savola Group CSR Policy

Savola Group Corporate Social Responsibility Policy conforms with articles (84) and (85) of the Capital Market Authority's (CMA) Board's Corporate Governance Regulations (CGR) and strikes a balance between its and the community's aims.

The policy aims to ensure that we:

1. Achieve a balance between Savola Group's objectives and society's goals.
2. Behave responsibly towards our employees, customers, shareholders and the society in which the Group and its subsidiaries operate.
3. Present a positive role model through behaving responsibly towards society, customers and stakeholders.
4. Establish values aimed at building a society for the future generations.
5. Establish the principle of sustainability in all aspects of the Group's operations and community work.
6. Adopt local relevant standards, international standards and best practices in the field of CSR and Sustainability, e.g. adopting the Sustainable Development Goals (SDGs) in Saudi Vision 2030, the National Sustainability Standards, the United Nation's Sustainable Development Goals, the Sustainability Reporting Principles endorsed by the Global Reporting Initiative (GRI), and Standard & Poor's Agency for Transparency and Disclosure Index.
7. Developing measurement indicators that link the company's performance to the social work initiatives it provides, and comparing this to other companies with similar activities.
8. Disclose CSR objectives, plans, programs and initiatives adopted by the company through relevant periodic reports.

From Policy to Action

Savola Group carries out its corporate social responsibility and sustainability work through Savola World Foundation – a non-profit organization – that was established, and is wholly funded, by the Group. An annual budget allocation is determined by the Board of Directors. Savola World Foundation is a Non-profit Organization by virtue of the Associations and Non-profit Organizations Law issued by the Council of Ministers Resolution No. (61) dated 18/02/1437H and its executive by-laws issued by Ministerial Resolution No. (73739) dated 11/06/1437H. The foundation currently operates under the supervision of the National Center for Non-Profit Sector, and it has previously worked under the supervision of the Ministry of Human Resources and Social Development, since its establishment until the end of 31st of December 2022.

Savola Group, through the Savola World Foundation, aims to achieve the following:

- Ensure a balance between the goals of the Group and the goals that society aspires to achieve, by launching and developing effective social responsibility and sustainability initiatives and programs.
- Develop and implement awareness and educational programs for the community in partnership with the government and private sectors according to the Saudi Vision 2030.
- Apply global best practices in social responsibility and sustainability.
- Conduct research and field studies to propose new programs and solutions for societal issues.
- Offer training and rehabilitation of youth to properly integrate them to the labor market.
- Build and promote a culture of volunteering among the employees of the Group and its subsidiaries and encourage their participation in volunteer work to support the national efforts to achieve one of the most important aspects of Saudi Vision 2030.
- Share Savola Group's CSR experience and success stories with interested entities.

Savola World Foundation Strategy

Savola Group's strategic approach to sustainability adds value to businesses, communities and the environment by adopting a consistent strategy and viewing sustainability as a way of conducting business. Savola World's strategic

orientation is based on worldwide sustainable development goals, national development plans and programs, and the Kingdom of Saudi Arabia's 2030 Vision objectives.

Vision

The Group hopes that the Savola World Foundation will become a leading development foundation that makes a sustainable social impact.

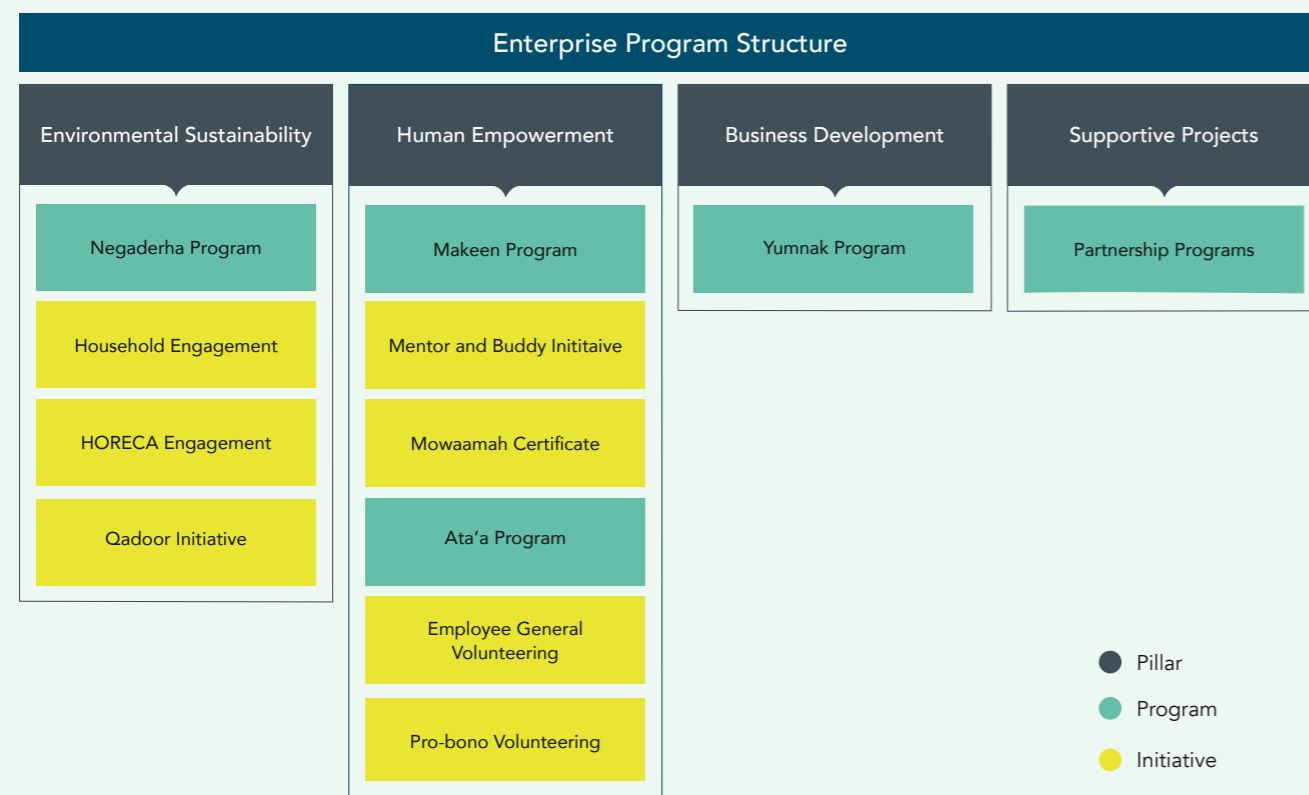
Mission

The Group aims, through its CSR arm the Savola World Foundation – a specialized non-profit community development foundation - to build strategic partnerships with different sectors and to develop programs and sustainable solutions to meet local community needs and requirements.

The Focus Areas and Long-term Programs Portfolio

The Savola World Foundation's programs are directly related to the sustainable development goals, Saudi

Arabia's 2030 Vision and the national social development goals. The Foundation's long-term program portfolio falls under 4 main pillars, and under each one is a program which in turn incorporates an initiative or a package of related initiatives, as shown in the diagram below:



Summary of Achievements

Makeen

- Participation in the Arab Regional Conference on the integration of persons with disabilities into the labor market.
- Participation as a training partner in the Hemam initiative for the friendliest environments for people with disabilities.
- Conducted 12 training workshops for 221 participants.

Ata'a

- Launched promotional campaign for the Ata'a program.
- Developed Ata'a program guidelines.
- Total volunteering hours: 300.
- Total beneficiaries: 500.

Negaderha

- Awarded the Princess Seetah Bint Abdul Aziz Award in Social Work - Environmental Sustainability Pillar.
- Developed and launched "Recycle Food, Don't Waste it" community campaigns, reaching 17,525,039 people.
- Presented a working paper at the regional conference of the Food and Agriculture Organization of the United Nations (FAO).

Yumnak

- Closed investment and financing rounds worth SAR 39,457,000.
- Conducted 40 workshops and 20 lectures on specialized topics.
- Signed 5 commercial partnership contracts for companies.

CSR Spend

From 2010 to 2019, Savola Group allocated 1% of net operating profit to its CSR activities, but after the establishment of the Savola World Foundation, it now allocates an annual budget to the social responsibility and sustainability programs managed by the Foundation.

Savola World Foundation Resources

The financial resources of the Foundation are managed by its Financial Supervisor, under the supervision of the Board of Trustees. The Financial Supervisor with assistance of a finance manager supervises, implements and follows up all financial and accounting tasks and functions in accordance with the relevant financial and accounting systems and principles.

The Savola World Foundation seeks to develop and sustain its financial resources which according to its Articles of Association, consist of:

- Funds allocated by the founder.
- Donations, endowments, wills and Zakat.
- Donations received subject to the Ministry's approval.
- Revenues from activities with financial return.
- Returns on investment of the Foundation's fixed and movable tangible assets.

Social Return on Investment Study

Social Return on Investment (SROI) is a methodology for predicting the expected impact or assessing the actual impact of a community initiative.

Savola World started to assess its SROI in 2019, and since 2022 the Foundation has been developing SROI studies for its various initiatives and programs. The main purpose of SROI measurement studies is to enable the team to plan strategically. The research provides the Executive team and program leaders with an in-depth understanding of their programs and initiatives so they can make evidence-based decisions regarding expansion, reducing, re-planning or even ending a program or initiative.

In addition, this tool enables the Foundation's Board of Trustees and Executive Management to focus the investment in the areas that have greater social return and impact as well as to more efficiently manage resources.

The SROI studies to date show that the Savola World Foundation's social interventions have over the years added measurable value to both strategic partners and society, and that the Foundation's programs and initiatives generate a positive return on investment and achieve high social value for every Saudi Riyal spent.

Community Initiatives and Investments

Through extensive community engagement in key programs such as Negaderha and Ata'a, and a growing range of one-off initiatives launched each year, Savola continues to set the standard for our sector as a pioneer in ESG, sustainability, corporate governance and corporate responsibility.

CSR Committee

In 2022, the Group formed its Corporate Social Responsibilities Committee to bring together the Group's CSR goals and, through the Savola World Foundation programs, create competitive advantages. The Chairman of the CSR Committee in Savola Group also acts as the Executive Director of the Savola World Foundation, overseeing and implementing the Group's sustainability strategies.

Key Achievements of the CSR Committee in 20237

Savola Group and its operating companies worked jointly on the annual Ramadan Baskets for charity as well as in the following programs:

Ata'a Program

- Program guidelines developed
- 300 volunteer hours
- 500 beneficiaries
- Internal promotional campaign for the Ata'a program launched

Yumnak Program

- Participated in the Yumnak selection committee to identify the SMEs (Small and Medium Enterprises) that met the relevant criteria
- Participated in Yumnak partnership day
- Conducted 40 workshops and 20 lectures on specialized topics

Makeen Program

- Participated in the Purple Saturday initiative

As one of many initiatives to conserve resources, Savola World Foundation and the National Transformation Program (NTP) signed a Memorandum of Understanding to reduce food waste, including a sustainable method for collecting data from the retail sector.

Panda Caravan

The Panda Caravan is a program that solicits donations from our own workers. In 2023, these gifts were turned into 300 Sallati Cards (Panda coupons), which our Executive team personally handed to disadvantaged families. The remaining cards were delivered to recognized organizations in various cities around the Kingdom, allowing them to supply their recipients with Ramadan essentials.

Ramadan Boxes

Panda distributed Ramadan Boxes to all customers and workers at our locations in 2023, during the holy month of Ramadan. These boxes are reasonably priced to make them available to everyone, reflecting our dedication to both assisting consumers and providing them with the best value.

We believe that our Ramadan Boxes, which consumers may purchase and donate to families in need, will foster a sense of communal sharing and solidarity.

In 2023, we sold 162,615 Ramadan Boxes including a range of essential staples such as rice, sugar, oil, dates and many more daily consumables.

Volunteering and Charitable Programs

Savola Group employees have enjoyed a well-deserved reputation for their selflessness and ongoing contributions to Saudi society and are encouraged to continue taking an active role in a variety of community initiatives.

Ata'a Program

Through the Ata'a volunteering program, our people participated in a number of specialized events with worthy charitable organizations.

The Savola World Foundation has designed volunteer programs and contributed to activities that not only benefit people facing hardships, but also enhance employee growth.

Ata'a Program Objectives:

- Educate and encourage voluntary work and instill the spirit of innovation and social responsibility among employees.
- Inspire employees to volunteer.
- Cooperate with the relevant authorities to create sustainability initiatives.
- Instill confidence through creating volunteering opportunities.
- Invest in the professional skills of employees to serve the community, the non-profit sector, and social and public-benefit institutions.

The Foundation's team focused on enhancing and overseeing volunteer work, fostering an environment conducive to the growth of volunteerism within the organization.

Ata'a Program Partners

- King Abdulaziz University
- Saudi National Bank - Ahalina
- Namaa Association
- Hilton Hotel
- Dr. Samir Abbas Hospital

Achievements of the Ata'a Volunteering Program in Year 2023

In 2023 we developed guidelines for the program and established annual volunteer targets. We initiated collaborations with universities, non-profit institutions and private sector companies to create and implement volunteer opportunities for Savola Group employees.

The program involved 60 employees in general and professional volunteer opportunities over a total of 300 volunteer hours positively impacting more than 500 members of the local community.

Ata'a Volunteering Achievements

Year	Hours	Volunteers	Beneficiaries
2023	300	60	500
2022	121	26	520
2021	122	64	335
2020	Suspended due to the COVID-19 pandemic		
2019	787	44	600
Total	1,330	194	1,955



Below is a breakdown of volunteer activities in 2023:

Activity	Date	Hours	Volunteers	Beneficiaries
Participation in a workshop on selecting the criteria for evaluating the Hemam Award	8 Feb	5	1	14
Knowledge sessions for Microsoft Club members at King Abdulaziz University	20 Mar	1	3	40
Presenting training courses to Hilton employees	5 - 6 Apr	24	1	30
Presenting a training course (Mentor and Buddy program) from Al Salem Johnson Control Company, A-Bir Society and Sharbatly (Foundation for Community Service and Dr Samir Abbas Hospital)	15 May	8	1	15
Presenting training courses for Dr Samir Abbas Hospital about the Mentor and Buddy program and the art of dealing with people with disabilities	10 May 4 Jun	16	1	45
Participating in the Human Initiative jury	23 Jul	4	1	16
Packaging, wrapping and distributing Ramadan beneficiaries at Nama Association Store	28, 29, 30 Mar	31	27	200
Savola Foods Company presented human resources training courses to the Ministry of Hajj and Umrah: <ul style="list-style-type: none"> Performance Management Institutional Development Enhancing Employee Engagement Attracting Talent Employment Salaries 	9 Jul - 9 Aug	130	8	6
Knowledge sessions for Microsoft Club members at King Abdulaziz and Jeddah Universities	9 - 10 Oct	45	12	30
Presenting entrepreneurship consultations for SMEs in cooperation with Ahalina program	12 Nov	9	1	3
Presenting consultations on warehouse management and logistics services to Namaa Association	13 Nov	6	2	1
Distributing winter clothing for needy families in Al Jawf with Ahalina program	13 Dec	7	2	100
		300	60	500

Ata'a Program Promotional Campaign

To increase awareness within the Group and its subsidiaries about the Ata'a program and volunteer work, an internal communication campaign was launched, targeting the Group's employees, from July until the end of September 2023.

Objectives:

- Create an effective communications campaign for Savola Group and its subsidiaries using attractive key messages and visuals.
- Achieving the Group companies' targets for volunteer hours.
- Contributing to the Kingdom's Vision 2030 and the National Volunteering Portal.
- Positive media coverage of Savola's activities and success stories.

The Development of Ata'a Program Guidelines

A set of guidelines, formalizing Savola Group's commitment to employee volunteerism, has been developed. It also supports employees who wish to volunteer by providing a best practice framework.

This guide is a strong foundation for, and can be used as a reference for, the program and covers the following:

- Introduction of Ata'a program (Savola's employee volunteer program)
- Categories of volunteer work
- Participation regulations
- Volunteer rights
- Volunteer obligations
- Ethical code for volunteering

The Participation in the Second Annual Volunteer Forum

The Savola World Foundation participated by presenting a working paper on the Ata'a program and its experience with volunteering at the second annual volunteer forum on 7 December 2023. It was organized by the Ministry of Human Resources and Social Development in Riyadh and was entitled Modern Trends in Volunteer Work Towards Effective and Sustainable Youth Development, as part of the Ata'a Watan 2023 activities.

The forum targets the governmental, non-profit and private sectors, volunteers and volunteer teams, in addition to the general community.

Objectives of the Second Volunteer Forum 2023:

- Promoting awareness.
- Adopting the concepts and trends of volunteer work.
- Enhancing coordination and integration to increase the efficiency of the volunteer work system.
- Enabling stakeholders to activate and improve volunteer work practices.
- Achieving national targets in the field of volunteer work.
- Reviewing inspiring global experiences and discussing the important roles of volunteer work in achieving sustainable development, in conjunction with the rapid achievements made by volunteer work in various fields of volunteering in the Kingdom and achieving the goals of the Kingdom's Vision before the year 2030.

Participation in Workshops

The Savola World Foundation participated in the workshop titled Stakeholders in the Initiative to Empower and Organize Volunteer Work to Serve the Guests of God, which was organized by the Ministry of Human Resources and Social Development on 11-12 September 2023, in the city of Jeddah.

Workshop Objectives:

- Unifying perceptions regarding national voluntary trends in serving the guests of God.
- Analyzing the reality of volunteer work in serving the guests of God for the private sector and the non-profit sector.
- Monitoring aspirations and ambitions to contribute to building strategic directions for volunteer work in serving the guests of God.

Yumnak Program

Having started business as a small company in 1979 importing and purifying vegetable oils for sale in the local market, Savola has grown into the leading strategic investment holding group in the food and retail sectors across the region. Having experienced challenges and seized opportunities, Savola is perfectly positioned to advise and assist other companies on their path to further growth.

As part of Saudi Vision 2030, the Kingdom is looking to increase SMEs contribution to the Gross Domestic Product from 20% to 35%. As a long-standing advocate of startup and SME growth in the market, Savola World Foundation consistently provides practical support for privatization and investment programs. As a result, Savola World Foundation focused on business assistance as a key focus area to support growth and facilitate growth among SMEs.

In 2022, the Group established Savola World's Business Assistance program, Yumnak – the Arabic for 'Your Right Hand' – which prioritizes the growth of food and retail SMEs through an all-encompassing program, providing the tools for companies to take advantage of their opportunities and discover new avenues to exploit and expand.

Following an online promotion and a targeted advertising campaign, 129 applicants took part in the inaugural program, with 10 companies qualifying for the final stage, which included a series of lectures, debates and presentations ranging from marketing and distribution channels to dynamic financial models and valuations.

The program achieved significant success by concluding investment and financing rounds totaling approximately SAR 40 million.

During the year, 5 commercial partnership contracts were signed by companies as result of the program and the second edition of the Yumnak program was launched during the fourth quarter of 2023.

Yumnak Program Objectives

Yumnak is an intensive, practical hands-on program which provides a set of technical tools to enable companies to scale up their business activities. Selected participants present their business plans and products to sector experts, with a view to securing either partnerships or investments.

This year saw the conclusion of the inaugural edition of the Yumnak program which aims to develop businesses for SMEs in the food and retail sector.

- Promote the work of SMEs by preparing them for investment opportunities.
- Participate in expanding the business network of SMEs through mentoring sessions and expanding their business scope.

Different from similar programs, Yumnak focuses on working with established companies to either increase sales or attract investments. This is achieved by providing support, direction and guidance to selected companies, which will benefit from the opportunity of engaging with experts who specialize in the administrative, strategic, planning, financial, marketing and technical fields, bolstering growth opportunities and attracting investments.

Stages of the Program

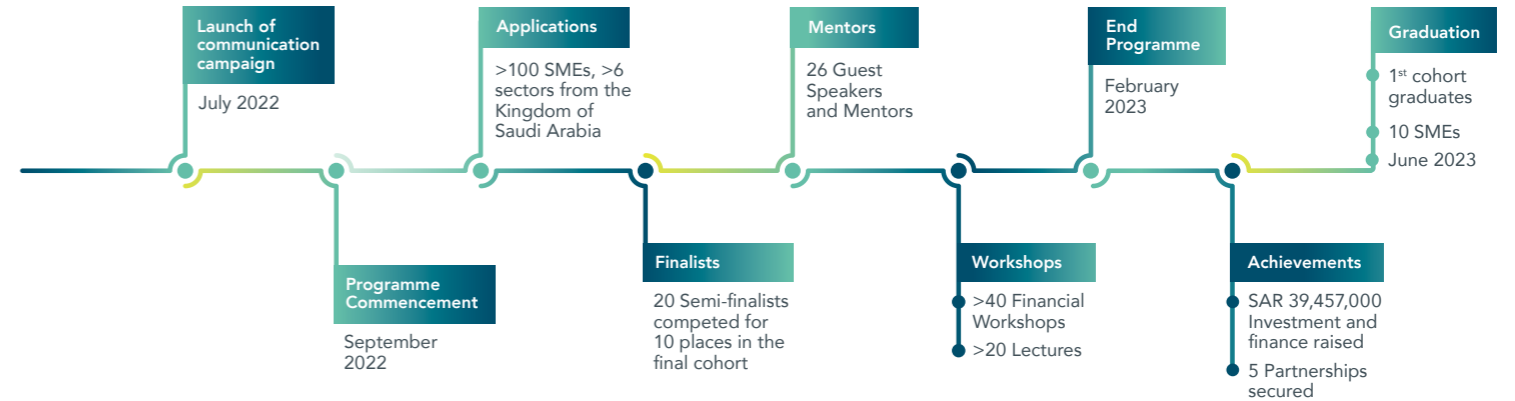
1. Program awareness through a widespread media campaign.
2. Receiving applications from qualified companies.
3. Filtering and selection process.

4. Providing lectures and workshops with experts in fields that serve companies in the growth and investment stage.
5. Designing bespoke development, support and guidance plans for each company.
6. Implement the plan for escalation, acceleration and follow-up.
7. Rating and review.
8. Presenting sales pitches to potential business partners and industry players.
9. Prepare and submit the final presentation to meet potential investors on the final demo day.
10. Completion of successful partnerships/investment agreements and drafting of contracts.

Savola Group employees volunteer their experience and expertise to evaluate the nominated SMEs, and then support them in their efforts to expand and attract investment by providing workshops, lectures and advisory sessions.

Key Milestones in the Yumnak Program

- A communication plan and visual materials to launch the program on social media platforms.
- Created a dedicated, specialized page for the program on the Savola World website.
- A successful recruitment campaign for applications to join the program ran from June to August 2023.
- Of the 129 companies that applied, 10 companies qualified for the final stage of the program.
- Provided 40 workshops and 20 lectures on specialized topics for SMEs, ranging from marketing, improving distribution channels, financial and tax planning, to building a dynamic financial model, data rooms, alternative financing, evaluations, etc.
- The total number of mentors and lecturers reached 26 people during the program stages.
- 29 guidance and counseling sessions for qualified SMEs.
- A successful Partnerships Day, attended by more than 104 guests and companies, during which several businesses from various sectors including food, retail and logistics services met with the qualified beneficiary enterprises to learn about the products and services and potentially expand their business scope.
- Closed successful investment and finance agreements to the value of SAR 39,457,000 with the signing of 5 commercial partnership contracts.
- The graduation ceremony attended by Savola Group's Executive and administrative team as well as investors.



Savola World Hosts the Foodtech Event

As part of the efforts of the Yumnak program to raise awareness of entrepreneurship in the sector, the Savola World Foundation hosted a Foodtech event on 2 October 2023 at the Savola Tower. The event industry professionals interested in the relationship between food and technology, and participants had the opportunity to:

- Network with industry professionals and gain valuable insights into the latest trends and best practices.
- Explore potential investment opportunities and collaborate with like-minded individuals.
- Learn about the latest innovations in the food industry.

The event was attended by more than 150 participants, including a group of employees from Savola's Group of companies with one of Savola Foods Company's Executive Directors managing one of the sessions.

Leave the Change for Them

This humanitarian program was founded in 2006, whereby Panda's customers donate the remaining Halalas (small change) from their retail purchases, and has raised over SAR 89,000,000 since its inception.

Customers Tower

The Panda Customers Tower in the Mecca region, in collaboration with the Disabled Children Association (DCA), is being built as part of this initiative. This year, we raised a total of SAR 3,122,227 for the project, which will be an endowment (Waqf) for customers and will be formally launched in May 2024.

Helping Children and Families of Prisoners

We believe in creating unforgettable memories for children suffering from chronic illnesses by providing unique experiences for them to explore working for Panda. We arrange special store tours during which they learn about the different departments and interact with Panda employees.

A percentage of the donations supports different charitable projects such as the Tarahum Association which received SAR 544,212 to support families of people in prison.

Negaderha Program

Negaderha, the Food Waste Management and Reduction program, was developed to address food wastage as a national issue, focusing on households and the hotels, restaurants and cafes (HORECA) sector. Based on the Saudi Loss and Waste Index, the first edition of the total food waste and loss ratio was 33.1% in the Kingdom in 2019, equivalent to 4.066 million tons. The Kingdom of Saudi Arabia aims to reduce this by 10% by 2030.

Program's Objectives:

Through the Negaderha program, Savola Group:

- Contributes to significantly reducing the ratio of food waste and loss in the Kingdom by 2030, to ensure achieving development and food security at the national level.
- Raises awareness about the social, environmental and economic consequences of food waste.
- Shares information about global best practices, knowledge and tools for waste management, to promote sustainable behavioral change and optimal use of food resources.

Highlights – 2023

Princess Seetah Bint Abdul Aziz Award in Social Work - Environmental Sustainability Pillar

In February, the Savola World Foundation Negaderha program won the Princess Seetah Bint Abdul Aziz Award for Excellence in Social Work (environmental sustainability pillar), during the 10th round, for the creativity and innovation in social work theme.

The award was handed to Savola World by His Highness Prince Turki bin Abdullah bin Mohammed bin Saud Al Kabeer and H.E. Eng. Ahmad bin Sulaiman AlRajhi, Chairman of the Board of Trustees of the Princess Seetah Award and the Minister of Human Resources and Social Development, at a ceremony attended by many Royal Highnesses from Saudi princes and princesses, ministers, representatives from the winning organizations and a number of distinguished personalities in the field of social work, in addition to a number of heads of government entities and private sector companies. It was received on behalf of the Savola World Foundation by our Chairman of the Board of Trustees, Mr. Fahad bin Abdullah Al Kassim.

United Nations' Food and Agricultural Organization's Regional Conference

We were invited to participate in the United Nations' Food and Agricultural Organization's (UN FAO) regional conference (MENAT) on Food Waste and Loss Reduction. In the context of our intensive interaction with the household sector in Saudi Arabia, we presented our Negaderha program and our comprehensive experience in food waste reduction. This included highlighting the key

enablers in food waste management such as the power of research, innovation and technology.

The conference was attended by regional government entities and private sector companies, banks and non-profit organizations during which [the Guidelines for Action on Food Loss & Waste Reduction in the Near East and North Africa](#) and the Food Waste & Loss (FWL) Reduction website were launched. The website is a regional technical platform through which a broad spectrum of stakeholders can exchange ideas, raise awareness and measure food waste and loss.

Negaderha's Partners

Negaderha program collaborates with several organizations to achieve these objectives:

The United Nations Environment Program (UNEP)

Savola Group has formed a partnership with the United Nations Environment Program (UNEP) to leverage their global scope of work and technical expertise. Through this engagement, we seek to garner the buy-in of regulators and enablers to scale these efforts on a national level through the delivery of targeted training and a food waste prevention program.

Waste and Resources Action Program (WRAP)

Through its partnership with the Waste and Resources Action Program (WRAP) Savola Group has access to appropriate licenses that enable it to leverage WRAP's expertise, e.g. strategic guidelines, business models and several specific tools and tips. Through this license agreement, we can utilize the intellectual property of WRAP to enrich the Negaderha program.

The General Food Security Authority

When the Index of Food Waste & Loss in the Kingdom was launched, Savola Group signed an MoU with the General Food Security Authority (GFSA) (formerly Saudi Grains Organization) which will see the development of innovative concepts and applications to raise the social awareness about food waste. It will also activate cooperation between the various sectors to exchange the ideas with a view to creating strategic and sustainable programs.

Saudi Food Bank

Collaborating with Savola Group, the Saudi Food Bank (Etaam) will expand their outreach to the hotels, restaurants and cafes sector (HORECA). In support of this initiative, the Savola Foundation has produced a technical manual to assist in bringing behavioral change, raising awareness and empowering business owners and employees in the HORECA sector.

Negaderha Community Awareness Campaign 2023

Drawing on international experience, the Negaderha initiative encourages consumers to reduce waste through community awareness campaigns. These campaigns are seasonal, running when food waste might be more prevalent, for example in the holy month of Ramadan, during Eids, festivals and holidays.

Initiative's Objectives:

- Raising awareness, among households about the negative social, environmental and economic impacts of food waste.
- Promoting ideas, solutions and techniques related to food waste management at home.
- Raising awareness about techniques, tools and other applications that optimize the use of food resources.
- Using gamification and competitions to encourage positive behaviors resulting in a sustainable behavioral change.
- Reducing, significantly, the volume of food waste and loss in households in the Kingdom by 2030 and ensuring development and national food security.

Recycle Food, Don't Waste It Campaign

In 2023, Negaderha program launched a national awareness campaign, Recycle Food, Don't Waste It in partnership with the National Transformation Program (NTP), Ministry of Environment, Water & Agriculture and the General Food Security Authority (GFSA). The year-long campaign was designed around seasons and occasions including Ramadan, Eid Al-Adha, Back to School, Summer and Keshta (Picnics) with invitations for participants to include their own, personal events.

Negaderha developed and executed this campaign in cooperation with Atyab Tabkha, an influential platform, specializing in recipes and related tips and ideas, one of the most popular platforms in the Kingdom of Saudi Arabia.

The content was delivered in multiple formats, ranging from interactive stories and videos, to educational articles that were carried on both the Savola World and Atyab Tabkha social media platforms.

This campaign surpassed its goals reaching 17,525,039 people, 10,387,732 views and 40,092 article views.

Negaderha Recycle Food, Don't Waste It Performance in Comparison with its KPIs:

Content Type	Month in 2023	Distribution Platforms	Committed KPIs	Achieved KPIs	Achievement (%)
Ramadan 2x Carousel Posts 4x Interactive Stories 4x Videos	May	Savola World social media platforms Atyab Tabkha Instagram, Facebook and Tiktok	Reach: 600,000 Views: 2 million	Reach: 1.55 million Views: 2.06 million	Reach: 258% Views: 103%
Eid Al-Adha 1x Carousel Post 1x Interactive Story 1x Article	June	Savola World social media platforms Atyab Tabkha Instagram, Facebook, Tiktok and website	Reach: 200,000 Pageviews: 1,000	Reach: 674,000 Pageviews: 5,000	Reach: 337% Pageviews: 500%
Summer 1x Story 1x Carousel Post 1x Video	August	Savola World social media platforms Atyab Tabkha Instagram, Facebook and Tiktok	Reach: 2.2 million Views: 1.5 million	Reach: 2.2 million Views: 2.4 million	Reach: 100% Views: 116%
Back to School 2x Videos 1x Article 1x Carousel Post	September	Savola World social media platforms Atyab Tabkha Instagram, Facebook, Tiktok and website	Views: 3.0 million Pageviews: 6,000 Reach: 2.1 million	Views: 5.9 million Pageviews: 12,000 Reach: 5.6 million	Views: 197% Pageviews: 200% Reach: 267%
Keshta/ (Picnics) 2x Interactive Stories 1x Article	October	Savola World social media platforms Atyab Tabkha Instagram, Facebook, Tiktok and website	Reach: 4.2 million Pageviews: 6,000	Reach: 5.3 million Pageviews: 9,000	Reach: 126% Pageviews: 147%
Personal Events 1x Article 1x Interactive Story	November	Savola World social media platforms Atyab Tabkha Instagram, Facebook, Tiktok and website	Reach: 2.1 million Pageviews: 6,000	Reach: 2.2 million Pageviews: 14,000	Reach: 106% Pageviews: 236%

In 2023, the Negaderha program participated in a number of community awareness campaigns with Le Tadoom, the national program to reduce food loss and waste. This collaboration is a result of the MoU between Savola World Foundation, the National Transformation Program Center and the General Food Security Authority (GFSA). The campaigns included awareness messages about managing food waste and preserving blessings.

The first campaign was launched on the International Day for Awareness of Food Loss and Waste, and the second campaign was launched during the Hajj season

with the theme, Hajj Without Waste. This three-way partnership has activated the role of the non-profit sector as a development partner, a pillar of economic and social growth, and supports the government's strategy of employment for young people in the Kingdom.

Two such initiatives are the Iftar Without Waste campaign and the Appreciate Food to Last campaign aimed at food reduction in the household, which took place during the Hajj season and Eid Al-Adha and were both launched in 2022.

Programs' Achievements 2017 - 2023

2017	<ul style="list-style-type: none"> Conducted the National Field Quantification Food Waste Research. Signed with the United Nations Environmental Program (UNEP) and with WRAP. Developed the program's name, identity and brand guidelines. Launched the program and conducted the on-ground activation and communication campaign. Launched Negaderha digital portal. Developed and published the technical guide for food waste management in HORECA sector. Signed with the Saudi Food Bank and distributed more than 1 million food containers. Developed and conducted the digital community awareness communication campaign (Be Creative and Appreciate).
2018	<ul style="list-style-type: none"> Launched the National Alliance with food preservation NGOs in the Kingdom. Developed and published 60 videos for food leftover recipes. Developed and launched Food Portion Planner. Developed and conducted the digital community awareness communication campaign (Be Creative and Appreciate the Challenge). Developed and launched food leftovers cookbook.
2019	<ul style="list-style-type: none"> Signed with The General Food Security Authority (formerly the Saudi Grains Organization (SAGO)). Launched Negaderha's Awareness Tips and Ideas video.
2020	<ul style="list-style-type: none"> Launched Negaderha application for smart phones. Conducted a digital community awareness communication campaign about national food security during COVID-19. Presented workshops at the G20.
2021	<ul style="list-style-type: none"> Developed and conducted 2 digital community awareness communication campaigns (Be Creative, Appreciate and Make a Change) and (Appreciate it, Do not Waste it). Developed the Qadoor initiative.
2022	<ul style="list-style-type: none"> Signed with the National Transformation Program (NTP). Participated in the development of the sustainable National Food Waste and Loss Index. Launched Qadoor initiative. Developed and conducted 2 digital community awareness communication campaigns (Iftar without Waste) and (We Appreciate Food to Last).
2023	<ul style="list-style-type: none"> Savola World Foundation received the King Khalid Foundation Award for Excellence in Non-Profit Organizations in the Information Technology Standard for the year 2023. The Foundation won the Princess Seetah Bint Abdulaziz Award for Excellence in Social Work in the Environmental Sustainability Branch for its program "Negaderha".

Savola Foods Company in the Community

School and University Visits

In 2023, we welcomed a number of students from various schools and universities, providing a unique opportunity to gain an insight into our company's operations, culture and values. During these visits, our team members shared their experiences and knowledge and engaged in discussions with the students, answering their questions and helping them develop a deeper understanding of the industry.

We believe that these visits have been instrumental in inspiring and motivating the next generation of talent and are helping them make informed decisions about their future careers. We look forward to continuing these programs and fostering meaningful relationships with the academic community.

Internship Program

At Savola Foods Company Arabia, we took great pride in nurturing the next generation of talent in 2023, and we were delighted to have enrolled 97 trainees through internship programs, such as Tamheer, Co-op and summer training. The internship programs stood out as instrumental in connecting us with ambitious students from diverse universities.

As part of our ongoing commitment to promoting professional growth, we offered practical learning opportunities and hands-on work experience for these interns, ultimately hiring 20 of them as full-time employees. By actively engaging in these programs, we aimed to empower young professionals and help them to embark on a successful career journey.

Career Fairs

We were proud to have participated in 5 career fairs hosted by various colleges and universities, such as Dar Al Hekma, MBS College, YIC and UBT, which provided an excellent platform for us to connect with students and graduates who are interested in pursuing a career in our industry.

Our team members engaged in meaningful conversations with the attendees, answering their questions, and sharing insights about our company's operations, culture and values.

We were impressed by the level of enthusiasm and interest that the students showed, and we were delighted to have received a high level of engagement from the attendees. We believe that our participation in these career fairs has been instrumental in attracting top talent to our company and is helping us build meaningful relationships with the academic community.



Supporting the Community in the Future

As a company that is happy to volunteer and assist those who are unable to help themselves, Savola Group and its subsidiaries will continue to be a socially responsible contributor to our communities across our reach.

We are also certain that our distribution of Sallati Cards will continue to make a significant impact for many people throughout Ramadan.

Our Ata'a program will improve and expand its internal communications campaign to encourage workers to volunteer for worthy causes whenever possible. Our team exemplifies generosity, and we will continue to cultivate that sense of giving.

With that in mind, Ata'a will create additional volunteer opportunities by forming new collaborations and relationships with NGOs, charities and other organizations.

As we seek to build on Negaderha's success, we want to broaden the program's reach and influence. Our ultimate goal is to reach every family in the Kingdom by running year-round awareness programs that coincide with calendar events. Furthermore, the program wants to expand its nationwide drive to reduce food waste in the Kingdom's restaurants, hotels and cafés.

Measuring the social effect and return on investment to increase its impact, Savola World Foundation will continue to review and enhance its programs and projects.

The Foundation is also looking to form strategic collaborations with diverse sectors in order to increase its activities and optimize its social effect.





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Our People

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OUR PEOPLE

With 15,959 employee's expertise and depth of experience to deliver unparalleled customer service, we are an employer who values the unique abilities that each employee contributes to the company.

We have always been a company that hires people based on their merits, regardless of ethnicity, gender or physical ability, and we fully support our Celebrate Employees with Disabilities initiative.

Savola's Unique Culture

Strong Values and Competencies

We are an ambitious, progressive investment holding firm that requires an empowered, motivated and highly qualified team to carry out our vision and achieve our goals. Our strong corporate principles shape the organization's culture; they guarantee that all members of the extended Savola family share the same set of values derived from our rich Islamic history and instilled since the Group's inception in 1979.

We remain wholly committed to providing a working environment in which our people can thrive and excel. Our belief in supporting potential and driving capability is core to our philosophy of learning and self-advancement, providing professional development and personal growth.

Core Competencies

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

As a leading employer in the Kingdom, we remain committed to providing a high value employee proposition through the People Pillars goals in our human resources strategy. This strengthens our reputation as a fair and ethical employer, emphasizes our commitment to nationalization, and encourages employee engagement. As we support and improve efficiency, we encourage change so that we can recruit, retain and motivate top individuals in our business, demonstrating our tagline of Value Built on Values.

People Pillars

- **Employee Engagement:** A program to improve Savola Group employees' level of engagement and inclusiveness through respect, trust, integrity, commitment and communication.
- **Workplace Wellness:** All programs that support and encourage Savola Group employees and their families to live a healthy lifestyle.
- **Work-Life Balance:** A program to highlight Savola Group's commitment to employee satisfaction without compromising productivity.

- **Cultural Improvements:** A program to promote the shared values, attitudes, standards and beliefs that characterize Savola Group's employees and define our nature.

It is critical that we nurture potential, generate opportunities, and promote professional growth in our staff. We have repeatedly demonstrated that drive, belief in others and positive reinforcement are the most powerful facilitators. In addition, by promoting creativity and innovation, we are developing a new generation of corporate leaders and strategists.

Our People Pillars program's 4 major features serve as the foundation for our employee value proposition. It seeks to channel our people's efforts so that workers have a particularly satisfying culture and working experience, as well as to achieve our strategic goals by recruiting, retaining and motivating the best possible talent.

It also aspires to create a highly qualified workforce, strengthen our position as the Employer of Choice, follow nationalization instructions in our home market, and foster an engaging working environment that encourages productivity and embraces change. Throughout 2023, we stayed committed to our People Pillars objectives, offering several avenues for employee voices, both official and informal, to evaluate and monitor employee engagement levels, as well as extensively analyzing response outcomes. This comprised a strategic action plan with a wide range of programs and actions to meet the identified potential for impact and development, guaranteeing a particularly fulfilling culture and working environment, as shown below:

Employee Engagement Pillar

We obtained an impressive 85% engagement with a 100% participation rate from our Tawer Employee Engagement Survey, which was conducted by the Great Place to Work Institution. This compares to 78% involvement in 2019 and 64% in 2016. This ongoing advancement will ultimately lead the Group to even greater growth and success in terms of worker quality and happiness.

As an important aspect of creating not only a working environment, but also a working community, we continued to increase employee involvement with the company's latest news through Quarterly Town Hall Meetings with the Group CEO. This simple yet powerful interaction brings together all members of our team, increasing their participation and involvement.

In terms of the Group's strategic goals, our Long-Term Incentive Program for senior executives is critical to the retention of essential people and this year we completed the fourth tranche of our share buyback. Savola bought 2,182,858 shares for a sum of SAR 79,999,999 for qualifying senior executives.

In addition, to show gratitude to our employees for their commitment and accomplishments, we celebrated Savola Group's Annual Day with them and their families.



Savola Group's Leadership Synergy Initiatives

To further ensure the leadership synergy among the Group and its operations committees (OpCos), we introduced several initiatives. These included strategy workshops to emphasize the Group's vision and to help identify where they can support each other to shape a combined future.

The consolidated efforts of Savola Group and its OpCos continued through our collaboration of 3 committees which encapsulate many of the organizations' core targets, viz, the Government Relations, Corporate Social Responsibility and Environment Committees.

Workplace Wellness Pillar

In line with our focus on providing the best possible care for our people, we prioritize employees' health.

Savola Group not only establishes, but meets its own safety criteria and requirements, and exceeds global best practices.

In a recent survey, we achieved a significant milestone: through Savola Group's 4 companies' Health and Safety Committees, 100% of our employees indicated that Savola Group is a safe workplace.

To provide comprehensive healthcare services at our in-house clinic, we continued our partnership with Dr. Soliman Fakeeh Hospital, one of the largest healthcare providers in the region and renewed our partnership with Bupa Medical Insurance. In addition, working with Tawuniya, we operated health lounges with specialized medical teams to provide primary healthcare assessments, including seasonal influenza vaccines.

Work-Life Balance Pillar

Our Tawer survey showed that 82% of our people were satisfied with the work-life balance they can achieve, with 90% indicating their satisfaction with the facilities we provide in the workplace. We have continued to embrace the "new normal", adapting remote working systems when required and ensuring flexible working hours without compromising our standards. We continue to cater to our colleagues' needs, through our inhouse clinic, canteen, mini market, etc., and this year, we again offered our inhouse nursery for female workers.

We also continued to provide a range of tailored benefits, such as our home loan scheme for Saudi employees, Takaful insurance to support families in the case of death or disability, and the Taawoon Fund. Furthermore, our partnership with the Wala Plus program provides a wide range of discounts, corporate rates and offers for employees and their families.

Cultural Improvements Pillar

We are committed to being an equal and inclusive employer, ensuring that we are wholly compliant with both the ethical and practical standards expected of our status as a champion of employees regardless of their gender, nationality, race or physical challenges. Based on our Tawer survey in 2023, we achieved a 90% satisfaction rate of being a fair employer, which applies throughout the entire journey from recruitment and progress to support and promotion.

We also take enormous pride in holding the Mowaamah Golden Certificate for our commitment to the best standards and practices in creating a work environment suitable for people with disabilities. As a testament to our commitment, this year we facilitated adjustments and modifications according to employees' specific needs.

We enhanced social interaction and networking among employees, resulting in an 84% satisfaction rate of Savola Group being a fun place to work. This included being able to gather the Group and OpCos employees together for international celebrations, such as Saudi National Day.

We also continued to provide our employees with initiatives acknowledging their efforts and results, achieving an 86% satisfaction rate of feeling recognized, through initiatives such as rewarding employees who have dedicated themselves to the service of Savola Group.

Strengthening the Culture of Volunteering

Savola's employees are encouraged to volunteer in the following initiatives:

- **Ramadan Volunteering Initiatives** in cooperation with charity organizations such as the Namaa Society.
- **World Blood Donor Day** through our inhouse lounge which facilitates employees' blood donations.
- **Volunteer your Knowledge** supporting the Knowledge in Your Summer program which encourages our employees to conduct sessions to educate fresh graduates.
- **Career Fair** by King Abdulaziz University.
- **Yumnak** program through which the Groups' senior employees provide support and guidance to local startup companies.

Female Inclusion

In line with our commitment to supporting and empowering females in the economy, we have reinforced our mission to increase the number of women employees across Savola Group so that we are both delivering on our goals of gender equality and addressing national priorities and objectives. As one of our steps to recruit and retain female workers, we have established a female-only lounge to provide an exclusive, comfortable and attractive environment. This, with the services and support provided by our in-house health clinic for our valued employees, also reflects our support for both Saudi Vision 2030 and the UN Sustainable Development Goals.

Saudization

We continue to embrace and incentivize the Saudi workforce at Savola Group, 70% of whom are Saudi nationals. This is indicative of the local talent which maintains Savola's position as the clear leader in our industry.



Our Workforce in 2023

	2023		2022		2021		2020	
	Full-time Equivalent (FTE)	Contractor	Full-time Equivalent (FTE)	Contractor	Full-time Equivalent (FTE)	Contractor	Full-time equivalent (FTE)	Contractor
HQ	46	2	54	2	52	2	52	2
Afia	714	358	372	306	652	276	425	286
Panda	13,941	1,690	15,726	47	16,570	1,000	17,450	N/A
USC	374	490	377	511	421	499	377	511
IFI	61	39	65	20	58	21	65	20
SFC HQ	198	35	102	0	106	N/A	N/A	N/A
Total	15,334	2,614	16,696	886	17,859	1,798	18,369	819

Savola Group's Diverse Workforce

	Total Employees in KSA		Total Saudi Employees		Female Saudi Employees		Employed People with Disabilities	
	2023	2022	2023	2022	2023	2022	2023	2022
HQ	48	54	31	38	10	10	1	1
SFC	1,454	916	644	555	72	30	12	13
Panda	13,941	15,726	4,529	4,842	1,097	1,203	232	259
Total	15,443	16,696	5,204	5,122	1,179	1,243	245	273

Number of Disabled Employees (FTE) 2023

	HQ				Panda				SFC			
	Men		Women		Men		Women		Men		Women	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Managers	1	1	-	-	3	3	0	1	3	1	-	-
Team Leaders	-	-	-	-	18	18	6	5	21	12	1	-
Blue-collar Employees	-	-	-	-	200	200	32	32	73	-	20	-
Total	1	1	-	-	221	221	38	38	97	13	21	-

Employees by Gender and Age

	HQ				Panda				SFC			
	Men		Women		Men		Women		Men		Women	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<30	2	3	4	1	2,750	3,781	346	415	790	214	136	15
30-50	25	29	6	9	8,888	9,812	787	724	5,154	579	344	14
50>	12	12	0	0	766	930	56	64	600	93	16	1
Total	39	44	10	10	12,404	14,523	1,189	1,203	6,544	886	496	30

An Employer of Choice in our Sector

As we seek to preserve our position as one of the Kingdom's leading employers and Employer of Choice, we must continue to develop and ensure our workers' workplace happiness.

Our annual Tawer survey analyzes employee engagement by tracking opinions and receiving feedback. It also provides a forum for our employees to discuss their perspectives with Savola's HR and senior management.

In 2023, Savola Group achieved 85% employee engagement and 100% participation. This amazing outcome demonstrates that we are meeting our objectives of involvement and approval from the individuals who are most important to us, which will eventually fuel our success and expansion.

Engagement Score

Reflecting our dedication to our employees and their happiness with the Group, our staff retention rate in 2023 was approximately 84%.

Retention of senior Executives under the Long-Term Incentive program was also excellent, as they completed the fourth tranche of our share buyback.

Engagement Scores



* The engagement score was not measured in 2020 due to the COVID-19 pandemic.

Employee Benefits

We believe that in order to maintain the quality of our staff, retain their services, and attract new talent, we must offer a wide range of benefits that recognize and reward our employees. This includes:

- Competitive salary
- Housing allowance
- Transportation allowance
- Medical insurance
- Annual salary increase cycle
- Annual performance bonus
- Bi-annual performance and career development reviews
- Children's education allowance
- Annual air tickets for Saudi employees
- 30 days paid leave
- Free in-house childcare
- Free car parking
- Discounted corporate rates

Human Capital Retention, Engagement and Development

Panda Retention and Compensation Initiatives

Continuing Panda's incentive strategies, the company's stores have maintained their results and rewards strategy, including performance incentives for store managers and deputy store managers. There are also departmental incentives, such as fresh food, comprising meat, fish, cheese, vegetables, fruits and bakeries. Our customer service and point of sale operators are also encouraged to achieve their targets along with individuals, teams and other workers in the stores.

Savola Foods Company Rewards and Recognition Initiatives

Savola Foods Company (SFC) continued to encourage a culture of respect and appreciation, its Culture Matters in Restoring Greatness program with more than 2,000 thank you cards sent from employees to their colleagues across Saudi Arabia, Algeria, Egypt, Central Asia, Sudan and Türkiye. In addition, we named 82 Star of the Month employees; 24 Power of You managers; 17 Savola Manufacturing Excellence program pillar leaders; and 38 Star teams.

Supporting our People in Adverse Circumstances

As well as offering incentives and rewards, Savola also recognizes the importance of support in more troubled times. Personal tragedies can have a devastating effect, and in the event of death or disability, we offer Takaful insurance coverage to provide practical aid and comfort for families.

In addition to housing loan plans for our Saudi employees, our Taawoon Fund also assists junior personnel during times of financial distress. Finance for the Taawoon Fund is raised from voluntary monthly payments from Savola's head office workers, as well as the Chairman of the Board's annual contribution. In 2023, the Taawoon Fund raised SAR 211,000 in financial aid.

Achieving a Healthy Work-Life Balance in 2023

SFC, AIC, IFI

- Monthly gift bag with oil and products
- Ramadan Iftar
- Ramadan gift baskets
- Eid Al-Fitr chocolate
- Eid Al-Fitr breakfast
- Daily canteen lunch and dinner
- Reward and recognition system
- Fitness center
- Recreation and entertainment area
- Year-end celebration
- Social activities
- National day
- Founding day
- International Day of Happiness
- FIFA tournaments
- Blood donation
- Transportation to Al-Balad (Old Jeddah)
- Weight loss competition
- Flu vaccination campaign
- In-house health services (hearing tests, diabetes and blood pressure checks, and dental checkups)

USC

- Monthly weight loss competition
- Flu vaccination campaign
- In-house health services (hearing tests, diabetes and blood pressure checks, and dental checkups)
- International Day of Happiness
- Fitness center
- National day
- USC off-site gathering
- Blood donation
- Reward and recognition system
- Eid breakfast
- FIFA tournaments

Employee Engagement at Panda

Panda has always understood the value of employee engagement and has made it a key component of its current and future success. Our 6-monthly Employees Engagement survey, which was administered at all levels, had a 95% completion rate in 2023, allowing Panda to comprehensively identify areas for development and plan new initiatives.

Panda Well-being Initiative

Panda is committed to promoting the health and well-being of employees through a variety of voluntary health promotion services and programs. These initiatives are designed to address major non-work-related health risks and encourage a healthier lifestyle.

Panda Cares Program

Panda Retail Company is continually addressing its employees' physical and emotional health requirements. Our Panda Cares initiative aims to improve overall employee health, increase employee engagement, boost morale and retention, and lower their health risks.

This program, which debuted in September 2022, includes physical challenges as well as webinars targeted at encouraging healthy lifestyle choices. It also features health awareness workshops featuring experts on a variety of issues.

Health Lounges

Regular health lounges offer free healthcare services to our employees including blood pressure and sugar checks, dental and orthopedic check-ups, BMI assessments, and consultations with various specialists. From time to time, the health lounges include on-site vaccination booths for flu shots and other preventive vaccines to protect employees against common illnesses.

Mental Health Support

We offer employees access to mental health tools, including stress management and mindfulness training, to assist them manage their mental health.

These programs demonstrate our commitment to creating a healthy workplace and assisting our workers in living better lifestyles. By tackling important non-work-related health concerns, we want to improve our employees' overall well-being.

Delivering Training and Development

Since Savola's inception 45 years ago, to ensure existing and future employees are highly qualified, confident in their abilities, and fully equipped to contribute to Savola's ongoing success, we have encouraged our staff to reach their true potential. Through our investment professional training, development and skills programs we can help our people to thrive and excel, enjoying a rewarding career and playing meaningful roles within the company.

In 2023, we continued providing undergraduates with job training opportunities and providing permanent job opportunities when they became available.

Performance and Career Development

In 2023, all 48 Group employees completed performance and development reviews, including the Group CEO which demonstrates Savola Group's holistic career assessment approach.

Succession planning for key positions across the Group remains a focal point, ensuring that proper plans and contingencies are in place. In line with our strategy to create a high-potential pipeline of our future successors and emerging leaders, and in collaboration with the PwC Academy, the Group's Learning & Development arm, we continued to implement individual development plans (IDPs) for the defined talent pool. Furthermore, our annual learning needs analysis enabled us to explore gaps in employees' career development and recognize growth opportunity specialties through our collaboration with INSEAD, CIPD, Leoron, the Financial Academy, Meirc, Hawkamah Institute and other respected educational institutions through which our staff study further and achieve additional specialist certifications.

Learning and Development at Panda in 2023

We use a dual approach to training, combining the organized setting of a classroom with the practical, hands-on experience of on-the-job training. Comprehensive, face-to-face classroom training is supplemented by Microsoft Teams, a virtual training platform designed to provide employees with the essential information and skills in an organized learning setting. We stress the value of on-the-job training, which complements classroom learning by allowing employees to acquire practical skills and apply their knowledge in real-world circumstances.

Although our in-house Panda Retail Academy implements the majority of our learning and development agenda, subject matter experts and third-party suppliers provide specific technical skills, certifications and leadership development programs.

We believe that ongoing learning and development are vital to both our business and our workers' personal progress. We have therefore set clear objectives for employee training involvement, ensuring that everyone can continually improve their skills, knowledge, and habits.

Performance and Career Development Reviews

Panda recently updated the whole performance management system at the individual employee level, with the purpose of aligning the corporate strategy with individual goals and objectives, offering a clear picture of the organization's strategic direction and overall performance. It also seeks to foster employee development and career progression as an integral component of the performance management system (PMS), which is related to reward. Employee development and career advancement are integrated into continuous feedback conversations and linked to other career and talent management procedures. As an example of Savola's comprehensive career assessment approach, all 48 Group employees, including the CEO, underwent performance and development reviews.

Training and Development

In 2023, we invested in employees learning and development with 57% technical skills and 33% soft skills.

	2023		2022		2021		2020		2019	
	Total Training Hours	Total Work force	Total Training Hours	Total Work force	Total Training Hours	Total Work force	Total Training Hours	Total Work force	Total Training Hours	Total Work force
HQ	1,109	48	927	25	1,530	54	523	54	552	54
Afia	4,272	356	3,583	372	1,450	360	2,172	425	9,500	477
Panda	75,179	13,669	8,844	8,212	5,809	9,247	84,284	17,450	125,023	18,246
USC	4,762	372	3,600	166	10,565	388	3,705	974	4,234	428
IFI	878	61	949	65	291	68	424	58	527	58
Total	86,200	14,506	17,903	8,840	19,645	10,117	91,108	18,961	139,836	19,263

2023 training participation

	Training Participants	Men	Women	Management	Non-management
AICE	1,254	1,242	12	12%	88%
ASC	282	280	2	62%	38%
PASTA	688	685	3	17%	83%
USCA - AICA - IFI	1,284	1,255	29	19%	81%
Panda	13,393	12,445	948	10%	90%

SFC Learning and Development in 2023

Sales Academy

Based on the important role of our sales manpower in the company, SFC launched a Sales Academy in cooperation with Human Network International to deliver interactive workshops, and both face-to-face and self-education trainings to develop the sales team skills.

Management Trainee Program and Savola Youth Development Program

The Management Trainee program was launched in 2021 by enrolling 7 management trainees in different functions who were comprehensively trained and developed to be the future leaders for SFC Arabia. The Savola Youth Development program aimed to upskill some critical behavioral aspects for the employees in line with the global leadership required skills.

Accelerate Program

Relaunched in 2022, the program aims to develop the leadership skills for mid-senior management employees who play a critical role in the company and effectively contribute toward the company's strategies.

Key Group Training Programs

- CIPD - Oakwood International
- Share Rights - Internal
- Certified Chief Risk Officer - London School of Business & Finance
- Merger & Acquisition Contract - Clyde and Co
- Public Speaking - Dale Carnegie
- TAX and ZAKAT - EY
- IFRS - PWC
- Certified in Quantitative Risk Management - Institute of Risk Management
- Insights Discovery Program - Balinca
- HR Expo - Informa
- Learning & Development Management Master Class - PWC
- 2023 Global Digital Human Resources Transformation & Analytics - CWI
- Virtual Succession Planning & Talent Management Master Class - Caliber ME
- SHRM Masterclass - SHRM
- Emerging Leaders - Insead College
- L&D Professional Certificate - Informa
- IR Certificate - MEIRA
- Finance for Non-Finance - Leoron
- M&As and Corporate Strategy - Insead College
- Global Board of Directors Transformation Master Class
- Certified IFSAH - The Financial Academy
- CPA - Leoron

Key SFC Training Programs

- Elevate Talent Development Program
- Financial Reporting and Analysis Workshop
- Managing Brand Challenges in Economic Tightness
- Savola Sales Academy "Phase 2 Commandos"
- SFC Training for Who Killed Creativity
- Food Safety & Quality Policy
- Oracle Fusion System Awareness
- Autonomous Maintenance Training
- Internal Auditing Training Course - ISO 19011 & GFSI
- BRC
- Risk Management
- Hazard Identification and Risk Assessment
- 10 Safety Life Saving Roles
- Firefighting
- Safety Induction stage 1 (visitor)
- Safety Induction stage 2 (contractor / casuals)
- Safety Induction stage 3 (new hired employees)
- Racks Inspection
- Hazardous Waste Disposal
- Environmental Awareness
- Hot Works
- Lifting Equipment Safety

- Forklift Safety
- Mock Drill in 2023 (covering the following emergency scenarios: fire, chemical spillage, and gas leakage)
- Personal Protective Equipment
- Heat Stress Awareness
- Use of Fire Extinguishers
- Electrical Hazards
- Lockout Tag Out
- Personal and Working Area Hygiene Awareness
- Near Miss Reporting
- Conveyor Safety
- B2B Sales Workshop
- Team Building for BLTs
- CIPD Level 5
- Market Pricing "Conducting a Competitive Pay Analysis"
- CIPD Level 7
- Certificate in Internal Audit Data Analytics
- CIPM-ARABIC (Certified International Procurement Manager)
- BRC
- Customer Centric
- Integrated Pest Management Awareness Session
- Brand Value
- People Leader
- Excel Advanced
- Planning: How's and Who's
- Emotional Intelligence in Practice
- Finance for Non-Finance Professionals
- Joint Action
- Agility and Resilience Training
- Conflict Resolution and Transformation
- Certified Corporate Financial Planning and Analysis Professional Program
- Commercial Strategy through Data Insights
- CISC/CISCM Logistics and Supply Chain
- Manufacturing - AM Pillar
- Maintenance Systems - PM Pillar
- The Global Economy Program
- The Power of Persuasion "Negotiation Skills"
- Financial Controls
- Creative Problem Solving
- Letter of Credit
- Org Design & Structural Analysis
- Mental Fitness and Positive Intelligence
- Business Intelligence

Performance and Career Development

As an illustration of Savola’s holistic career assessment approach, all employees in all divisions, as well as the Group CEO completed performance and career development reviews.

Perceptive Succession Planning

Succession planning continued to be a key focal point for Savola Group, ensuring that proper plans and contingencies are in place for key positions across the organization. We continued the execution of Individual Development Plans (IDP) for the defined talent pool, which comes in line with the company’s strategy to create a high-potential pipeline of our future successors and emerging leaders, in collaboration with PwC Academy, the Learning & Development arm of the firm.

Exceptional Employee Health and Safety

Our employees’ health and safety are more important than any other component of our business. We have a duty to offer a safe workplace and recognize that our employees are humans, not commodities. Savola Group not only satisfies its safety requirements, but it also exceeds worldwide best practices and imposes its own stringent safety standards. We have reached a great milestone through the 4 Health and Safety Committees that represent each of Savola Group’s companies: in a recent poll, 100% of our employees said that Savola Group is a safe workplace.

Overall Training on Health and Safety Issues

Division	Participants	Total Training Hours
Panda	650	5,318
Afia	393	1,297
USCA	3,660	1,800
IFI	162	529
HQ	4	20
Total	4,869	8,964

Clinic

Having received widespread recognition for its preventative and proactive measures both during and after the COVID-19 pandemic, Savola continues to provide excellent healthcare with 24/7 medical advice, prescription medications via a dedicated clinic at our HQ, and random check-ups on a weekly basis.

SFC

The clinic provides medicine for common diseases, offers a quarterly healthcare program as well as weekly random checkups which enables the company to monitor employees’ health and take any necessary action.

Afia 2024 H&S Vision

Afia launched its inspirational journey to achieve HSE operational excellence by 2024, through a broad and expanding health and safety program, including:

- A strong HSE standard system targeting ZERO harm and ill health.
- ISO 45001 and OHSAS 18001 certifications.
- Toolbox talks.
- 100% employee coverage.
- Safety leaders and coordinators.
- Risk assessment and accident/incident investigations.
- Regular training and system updates.

Nationalization

Saudization

As we continue to embrace and incentivize the Saudi workforce at Savola, we are proud to say that 70% of the Group’s employees are now Saudi nationals. This giant step, in line with Vision 2030, is indicative of the local talent which maintains Savola’s position as the clear leader in our industry.

Panda Saudization Initiatives in 2023

Panda continues to make significant progress in equipping Saudi citizens with the skills and knowledge that will make them useful workers at the firm. Panda’s investment in the Saudi workforce is paying off in terms of productivity and project management, thanks to development programs, internships and on-the-job training through the Tamheer program. Panda has extended its partnership with the Human Resources Development Fund (HRDF) to encourage the employment and development of Saudi citizens.

Our Diverse Workplace

	2023		2022		2021		2020		2019	
	Total Work force	Saudization	Total Work force	Saudization	Total Work force	Saudization	Total Work force	Saudization	Total Work force	Saudization
HQ	48	70%	54	72%	54	73%	54	72.2%	54	72.2%
Afia	356	54%	372	56%	401	52%	425	54%	477	51%
Panda	13,941	32.4%	15,726	37%	16,570	36%	17,450	36%	18,246	36%
USC	372	52%	377	55%	388	54%	974	51%	428	51.34%
IFI	61	28%	65	30%	67	28%	58	31%	58	26%

Diversity, Equity and Inclusion

Savola has always had an ethos of universal equality and inclusion, and we are proud to assert ourselves as an industry leader in diversity. Our practice of employing candidates on their merits rather than gender, age, color, race or religion has helped us to nurture a workforce which is built around respect, trust and acceptance, and with the unwavering support of our HR and governance frameworks, we provide equal opportunities in every aspect of our business.

reinforced our mission to increase the number of women employed across the Group. With a focus on female Saudi nationals, we are both delivering on our goals of gender equality and fulfilling national priorities and objectives.

Inclusion of Women

In line with Goal 5 of the UN Sustainable Development Goals and our own belief in supporting and empowering females in the economy, we have

As one of our steps to recruit and retain female workers, we have designed and created a female-only lounge to provide an exclusive, comfortable and attractive environment, reflecting our support for both Saudi Vision 2030 and the UN Sustainable Development Goals. Our commitment to female inclusion is also reflected in the services and support provided by our in-house health clinic for our valued employees.

USC

	2023		2022	
	Number	Description	Number	Description
Training Hours	23,161		2,000	
Social Activities	1	SMS and Innovation Team Building Shared Service Team Building 2023 Sugar Annual Event 2023 Mother's Day Celebration Annual Iftar Ramadan 2023 Father's Day Celebration Eid Adha Celebration Chess Tournament 30 years celebration, Town Hall 2023 Administration and Facilities Team Fun Day 2023 Sales Team Building HR Team Building Donation Campaign with Egyptian Food Bank For Palestine Labor Day Winners Celebration New Year's Gifts Annual Celebration of AFIA - Annual gathering for all AFIA employees across levels and functions AFIA Teams and Team Building - Managerial level team building Iftar Ramadan for Employees Ice Cream and Ashouraa Day for all Employees	6	Gathering day 20 years Alosra celebration PlayStation competitions
	2	Sports Tournaments - Football, table tennis, chess AFIA Family Suhor Day in Ramadan - Suhor night for AFIA employees' families Town Hall Gatherings - Cross functional, cross level gatherings on monthly basis. Work Market Needs Sessions - Educate employees' sons and daughters who graduated from university on work market needs. Desired Culture Celebration		
	1 Day	Arabia Annual Event 2023		
	1 Day	Mother's Day Celebration		
	1 Day	Ramadan Iftar		
	1 Day	Father's Day Celebration		
	1 Day	Eid Adha Celebration		
	1 Day	National Day		
	1 Day	Founding Day		

	2023		2022	
	Number	Description	Number	Description
EGYPT Operating Units	3	Human Capital	15	IT
Internship Records	3	IT		Engineering
	1	Legal		Quality
	2	Marketing		Technical
	1	Procurement		HR
	2	R&D		Logistics
	2	Export		HSE
	25	AICE Product Supply		
	10	PASTA Product Supply		
	4	ASC Product Supply		
Tamheer Records Arabia Operating Units	97	Different department	1	IBT
School and University delivered Training through USC	4	Faculty of Technology and Education, Suez University Faculty of Science, Suez University British University Faculty of Agriculture, Ain Shams University	1	
	1	German University in Cairo	4	
	2	Training for Faculty of Science students		
School and University Visits in Arabia	4	UBT KAU DAH		
Health Activities carried out for Employees through My Clinic	1	Medical Checkup Campaign		
	1	Breast Cancer Medical Campaign		
	2	Blood Donation Campaign		
	1	Prostate Cancer Medical Campaign		



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OUR SECTOR

As the leading organization in the food and retail sector and a significant contributor to the Saudi Arabian economy, Savola Group continues to provide unrivalled services to our customers and deliver new initiatives to enhance their experience. We continue to prioritize the needs of our community and ensure that our practices have a positive impact on the people and environment around us, acting as both a dependable provider and a responsible guardian of sustainability.

In 2023, we maintained our association with the National Transformation Program in line with the goals and achievements of our Makeen program, reinforcing our commitment to people with disabilities and employees with special needs, including our Mentor and Buddy initiative. Our support of family businesses and small enterprises continues to increase in unison with the Small and Medium Enterprises General Authority, as we look to diversify the Kingdom's GDP. Through our multi-channel operations, we have the scope to assist local businesses across a range of sectors, including distribution, technology, logistics and supply chains.

Certifications, Memberships and Associations

In keeping with our position as the Kingdom's most trusted food and retail company, we continue to excel in all aspects of operations, upholding our own self-imposed world-class standards while also complying with recognized global best practices and requirements issued by the Saudi Arabia Standards Organization.

In addition, we have maintained an exceptional track record of obtaining other international certifications, such as health and safety and environmental

responsibility. As a founding member of the Qaderoon Business Disability Network and the first Saudi company to join the International Labor Organization Global Business and Disability Network, we maintain close ties with global social and charitable organizations as well as areas of particular interest.

Savola has been committed to creating a workforce free of discrimination based on race, nationality, gender or handicap. We are happy to continue to follow those beliefs and provide major assistance for handicap concerns in Saudi Arabia.

Standards and Scope	Company
<ul style="list-style-type: none"> ISO 45001 Occupational Health and Safety 	<ul style="list-style-type: none"> USC Afia IFI
<ul style="list-style-type: none"> ISO 9001 Quality Management 	<ul style="list-style-type: none"> USC Afia
<ul style="list-style-type: none"> ISO 22000 Food Safety Management 	<ul style="list-style-type: none"> USC Afia IFI
<ul style="list-style-type: none"> ISO 22301 Societal Security – Business Continuity Management 	<ul style="list-style-type: none"> USC
<ul style="list-style-type: none"> ISO 14001 Environmental Management 	<ul style="list-style-type: none"> USC Afia IFI
<ul style="list-style-type: none"> ISO 55000 Asset Management 	<ul style="list-style-type: none"> Afia
<ul style="list-style-type: none"> British Retail Consortium (BRC) Global Standard for Food Safety 	<ul style="list-style-type: none"> USC IFI Afia
<ul style="list-style-type: none"> Saudi Standards, Metrology and Quality Organization (SASO) 	<ul style="list-style-type: none"> USC
<ul style="list-style-type: none"> Halal 	<ul style="list-style-type: none"> IFI Afia USC
<ul style="list-style-type: none"> AIB International Consolidated Standards for Prerequisite and Food Safety Programs 	<ul style="list-style-type: none"> IFI
<ul style="list-style-type: none"> Roundtable Sustainable Palm Oil (RSPO) 	<ul style="list-style-type: none"> IFI Afia
<ul style="list-style-type: none"> VIVE Sustainable Raw Sugar Supplier Guidelines Principle (SGP) 	<ul style="list-style-type: none"> USC
<ul style="list-style-type: none"> Arab Center for Nutrition (ACNU) American Oil Chemists Society (AOCS) Gulf Petrochemical and Chemical Association (GPCA) 	<ul style="list-style-type: none"> Afia
<ul style="list-style-type: none"> International Financial Reporting Standards (IFRS) Saudi Food & Drug Authority (SFDA) The General Authority of Meteorology and Environmental Protection (PME) MODON (The Saudi Authority for Industrial Cities and Technology Zones) 	<ul style="list-style-type: none"> IFI Afia USC
<ul style="list-style-type: none"> Organic Certification 	<ul style="list-style-type: none"> AIC
<ul style="list-style-type: none"> SEDEX 	<ul style="list-style-type: none"> AIC
<ul style="list-style-type: none"> NDPE Verification 	<ul style="list-style-type: none"> AIC

Customer Satisfaction and Relationship Management

As a company that values the consumer and the community, we are always setting new standards for the goods and experiences we deliver. Our products and services are unparalleled in the food and retail industries. We are unwaveringly committed to the individuals whose loyalty inspires our creativity. Customer satisfaction is in our DNA, and delivering value and excellence is inherent in our company culture.

Panda Achievements

Panda maintained its customer-centric category management strategy in 2023, putting the consumer at the center of product choices with an emphasis on convenience and availability. Driving sales, by installing enhanced forecasting and replenishment technology, assisted supply chain management in providing greater product accessibility to our clients.

In line with our promise to put customers first, the organization made great progress toward its goal of partnering with our communities for a better life.

Complaints Management

	Source	Complaints Received		Complaints Responded	
		2023	2022	2023	2022
IFI	Customers, direct connect with sales team and social media	5	8	100%	100%
AIC	Customers, direct connect with sales team and social media	12	12	100%	100%
USC	B2B customers, direct connect with sales team	16	20	100%	100%
Panda	Historical data of Panda customer complaints which were managed by the Hulool call center agency	6,532	20,000	99%	96%

Innovative Customer-centric Offerings

Trolleys for People with Disabilities

We will continue to specialize in catering to our customers with disabilities, including shopping trolleys created exclusively for those with special needs, to guarantee that all customers can enjoy the Panda experience. People with disabilities confront a variety of problems when shopping, including navigating aisles, carrying large bags, and moving through checkout queues. Our trolleys are unusual in that they can attach to any style of wheelchair and contain roomy, conveniently accessible compartments for mobility aids such as walkers or crutches.

Bench Seating

In addition to improving our customers' comfort and contentment, our bench seating project has the potential to raise sales and enhance the overall look of the shop. Panda, like many of its inventions, has deviated from the traditional school of thought that holds that every available shop space should be used to generate a sale.

Although bench seating reduces overall shop space, the investments have already paid off in terms of improved customer experiences and increased spending. The sitting area allows our customers to rest, charge their electronic devices, and explore our weekly offers by scanning QR codes while they wait for their orders to be processed from fresh departments such as the fishery, butchery and bakery.

Makeen Program

Launched in 2010, Makeen has directly recruited a total of 1,273 employees with disabilities across the Kingdom. Many of these recruits have passed through our unique Mentor and Buddy program, which has been specifically designed to support the integration of people with disabilities into the working environment. The program also provides education and awareness for our staff concerning the needs of people with disabilities in the workplace, with a view to instilling an ethos of openness and understanding that facilitates the integration of more people with disabilities across our operations.

The Makeen online portal, established in 2017, continues to provide a single point of free access through which people with disabilities may access employment opportunities, facilitating multiple offers of employment in the Kingdom's private sector.

Makeen also provides training for external organizations and companies in the context of working alongside people with disabilities. These include government departments, private sector businesses and NGOs operating across multiple economic sectors.

Between 2010 and 2023, Makeen has employed more than 1,273 people with disabilities and trained more than 611.

Vision

To lead the sector in social responsibility towards people with disabilities, enabling growth as individuals and providing a greater scope to fulfill their roles and realize their potential within the community.

Mission

Assisting people to gain employment without discrimination and be appointed on merit regardless of their disability.

Makeen Program Goals

The Makeen program works to achieve a set of social and development goals that meet the needs of stakeholders and beneficiaries in society, including:

- Training and employing people with disabilities.
- Providing people with disabilities with a suitable and safe work environment by adopting best global practices.
- Spreading awareness about the importance of including people with disabilities in the workplace.

- Providing support and assistance by applying the Mentor and Buddy system.
- Exchanging experiences with organizations and companies interested in applying universal accessibility standards and participating in conferences covering issues of people with disabilities.

Makeen Program Partners

To effectively achieve its goals, Makeen collaborates with several organizations, as follows:

International Labor Organization - Global Business and Disability Network ILO-GBDN

Savola Group signed a collaboration agreement with the International Labor Organization in Geneva in 2017, adopting the Global Business and Disability Memorandum. This commits the Group to protect the rights of people with disabilities, providing more training and employment opportunities for people and cooperating with international organizations to create an attractive work environment.

The Valuable 500

In May 2021, Savola Group joined the global initiative the Valuable 500, a major driver of social change, which aims to promote the inclusion of persons with disabilities through the business sector.

The Authority for the Care of Persons with Disabilities

Makeen registered with the Authority for the Care of Persons with Disabilities, which is a government entity, that aims to empower persons with disabilities, protect their rights, enhance their role in society and works to develop and offer appropriate services across sectors.

The Global Alliance on Accessible Technologies and Environments (GAATES)

Savola Group received the International Accreditation Certificate in Universal Accessibility Standards from GAATES in 2013 and was re-certified in 2018.

Program's Achievements:

Training, Empowerment and Raising Awareness

The Makeen program continues to diligently provide appropriate and healthy work environments for employees with disabilities. In 2023, 12 specialized workshops were presented to many agencies and companies in the private, public and non-profit sectors, reaching more than 200 people.

Number	Training Title	Date	Number of Trainees
1	The art of dealing with people with disabilities	5 Apr 23	25
2	Environmental and technical preparation for people with disabilities (Total Accessibility)	6 Apr 23	25
3	Mentor and Buddy program	15 May 23	15
4	Mentor and Buddy program	30 May 23	23
5	Evacuation principles for people with disabilities	31 May 23	20
6	The art of dealing with people with hearing disabilities	1 Jun 23	20
7	The art of dealing with people with disabilities	4 Jun 23	22
8	Mowaamah Certificate Workshop for Panda Company	15 Jun 23	11
9	The art of dealing with people with disabilities	2 Nov 23	12
10	Mentor and Buddy program	23 Nov 23	20
11	The art of dealing with people with disabilities	5 Dec 23	8
12	Savola Group's best practices for inclusion of people with disabilities	6 Dec 23	20
Total			221

Makeen also supported the Hemam initiative as a training partner for the friendliest environments for people with disabilities.

At the Arab Regional Conference on the Integration of Persons with Disabilities in the Labor Market, organized by the International Labor Organization (ILO), the Makeen program presented a remote lecture entitled Savola Group's Best Practices for Inclusion of People with Disabilities. The conference was attended by more than 100 entities from various countries in the world.

Other seminars in which the Makeen program participated with the International Labor Organization:

Date	Webinar Title
27 Sep 23	Climbing the career ladder: grooming talent with disabilities
18 Oct 23	The power of small: disability employment in SMEs
23 Oct 23	How to raise disability awareness (and act upon it) - ILO GBDN B2B roundtable

Savola Group Companies Awarded the Mowaamah Certificate

The Mowaamah Certificate is a certificate awarded by the Ministry of Human Resources and Social Development. Based on the belief that it is important to empower people with disabilities, this certificate recognizes employers that have comprehensive, compatible and supportive work environments for employees with disabilities, and which take all necessary measures to incorporate the inclusion and diversity of people with disabilities into the company's culture and vision.

The Mowaamah program is the highest credit awarded by the Ministry of Human Resources and Social Development to work environments that are adapted

to, and support, their employees with disabilities. It also aims to support and empower people with disabilities in the private sector workforce; they provide insight into methods and best practices as well as assistance with solutions for preparing work environments and therefore increasing job opportunities for people with disabilities.

To be awarded a Mowaamah Certificate, facilities must meet 8 standards: commitment, knowledge, employment, human resources management, products and services, communication, facilities, and information and communications technology.

Having received a Gold Category Mowaamah Certificate, the Makeen program offers its expertise and support to Savola Group's companies with the Mowaamah Certification Project. As a result, the United Sugar Company and the Panda Retail companies have received Gold and Bronze Category Mowaamah Certificates, respectively.

Mowaamah Certificates are a clear indication and confirmation of Savola Group's commitment to a work environment that is inclusive and compatible for all employees to perform at their best. This comes from its belief in the principle of equal opportunity and the economic contribution of employees with disabilities which is also in line with Saudi Vision 2030.

Celebrating the International Day of Persons with Disabilities

On 4 December 2023, the Makeen program conducted a social awareness campaign to coincide with the International Day of Persons with Disabilities. The content detailed Savola Group's efforts to empower and employ persons with disabilities.

In addition, the Makeen program presented a workshop at King Abdulaziz University in Jeddah on Savola Group's best practices to mark the International Day of Persons with Disabilities.

Participation in the Purple Saturday Initiative

For the third year in a row, Savola Group companies participated in the Purple Saturday initiative, launched by the Authority for the Care of Persons with Disabilities in 2021. This initiative aims to stimulate the business

sector to provide offers, benefits and discounts to people with disabilities, and their families, on the last Saturday of July and is a way of improving the quality of life for people with disabilities.

Past Achievements

2017	<p>Savola Group obtained a membership with the International Labor Organization - Global Business and Disability Network.</p> <p>Achieved Mowaamah Certificate for supportive work environments for persons with disabilities.</p> <p>Launched Makeen Employment Portal.</p>
2018	<p>Produced 16 community awareness videos.</p>
2019	<p>Honored the Saudi national football team for people with disabilities, which won the World Cup 4 times in a row.</p> <p>Developed the official website for Savola Group with W3C digital accessibility standards.</p>
2020	<p>Launched the internal Mowaamah platform to increase employees' awareness of disability issues and its various systems.</p> <p>Produced 12 videos on safety measures for people with disabilities during COVID-19.</p> <p>Achieved accreditation from the Technical and Vocational Training Corporation for the training content of the Mentor and Buddy program.</p>
2021	<p>Savola Group joined The Valuable 500.</p> <p>Launched a campaign to increase awareness in the business sector and the community.</p> <p>Participated in the Purple Saturday initiative - an initiative launched by the Authority for the Care of Persons with Disabilities.</p>
2022	<p>Savola Group achieved Mowaamah Gold Certificate.</p> <p>Launched the Workplace Adjustment Process at Savola Group.</p> <p>Savola Group participated in the International Down Syndrome Celebration.</p>
2023	<p>Sharing Savola's experience at the Arab Regional Conference on the integration of persons with disabilities in the labor market.</p> <p>Participation of the Savola World Foundation as a training partner in the Hemam initiative for the most friendly environments for people with disabilities.</p> <p>Training 221 trainees via 12 training workshops.</p>

Health, Nutrition and Packaging

our ongoing program to source and develop new product formulations such as fine sugar, spray oils and specialty fat products.

In terms of packaging and materials, we continue to pursue a more environmentally conscious path with regard to damaging non-biodegradable plastic waste, delivering on our goal to transition to biodegradable consumer product materials in alignment with the latest requirements of the Saudi Food Drug Authority (SFDA) and the Saudi Standards, Metrology and Quality Organization (SASO).

In addition, Panda continues its enduring commitment to sustainable procurement, integrating resource conservation and the ethos of reduce, reuse, recycle. In achieving this, Panda maintains its partnerships and associations with Saudi companies involved in purchasing used packaging, including WASCO and Al-Kabs Al-Thahabi.

Savola strives to provide accurate and easy to understand nutritional information for its products, reflecting our commitment to the health and well-being of our customers.

We aim to ensure the highest levels of transparency and accountability when it comes to product labeling, providing guideline daily amounts for all food products to ensure our customers remain fully informed. Our labeling also fully conforms with Saudi Food & Drug Authority guidelines and specifications.

Savola also remains committed to providing healthy and nutritious goods, as we expand our retail lines to include more health options. This aim is also reflected in

Panda Packaging Sold for Recycling

Month	Total (Tons)		Profit (SAR)		Comment	
	2023	2022	2023	2022	2023	2022
Total	19,856	22,313	8,086,916	11,156,857	Actual	Actual

Supply Chain and Procurement

Savola seeks to maximize the sustainability of our products through the careful application of responsible manufacturing and supply chain management approaches, and the selection of suppliers and partners according to rigorous sustainability standards and metrics. The ultimate goal is to ensure that all of our operating companies accentuate the broader positive influence of their operations across the entire supply network in accordance with our core values.

Supplier Portal

During 2023 Panda launched its online supplier portal which enables the collection of critical information about suppliers – their products and services – and which requires them to accept and sign our supplier code of conduct. This also sets out some of the minimum standards that suppliers must meet in order to do business with Panda. Data from the portal is collated into a dashboard – about 60% complete – which will streamline our supply chain processes and procedures.

Supplier Code of Conduct

All suppliers, regardless of commodity, must sign Panda’s supplier code of conduct which is available through the procurement portal. As noted, suppliers include vendors, manufacturers, contractors, sub-contractors and any other service providers that provide goods and services to Panda.

The code sets the standard and emphasizes compliance with laws, sustainability, ethical labor practices, confidentiality, fraud prevention and the importance of maintaining professional and ethical relationships with suppliers.

Supply Chain Sustainability Initiatives

In addition to the application of our supplier code of conduct, Panda is committed to ensuring that our packaging is sustainable. Where that is not possible, we ensure that we source the highest quality plastic product possible, from suppliers with the highest possible ratings in terms of our supplier code of conduct.

Collaborations with International Brands

In keeping with our commitment to sustainability and waste reduction, we have implemented eco-friendly bags in our stores and decreased our usage of plastic.

Last year, we collaborated with L’Oreal to convert all bottles to ecologically friendly materials and worked with Procter & Gamble to recycle waste and old textiles.

In addition to the requirements under Saudi law to engage with appropriately registered suppliers, we actively seek suppliers who can assist us in enhancing our social responsibility and environmental awareness efforts. This involved negotiations with Unilever about converting some of their product packaging for certain items to recycled bottles and ecologically friendly materials.

Empowering Local Suppliers

This year, as part of Panda’s commitment to encouraging localization, we partnered with Made in Saudi to support and promote local products, in addition to Panda’s private label in our stores. Products carrying the Made in Saudi label are guaranteed to be 100% local.

In 2023, USC increased the number of qualified local suppliers for packaging materials, encouraging local production. The company also continued to work with local suppliers to build relevant capabilities and to manufacture membrane and chamber cloths.

Savola Future Smart Factory

Savola is keenly aware of the substantial efficiency gains to be unlocked by the application of digitalization and smart technologies in the food product supply space going forward. In a landmark move initiated in 2021, Savola embarked on an ambitious project to develop smart digital product supply solutions by seeking a partner to co-develop, co-invest, co-execute and co-sell manufacturing digital solutions.

Having secured key partnerships with Deloitte and Amazon Web Services, the project has gathered pace, and we are now co-designing new tools, trends, technologies and methodologies leveraging:

- Human-machine learning
- Drone technology for inspection and control and tool handling
- Artificial intelligence
- Digital twin technology
- 3D printing of spare parts
- Detect, Reject, Adjust and Pilot (DRAP) capabilities
- Robotic Process Automation (RPA)
- Augmented and virtual reality for remote assistance and staff training
- Internet of Things (IoT) and big data

USC Suppliers

Total Number of Suppliers	Total Expenditure to Suppliers (SAR '000s)	Total Number of KSA National Suppliers	Total Expenditure to KSA National Suppliers (SAR '000s)
365	2,522,901,142	270	274,950,152





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Our Environment

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OUR ENVIRONMENT

Savola continued to increase its commitment to the environment in 2023, conserving resources and creating opportunities to contribute to the environmental goals of the Kingdom and the global community.

Creating and maintaining a sustainable environment is a key principle for Savola's operations. We understand the responsibility we have to our local community, our regional surroundings, and the wider world around us. As a champion of sustainability, we have maintained our focus to further reduce our energy consumption, while becoming more efficient and productive. In 2023, our organizational culture of environmental awareness continued to drive our mission of minimizing waste and emissions, thereby reducing our footprint in line with company and international best practices.

Climate Change and Energy Consumption

Energy Consumption

Savola has always strived to be a leading advocate of sustainable and environmental practices and by measuring and analyzing our energy efficiency, we are able to identify areas where we have been most successful and recognize where there can be even further improvements.

The Group's ultimate goal is to reach new heights in its environmental benchmarks as a company, while acting as a pioneer in our industry to help combat global climate change and safeguard the environment for future generations. As part of that pledge, Savola renewed its ISO 14001 certification in 2023, continuing its commitment to world-class standards of sustainability management.

In the journey towards sustainability, the Group has been steadily paving the way for a greener future. This commitment is evident in the Group's energy-saving initiatives, which include the replacement of in-store fluorescent lighting with LEDs completed at 58% of the Panda stores. Over the past 4 years, many of the Group's entities and subsidiaries saw significant decreases in energy consumption. We are working with IFI, AICE and ASC to explore ways to mitigate our carbon footprint further.

Fuel Consumption

Over the past few years, companies within the Group have navigated significant shifts in fuel consumption, each with its unique story. AICA, amid increasing production volumes, managed to reduce its fuel consumption per metric ton, demonstrating improved energy efficiency despite using more fuel overall. USCA faced an unexpected challenge in 2022, when a steam turbine overhaul led to reliance on diesel generators, temporarily altering their fuel use patterns. IFI experienced a surge in production, with a notable 32% increase in fuel consumption in 2022 compared to the previous year, reflecting their growth trajectory. AICE, while maintaining a smaller fuel footprint, made strides in reducing consumption per metric ton, emphasizing energy optimization. Meanwhile, ASC balanced growth and sustainability by increasing their final product output by 3.3% in 2023 while slightly reducing natural gas consumption by 2.6% compared to 2022. These stories of adaptation and efficiency highlight the evolving strategies companies employ to manage fuel consumption in an ever-changing industrial landscape.

Company	Fuel Type (liters)	Consumption per Metric Ton	Total Fuel Consumed	Consumption per Metric Ton	Total Fuel Consumed	Consumption per Metric Ton	Total Fuel Consumed
		2023	2023	2022	2022	2021	2021
AICA	Diesel	19.00	8,740,337.00	20.00	9,359,026.00	19.80	8,954,414.70
USCA	Light Arabian Crude	63.80	67,321,380.00	73.20	85,670,497.00	73.67	89,480,319.00
IFI	Diesel	68.41*	4,476,137.00	68.05	4,504,695.00	52.23	2,691,232.00
AICE	Diesel	0.38	116,652.00	0.60	174,794.00	0.80	196,679.00
ASC	Natural Gas	290.90	52,167,023.00**	298.60	50,119,379.00	296.00	54,667,723.00

* Increase in consumption per metric ton at IFI is due to change in the refining process and material used throughout in 2023.

** Increase in total natural gas consumed for ASC is due to increase in production in 2023 and higher number of operational days in 2023 vs 2022 on account of longer season.

Electricity usage

The story of Savola Group's energy journey is one of constant vigilance and adaptation. The below table offers a glimpse into the electricity usage across the Group's various entities from 2020 to 2023. Each number and data point is a chapter in the narrative of how these companies – HQ, AICA, USCA, ASC, and Panda – have managed their energy needs in the face of evolving demands and sustainability goals.

Company	Type	Consumption per Metric Ton	Total Energy Consumption	Consumption per Metric Ton	Total Energy Consumption	Consumption per Metric Ton	Total Energy Consumption
		2023	2023	2022	2022	2021	2021
HQ	Electricity (kWh)	-	2,628,301.00	-	2,652,696.00	-	2,331,926.00
AICA	Electricity (kWh)	114.94	53,816,006.00	119.71*	55,756,301.00	125.39	56,470,216.00
USCA	Electricity (kWh)	73.80**	84,967,034.00	71.50	85,491,632.00	73.00	88,896,044.00
ASC	Electricity (kWh)	246.60	44,224,100.00***	251.00	42,125,828.00	244.90	45,220,300.00
Panda****	Electricity (kWh)	-	520,498,100.43	-	545,186,515.37	-	599,917,624.60

* In preparing our data for this year's report, last year's numbers were reviewed. We have uncovered some incomplete disclosures and - to be transparent and accurate - are publishing the corrected numbers in tandem with the environmental outcomes for this reporting period.

** The increase in USCA consumption per metric ton is due to a planned shutdown that had affected the readings

*** Increase in total electricity consumed for ASC is due to increase in production in 2023 and higher number of operational days in 2023 vs 2022 on account of longer season.

**** In 2023, Panda conducted a detailed assessment on the electricity consumption across its full portfolio covering years 2021, 2022, and 2023.

Reducing Consumption

Panda

Reducing the amount of paper and reducing Panda's print volumes combines both our commitment to sustainability and keeping pace with the digital development in the Kingdom. During 2023 we adopted a digital signature platform and replaced conventional business cards, facilitating seamless and sustainable networking. Finally, on the customer side, we replaced our in-store leaflets with digital leaflets significantly reducing paper usage, setting a new standard for eco-conscious operations in the retail industry.

We successfully replaced fluorescent lights with LEDs, which are 80% more energy efficient, in 80 stores, saving an estimated SAR 3.78 million. In addition, timers were installed in 163 establishments to turn off superfluous lights outside of operating hours, saving an extra SAR 3.87 million.

During 2023, we continued to deploy the greener refrigerant (R-448a) in all CXR refrigeration systems, further reducing our carbon footprint. Additionally, we are committed to maintaining smart thermostat technology at the remaining Panda stores. As a major additional service to our customers, we have gradually launched a one-stop shop fresh counter in selected stores, offering a range of freshly made juices, salads and soups that customers can enjoy in-store or take home.

Savola Foods Company

In 2023, USCA continued to use the new evaporator, which is now operating in triple effect mode thereby reducing the LAC fuel consumption from 62.3kg/MT to 61.5kg/MT during the periods of plant stability as many other operating periods were impacted with power and utility supply reliability issues resulting in site black out. The overall average for the year end was higher at 63.8kg/MT due to the same reliability issues.

USCA also installed 2 large wet dedusting systems to reduce the safety risks around silo areas and to control sugar dust and improve hygiene. The extra water consumption in these units was alleviated by redesigning the makeup water system and providing surplus hot water rather than desalinated water

Overall electricity consumption at USCA refinery increased to 73.8 kWh/ton sugar from 71.5 kWh/ton due to the same power and utilities interruptions. The site could have easily covered the additional electrical load from the projects that added equipment in retail automation and reactivation of dedusting units without increasing the electrical overall consumption with the improvements in place. The refinery continues to optimize the electrical power demand by not running extra load in equipment that may not be required at times, like the cooling fans on the condenser circuit and other equipment in the rest of the plant, to mitigate the power increase. We expect to get the full benefit of these improvements in 2024.

USCA also constructed and commissioned a new Flue Gas Desulfurization (FGD) Plant, which aims to maintain the boiler emissions complying with the local environmental regulations.

In addition, Bayara installed LED lights inside the making and packaging lines. Thereby reducing the electricity consumption.

During 2023, ASC has efficiently improved electricity consumption from 251.0 kWh/ton sugar to 246.6 kWh/ton Sugar by controlling the consumption with production rates, stop any standby pumps, compressors. We have also started to replace existing motors with a higher grade of optimized motors which will help reduce power consumption 5-7%.

ASC has continued the journey for energy optimization tackling several projects to improve steam consumption across the whole process starting from controlling the

draught juice in the diffuser to ensure balancing the ‘sugar extraction vs steam consumption’ and has an aggressive plan for adding steam traps in the production area like in first and second evaporators.

A comprehensive overhauling of PHE plates was implemented at ASC and a new wide gap PHE has been added to improve steam consumption for the exhaust steam from vacuum pans. A robust overhaul of the pulp dryer’s internal shell was also implemented to decrease the heat leakage which dropped the pulp dryer NG consumption/ton from 298.6 to 290.9 m³/ton of sugar.

Additionally, ASC has installed a wet dedusting system to reduce the safety risks around the pellets production station.

Meanwhile, Afia International Company – Arabia (AICA) reduced its total diesel consumption by 7%, from 9.4 million liters in 2022 to 8.7 million liters, despite an increase in overall production volumes. 5.1% reduction in diesel consumption per metric ton was achieved by improving the efficiency of the steam network and maximizing production from refineries. Enhancements in boiler efficiency, the replacement of steam traps, and daily site monitoring and repairs also contributed to the reduction. The replacement of burners in both high-pressure and low-pressure boilers further decreased diesel usage. Additionally, AICA implemented several energy-saving projects, resulting in around 8% reduction in electricity consumption, from 124 kW/MT to 114 kW/MT, through optimized operation planning, such as shutdowns and line changeovers.

Clean and Efficient Energy

Panda

During 2023, we continued our program to eliminate power generators at Panda stores, which has resulted in more than 90% of retail outlets being connected to the Saudi Consolidated Electric Company grid. We are proud to say we are constantly conserving our energy use as well as making significant reductions.

In 2023, Panda Retail Company demonstrated its commitment to conservation and sustainability by continuing to use new air curtains on cold chain facilities and auto-purgers in refrigeration plants to increase condenser efficiency. Our efforts were

recognized by CHEP Pooling Company, awarding us the 2023 Excellence in Sustainability Environmental Certificate. This recognition highlights our significant achievements, including saving over 1.2 billion units of wood resources, reducing emissions by approximately 7.24 million kg, and cutting down on over 562,000 units of waste.

Many mitigation measures were taken to avoid an actual hit and/or increase in consumption due to the challenging specifications of required white sugar which was reduced from 45 IU to 35 IU to enable USCA to compete with the new refineries and fully satisfy the B2B customers.

SFC GHG Emissions Scope 1&2 (tCO2e)



As already noted, USCA has commissioned a new Flue Gas Desulfurization (FGD) Plant, which aims to maintain the boiler emissions complying with the local environmental regulations.

Panda Emissions

Fleet and Fuel

The past year was characterized by the opening of new Panda stores in remote areas, requiring upscaling logistics and the acquisition of new trucks. The potential growth in emissions has been managed by fitting the new trucks with EUR 5 and EUR 6 engines. Further emission reduction is planned with the model optimization to reduce both the number of kilometers and fuel consumption.

Pallet Recycling

In line with Saudi’s Vision 2030 to support both local and national content as well as sustainable environmentally friendly businesses in the Kingdom, we have partnered with PACK Pallets to use their red PACK Pallets in Panda’s supply chain. By doing this Panda saved over 1.2 billion units of wood resources, reducing emissions by approximately 7.24 million kg and reduced waste by more than 562,000 units and was awarded a certificate in Environmental Excellence from CHEP.

Climate Change and Emissions

Climate change is a global pre-occupation and Savola Group is taking steps to manage emissions to mitigate climate change. Going forward we are committed to setting targets that are aligned with national and global ambitions, as well as taking steps to accurately measure emissions across our entire portfolio.

SFC Emissions

Savola Foods Company is in the process of signing a commitment with the Science Based Targets Initiative (SBTi) to reduce emissions by 30% by 2030. SFC is already on track with its energy management programs and has reduced Scopes 1 and 2 greenhouse gas emissions by 15% between 2019 and 2023.

Greener Refrigerants

As one of the hottest regions in the world, temperature regulation in the Middle East is a vital but expensive necessity, with a detrimental effect on our surroundings. To help combat this, Panda introduced smart thermostats across 98 outlets to monitor, manage and optimize air conditioning, ensuring retail goods are kept in the best environment and our employees and customers are comfortable. Through this initiative alone, the company has saved SAR 5.1 million.

As we continue our drive towards even more environmentally friendly operations, we are constantly adopting new technology, such as the Internet of Things (IOT). This has become an essential contributor to remote monitoring, including new refrigeration systems which take pre-emptive measures before equipment failure. In 2023, we integrated this system into 49 stores.

The deployment of apparently simple energy changes has a huge impact on our business and sends a strong statement about our dedication to the earth.

Water Consumption

Many of Savola's targets to achieve sustainability global best practices include the responsible use of water and sustainable waste management, in line with the goals of Saudi Vision 2030.

Savola Foods Company

At USC, water consumption was also impacted by the reliability issues suffered in the power and utility section as the refinery uses a lot of water to gain back control after such interruptions plus the extra washings etc. that must be completed to get back to normal sugar production. As a result, the water consumption for 2023 at our Saudi Arabia plant increased slightly to 0.430kg/MT from 0.407kg/MT in 2022. Mitigation efforts included redesigning the water makeup system for dedusting wet scrubbers to take from the refinery's hot water as a closed loop rather than fresh desalinated water. The refinery has also adopted systems to maximize the level of recycled water quantity inside the plant to reduce overall water consumption.

On the other hand, our site delivered an improved water discharge rate from 0.033 m³/ton in 2022 to 0.0269 m³/ton in 2023 representing a reduction of around 40% despite the challenges faced during the year and on a similar total annual sugar tonnage.

ASC sustained its lowering rate of water consumption from 3.38 m³/MT in 2022, to 3.11 m³/MT in 2023, by using water content in the beet instead of raw water from the canal, in

addition to continuous influent water treatment from 4.31 m³/MT in 2022 to 3.69 m³/MT in 2023, although we have limited capacity for WWTP.

In 2023, at our Egypt site, we operated Boiler 1 with Boiler 2 after modifications done by Thermax, which decreased gas consumption per ton of refined sugar from 97 in February to 73 in September. This allowed us to stop renting a boiler with high gas consumption and cease reliance on the grid and diesel generators.

- For Boiler 2, we changed the superheater, reducing gas consumption per ton of steam from 85 to 74, which led to a decrease in water consumption per ton of fine sugar from 0.66 in February to 0.5 in December.
- We also increased the capacity of the R.O. unit, reducing water consumption from the city water line from 7,500 m³ to 3,000 m³ in December 2023.
- Additionally, we recycled treated water for irrigation to reduce water disposal.

Afia has seen a commendable reduction in water usage per metric ton, dropping from 0.76 m³/MT in 2020 to 0.60 m³/MT in 2021, and further to 0.66 m³/MT in 2022. In 2023, there was a significant reduction to 0.583 m³/MT, indicating continuous efforts in improving water efficiency.

ASC maintained a relatively stable water consumption pattern, with minor fluctuations: 3.20 m³/MT in 2020, reducing to 3.11 m³/MT in 2021, and slightly increasing to 3.38 m³/MT in 2022. In 2023, consumption was brought back to 3.11 m³/MT.

USCE reported a water consumption per metric ton of 0.43 m³/MT in 2023, with a corresponding total water usage of 279,487 m³. IFI improved efficient utilization of water per produced unit by 3.9%.

Water Consumption per metric ton

Company	2023 (m ³ /MT)	2023 (m ³)	2022 (m ³ /MT)	2022 (m ³)	2021 (m ³ /MT)	2021 (m ³)
HQ	-	7,088	-	6,982	-	6,735
Afia	0.583	260,893	0.66	297,470	0.60	239,517
ASC	3.11	558,229	3.38	567,023	3.11	574,287
USCA	0.43**	494,913	0.407	489,819	0.405	492,533
USCE	0.43	279,487	-	-	-	-
Panda	-	985,698.70*	-	216,574	-	228,657

* Panda's water consumption accounts for 134 out of 242 facilities. The increase in the water consumption between previous years and 2023 is due to an increase of coverage in the number of facilities

** The increase of water consumption at USCA is due to a planned shutdown that affected the readings

Total Volume of Water Discharged per metric ton

Company	2023 (m ³ /MT)	2023 (m ³)	2022 (m ³ /MT)	2022 (m ³)	2021 (m ³ /MT)	2021 (m ³)
Afia	0.299	140,312	0.319*	148,615*	0.31	134,337
USCA	0.0269	31,010	0.033	39,173	0.045	54,842
ASC	3.69	662,320	4.31	722,510	4.06	750,110
USCE	0.15	99,741	-	-	-	-

* In preparing our data for this year's report, last year's numbers were reviewed. We have uncovered some incomplete disclosures and - to be transparent and accurate - are publishing the corrected numbers in tandem with the environmental outcomes for this reporting period.

Waste Management

Waste management at Savola remains a core focus area in the Group's broader environmental strategy. Savola seeks to actively reduce waste from our operations, driving continuous improvement to enhance efficiency and limit environmental impact.



Savola Foods Company

At SFC, we work exclusively with licensed waste management contractors to ensure proper disposal or recycling of both hazardous and non-hazardous wastes, i.e. the generation, recycling, and disposal of all waste is strictly regulated with an integrated a comprehensive waste management system that includes waste separation, storage and disposal in accordance with environmental regulations.

The internal production team, warehouse management and finance are in charge of the internal recycling procedures. The procedure is also monitored by Environment, Health and Safety. Waste from cartons, cans, steel and plastic is given to other companies for recycling, along with some of our production byproducts, so they are not dumped in landfills.

The flue gas desulfurization (FGD) system for converting the carbocake was completed in 2023.

At Afia Arabia, cartons grammage optimization has led to less paper use.

The bulk of the oil product waste is converted into soap, biofuels, chemicals and poultry feed. Sugar and pasta waste are also converted into useful products such as molasses.

SFC's waste conversion is detailed in the table below:

Oil

Category/Product	Type	Recycle/ Application	Quantity MT
Algeria			
Acid Oil	Soya	Biofuel - poultry feeding	4,228
Fatty Acid	Soya	Supplements / chemical	288
Total			4,516
Turkey			
Acid Oil	Mixed	Biofuel - poultry feeding	2,040
Acid Oil	Palm	Poultry feeding	180
Filter Aid	Winterized cake	Poultry feeding	600
Acid Oil	Olive oil	Poultry feeding	50
Sludge	Sludge	Poultry feeding	720
Total			3,590
KSA			
Fatty Acid	Palm	Soap industry	900
Fatty Acid	SF	Supplements / chemical	100
Soap Stock	Soap stock	Soap industry / convert to acid oil	6,000
Total			7,000
Egypt			
Fatty Acid	Palm	Poultry feeding	899
Fatty Acid	Mixed oil fatty acid	Supplements / chemical	1,326
Gums	Gums	Convert to acid oil	986
Total			3,211
IFI			
Fatty Acid	Palm kernel	Soap industry	400
Total			400
Central Asia			
Fatty Acid	Mixed	Supplements / chemical	2,438
Soap Stock	Soap stock	Convert to acid oil	6,582
Total			9,020
Total oil			27,737

Sugar

Category/Product	Type	Recycle/ Application	Quantity MT
KSA-USCA			
Molasses	Molasses	Poultry feeding	26,400
Total			26,400
Egypt-USCE			
Molasses	Molasses	Poultry feeding	20,947
Total			20,947
Alexandria-ASC			
Molasses	Molasses	Poultry feeding	65,038
Beet Pulp Pellets	Beet pulp pellets	Poultry feeding	67,303
Total			132,341
Total Sugar			179,688

Pasta

Category/Product	Type	Recycle/ Application	Quantity MT
Product Scrap		Poultry feeding	600
Dough		Poultry feeding	516
Regrind		Poultry feeding	1,604
Wheat Bran		Poultry feeding	34,459
Total Pasta			37,179

Saudi Arabia landfill waste* (MT)

Company	2023	2022	2021
HQ	64.8	64.8	135.0
Afia	3,076	2,461.36	2,635.29
USCA	23,785	23,065	20,382
IFI	270	315	212

* In preparing our data for this year's report, last year's numbers were reviewed. We have uncovered some incomplete disclosures and - to be transparent and accurate - are publishing the corrected numbers in tandem with the environmental outcomes for this reporting period.

Panda

At Panda, minimizing waste is a priority, so we have recycling initiatives in place at both our stores and bakeries. These include a pallet and tire recycling project as well as the recent introduction of reusable bags in-store, in addition to which we partner with RVM to recycle bottles of water. We also take steps to recycle cardboard, empty cartons and plastic bags.

Our decision to get into a contract with our present suppliers to divert fresh fruit that has gone bad onto animal farms for feed reflects our commitment to preventing waste. Although some deals have been reached with unaffiliated businesses, they have not yet been finalized. As a result, the majority of trash produced by the fresh food industry is now dumped in a landfill.

We sold SAR 5,315,595 worth of plastic boxes in the reviewed year, demonstrating our continued success in this area. Aluminum and other metals have comparable arrangements. In addition, we recycled 38,797 tons of wood and 18,084 tons of general material, or around 10% of what we utilize.

In order to decrease waste, Panda started with technology research, data analytics, and app development to establish the right product stock levels in each shop and RTC (reduced to clear) labeling was implemented to speed up the removal of items from the shelves.



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Appendices

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GRI Content Index

Statement of use	Savola Group has reported the information cited in this GRI content index for the period 1 January to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 4-7 (How We Add Value, At a Glance)
	2-2 Entities included in the organization's sustainability reporting	Page 102 (About this Report)
	2-3 Reporting period, frequency and contact point	Page 102 (About this Report)
	2-4 Restatements of information	There are no restatements from the previous report
	2-5 External assurance	This report has not been externally assured
	2-6 Activities, value chain and other business relationships	Pages 32-43 (Our Business)
	2-7 Employees	Pages 64-77 (Our People)
	2-9 Governance structure and composition	Pages 40-41 (Robust Corporate Governance)
	2-10 Nomination and selection of the highest governance body	Pages 40-41 (Robust Corporate Governance)
	2-11 Chair of the highest governance body	Page 40 (Savola Group Board of Directors)
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 42 (Effective Risk Management)
	2-13 Delegation of responsibility for managing impacts	Page 42 (Effective Risk Management)
	2-14 Role of the highest governance body in sustainability reporting	Pages 16 (Our Approach to Sustainability) Pages 17 (Managing Environmental, Social and Governance Impacts)
	2-15 Conflicts of interest	Savola Group Annual Report 2023 : Page 105-107 (Transactions with related parties that took place during 2023)
	2-16 Communication of critical concerns	Page 17 (Managing Environmental, Social and Governance Impacts)
	2-17 Collective knowledge of the highest governance body	Page 40 (Savola Group Board of Directors)
	2-22 Statement on sustainable development strategy	Pages 10-12 (Savola Group CEO's Statement)
	2-23 Policy commitments	Page 18-21 (Alignment with Global and National Initiatives)
	2-24 Embedding policy commitments	Page 18-21 (Alignment with Global and National Initiatives)
	2-25 Processes to remediate negative impacts	Page 38 (Savola Integrity Hotline, Panda Speak Up Program)
	2-26 Mechanisms for seeking advice and raising concerns	Page 38 (Savola Integrity Hotline, Panda Speak Up Program)
	2-27 Compliance with laws and regulations	Page 38 (Compliance with Laws, Rules and Regulations)
	2-28 Membership associations	Page 80 (Certifications, Memberships, and Associations)
	2-29 Approach to stakeholder engagement	Pages 22 – 24 (Stakeholders)

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 25 (Materiality)
	3-2 List of material topics	Page 26 (Material Topics)
GRI 201: Economic Performance 2016	3-3 Management of material topics	Pages 32-43 (Our Business)
	201-1 Direct economic value generated and distributed	Page 4 (How We Add Value)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Page 17 (Managing Environmental, Social and Governance Impacts); Page 93 (Climate Change and Emissions)
	3-3 Management of material topics	Pages 46-61 (Our Community)
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Pages 46-61 (Our Community)
	3-3 Management of material topics	Page 86 (Supply Chain and Procurement)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 86 (Supply Chain and Procurement)
	3-3 Management of material topics	Page 38 (Business Ethics and Integrity)
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 43 (Enterprise Risk Management Framework)
	205-2 Communication and training about anti-corruption policies and procedures	Page 38 (Business Ethics and Integrity)
	205-3 Confirmed incidents of corruption and actions taken	Page 38 (Business Ethics and Integrity)
GRI 206: Anti-competitive Behavior 2016	3-3 Management of material topics	Page 38 (Business Ethics and Integrity)
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 38 (Compliance with Laws, Rules and Regulations)
GRI 207: Tax 2019	3-3 Management of material topics	Savola Group Annual Report 2023 : Pages 143 and 162 (Notes to the Consolidated Financial Statements)
	207-1 Approach to tax	Savola Group Annual Report 2023 : Page 143 (Notes to the Consolidated Financial Statements)
	207-2 Tax governance, control, and risk management	Savola Group Annual Report 2023 : Page 171 (Notes to the Consolidated Financial Statements)
	207-3 Stakeholder engagement and management of concerns related to tax	Savola Group Annual Report 2023 : Page 76 (Potential Risks)
GRI 302: Energy 2016	3-3 Management of material topics	Pages 90-93 (Climate Change and Energy Consumption)
	302-1 Energy consumption within the organization	Pages 90-93 (Climate Change and Energy Consumption)
	302-2 Energy consumption outside of the organization	Pages 90-93 (Climate Change and Energy Consumption)
	302-4 Reduction of energy consumption	Pages 91-92 (Reducing Consumption)
	302-5 Reductions in energy requirements of products and services	Pages 91-92 (Reducing Consumption)
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Page 94 (Water Consumption)
	303-1 Interactions with water as a shared resource	Page 94 (Water Consumption)
	303-3 Water withdrawal	Page 94 (Water Consumption)
	303-4 Water discharge	Page 94 (Water Consumption)
	303-5 Water consumption	Page 94 (Water Consumption)

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE
GRI 305: Emissions 2016	3-3 Management of material topics	Page 93 (Climate Change and Emissions)
	305-1 Direct (Scope 1) GHG emissions	Page 93 (Climate Change and Emissions)
	305-2 Energy indirect (Scope 2) GHG emissions	Page 93 (Climate Change and Emissions)
	305-5 Reduction of GHG emissions	Page 93 (Climate Change and Emissions)
GRI 306: Waste 2020	3-3 Management of material topics	Pages 95-97 (Waste Management)
	306-1 Waste generation and significant waste-related impacts	Pages 95-97 (Waste Management)
	306-2 Management of significant waste-related impacts	Pages 95-97 (Waste Management)
	306-3 Waste generated	Pages 95-97 (Waste Management)
	306-4 Waste diverted from disposal	Pages 95-97 (Waste Management)
	306-5 Waste directed to disposal	Pages 95-97 (Waste Management)
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Page 22 (Stakeholders)
GRI 401: Employment 2016	3-3 Management of material topics	Pages 64-77 (Our People)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 69 (Employee Benefits)
GRI 402: Labor/Management Relations 2016	3-3 Management of material topics	Pages 64-77 (Our People)
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Page 74 (Exceptional Employee Health and Safety)
	403-1 Occupational health and safety management system	Page 74 (Exceptional Employee Health and Safety)
	403-2 Hazard identification, risk assessment, and incident investigation	Page 74 (Exceptional Employee Health and Safety)
	403-3 Occupational health services	Page 74 (Exceptional Employee Health and Safety)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 74 (Exceptional Employee Health and Safety)
	403-5 Worker training on occupational health and safety	Page 74 (Overall Training on Health and Safety)
	403-6 Promotion of worker health	Page 74 (Exceptional Employee Health and Safety)
	403-8 Workers covered by an occupational health and safety management system	Page 74 (Exceptional Employee Health and Safety)
GRI 404: Training and Education 2016	3-3 Management of material topics	Pages 71 – 74 (Delivering Training and Development)
	404-1 Average hours of training per year per employee	Page 72 (Training and Development)
	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 71 – 74 (Delivering Training and Development)
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 74 (Performance and Career Development Reviews)

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Page 75 (Diversity, Equity and Inclusion)
	405-1 Diversity of governance bodies and employees	Page 68 (Our Workforce in 2023)
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Page 38 (Business Ethics and Integrity)
	406-1 Incidents of discrimination and corrective actions taken	Page 38 (Business Ethics and Integrity)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 46-61 (Our Community)
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Page 22 (Stakeholders)
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Page 38 (Business Ethics and Integrity)
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 38 (Business Ethics and Integrity)
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	Page 85 (Health, Nutrition and Packaging)
	417-1 Requirements for product and service information and labeling	Page 85 (Health, Nutrition and Packaging)
GRI 418: Customer Privacy 2016	3-3 Management of material topics	Page 38 (Business Ethics and Integrity)
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 38 (Business Ethics and Integrity)

About this Report

This is Savola Group's 9th Sustainability Report, covering the period from 1 January to 31 December 2023. The previous Sustainability Report covered the period from 1 January to 31 December 2022. The company is committed to communicating our diverse sustainability and CSR activities through an annual Sustainability Report to inform and engage all our stakeholders.

Scope and Boundaries

This Report covers the sustainability approach, priorities, activities, performance and achievements of our operating companies within the Kingdom of Saudi Arabia, including Panda, Retail Company, Afia International Company, United Sugar Company, International Food Industries (IFI) and the Group's Headquarters (HQ). It does not include the activities or performance of our suppliers, contractors or partners, unless stated.

Report Structure

The content of the Sustainability Report is based on the strategic priorities identified and Savola Group's responsible business framework, which consists of the following pillars:

- Business
- Employees
- Community
- Environment
- Sector

Savola Group, as a whole, and our manufacturing facilities, in particular, adopt a precautionary approach to all decisions. We are proactive in our risk management strategies concerning climate change and the environmental impact of our activities, performing regular reviews of risk in our operations, and supply chain.

International Standards

This Report has been prepared in accordance with the GRI Standards: Core option.

The Sustainability Report is also aligned with the newly published Saudi National Standards for Sustainability Reporting.

External Assurance

We do not commission independent assurance of our Sustainability Report.

Support

The 2023 Sustainability Report was developed with the guidance and support of Instinctif Partners MENA.

Previous Sustainability Reports

You can view our previous Sustainability Reports and the Group Annual Report at www.savola.com.

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